REAUTHORIZATION OF THE POST-INTERSTATE SURFACE TRANSPORTATION PROGRAMS

(101-82)

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BEFORE THE

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OF THE

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ONE HUNDRED FIRST CONGRESS

SECOND SESSION

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REAUTHORIZATION OF THE POST-INTERSTATE SURFACE TRANSPORTATION PROGRAMS

THURSDAY, MARCH 8, 1990

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON SURFACE TRANSPORTATION,
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, DC.

The subcommittee met, pursuant to notice, at 2 p.m., in room 2167, Rayburn House Office Building, Hon. Norman Y. Mineta (chairman of the subcommittee) presiding.

Mr. MINETA. The Subcommittee on Surface Transportation will please come to order.

This is a rapidly changing world. In recent events in Europe and elsewhere, if anything, it should teach us the lesson that this is an age for truth.

The truth is that the challenges facing the United States today rest more here at home than they do anywhere else. Today, I look at the state of our highways and mass transit systems, and I see these challenges. I also see the great promise of the United States of America.

Nineteen months from now, on September 30, 1991, our current five-year program of highway and mass transit assistance will expire.

We will have four million miles of highways and 438 transit systems in the United States by then. What will we do with them?

How will we use them to benefit the American people and to enhance the economic power we have here at home and, more importantly, throughout the world?

That's what we will need to decide during the next year and a half. In the past, some have chosen to view our transportation programs as a collection of individualized concerns. But, I strongly believe that we must look at our Federal transportation programs from a broader perspective.

I believe that we must define our efforts in terms of domestic economic development, our international competitiveness, public safety, quality of life, and a stable, consistent funding source.

Thirty-five years ago when President Eisenhower launched the Interstate Highway Program, military defense was a main concern.

Today, it is our economy which faces the most serious threat. We know that the costs of meeting our transportation needs will be substantial, but think of the price the United States has paid for being penny wise and dollar foolish in recent years.

Today, half our bridges are deficient. In the last ten years, urban congestion has increased by 50 percent. In the next ten years, 25 percent of our roadways are going to have to be resurfaced.

The simple truth is this. We must make investing in our transportation network a top National priority. There have been many recommendations made regarding the future of federal highway and mass transit assistance programs. But beauty is, after all, in the eye of the beholder.

A city public works director will view a good transportation program from one perspective. A local transit agency chief may see it another way.

A state transportation head may still see it another way. This is one reason why we have awaited the U.S. Department of Transportation's National Transportation Strategy to help answer questions and offer a sense of direction.

Our transportation network is the most expansive in the world, and it is also the most fragile. But being the biggest, in this instance, does not mean we're the best. We should be the best, and we should settle for nothing less.

Studies call for transportation investments of up to $3 trillion during the next 20 years. There are no more universal truths than these.

How we spend the money is as important as, if not more important than, how much money we have to spend. How we preserve and expand our transportation network has the potential to either make or break the U.S. economy in the years ahead, not to mention the air we breathe and our overall quality of life.

President Bush says he wants a kinder, gentler Nation, and that's nice, we all do. But you can't get from here to there unless you've got the roads and the bridges and the rail systems to move people and goods.

There must be money and purpose to match the words. The president's fiscal year 1991 budget provides neither. In fact, his budget slashes existing programs, falling way short on foresight and continues to bottle up billions of transportation trust fund dollars in OMB's version of a Swiss bank account, and that must stop.

Underfunding highway and mass transit programs may have made sense to some in the past for the sake of short term fiscal relief.

Underfunding in the future, however, could mean economic suicide in a new world in which butter, not guns, is the preferred commodity.

So the next few months, the Subcommittee on Surface Transportation will seek to determine how we can best prepare for the transportation challenges of the next century.

We can afford to do nothing less. So I look forward to working with my colleagues on this subcommittee, the full Committee on Public Works and Transportation, and with the Department of Transportation and its very fine Secretary of Transportation, Sam Skinner, to meet that responsibility.

We're fortunate to have a Secretary with vision, commitment, and a willingness to work together to fashion a good National Transportation Program.

So I look forward to his being here today as he unfolds his new program that was announced by the President this morning at 11:30.

Now I yield to my very fine colleague and working partner in this effort, Congressman Bud Shuster, of Pennsylvania.

Bud.

Mr. SHUSTER. Thank you very much, Mr. Chairman.

I certainly want to welcome you, Mr. Secretary, and your key advisors and helpers before the committee today. I want to congratulate you on the transportation policy statement which you have released today.

I think it is an excellent first step. It defines the needs for this country, it clearly indicates that, regardless of whose projections we take, our essential needs exceed the funds which are available, and indeed you put forward some very innovative ideas and thoughts.

The idea of expanding the toll roads, something which, in the 1987 Act, I was the author of the provision that provided for some pilot toll road projects, and now you're proposing that we go much further with this, and I think that is a big step in the right direction.

Also, you're focusing on the excellent concept of thinking in terms of matching funds not only in terms of States matching Federal dollars, but also in terms of tapping that tremendous reservoir of private investment which is out there, an idea which is exciting and an idea which can stimulate and accelerate the construction of new transportation systems by bringing the private sector into it and making them a full-fledged partner.

So I think that, too, is a very, very significant proposal in your policy. There are those who seem to want to criticize your policy statement even before it's off the press, those who claim, for example, that because it does not propose spending more Federal dollars, it must somehow be lacking.

But it seems to me that you are keeping the horse in front of the cart, as you should, in the policy which you have proposed today.

Starting out by talking in terms of spending more federal dollars is exactly the wrong thing to do. Our starting point should more properly be, as you have proposed, getting more bang for the buck, getting more dollars utilization, both in terms of innovative funding, and certainly I was pleased to see also that you emphasized in your report the absolute importance of preserving the integrity of those trust funds.

I would go a step further and say that I think one of the first things we've got to do is take the trust funds off the budget, and we've got to recognize that even though there are obligations on the books which exceed the surpluses in the current trust funds, we, of course, know that that's not the way you measure it.

You measure it by looking at what the flow of cash is going to be into the trust funds over many years, so I think that your approach is exactly as it should be with regard to the question of more federal dollars.

That's not the first thing we should talk about; if necessary, it's one of the last things we should talk about. If indeed there is a need for increased federal user fees in the future, then so be it.

We should address that issue at the proper time. In fact, when we call for the States increasing their participation, it seems to me that one of the ways we may best be able to get them to increase their participation is by us increasing our participation as well.

But I think that's a future battle, not the first thing that we should be talking about. We should be doing these other constructive proposals which you make, and I salute you and certainly Dr. Larson, Mr. Clymer, Mr. Curry, all of you for your efforts in this regard.

Thank you, Mr. Chairman.

Mr. MINETA. Thank you very much, Bud.

Now I would like to call on the very fine Chairman of the full Committee on Public Works, the gentleman from California, Congressman Anderson.

Mr. ANDERSON. Thank you, Mr. Chairman.

I want to congratulate you and the subcommittee for starting this series of hearings to develop a comprehensive and all-encompassing look at the nation's transportation programs.

It's very important that we have that record as we begin the reauthorization process. The last two times that the Highway Trust Fund Programs were reauthorized, I sat in your seat.

Mr. Chairman, one of the things I learned during those processes was how carefully the very wise advice of the full committee Chairman, and I hope it continues that way, who formerly Chaired the Subcommittee on Surface Transportation, should be followed.

I also learned that the effort you are embarking upon will be among the most challenging, rewarding, and frankly fun work that you will do as Chairman of this subcommittee.

I also want to join in welcoming Secretary Sam Skinner to our hearings and to thank you, Mr. Secretary, for being here to get us started on the reauthorization process.

I think this is our third or fourth meeting, I believe, in the last two days, maybe five, on different issues, but it shows how important these transportation issues are.

I'm glad that all of us, the committee, the Department of Transportation, are all working toward the same goal of a better transportation system.

Your release of the department's policy statement comes at a significant time for us. We are nearing completion of the Interstate Highway System, and that gives us the opportunity to take a new look at the federal policies which will take our highway and perhaps the programs into the 21st century.

We face a growing transportation crisis in this country, there is increasing traffic and congestion on a highway system that is crumbling, and we must upgrade and repair our existing systems while meeting our growing transportation capacity needs.

Possibly, our most important goal will be developing a transportation system that can cope with the massive growth in suburban travel.

Not everyone wants to go downtown anymore, there's a growing trend toward travel between two suburban points rather than a suburb and central city.

Much of this travel takes place in congested conditions, so we must develop a program to meet the needs of suburban travelers.

At the same time, any program we develop must be consistent with the very important environmental concerns that we face, especially in the field of clean air.

In that regard, Mr. Secretary, I have some concerns about your policy statement that I would like to express now and get into further when we get down to questioning.

First, I don't understand how a national transportation policy can downplay the role of mass transit to the extent that I feel yours does.

To me, transit must be a vital component in the development of comprehensive, efficient, and environmentally sensitive transportation systems, and I see very little in your policy statement to make me believe that we are developing a national policy on mass transit that would result in anything more in the future but fare increases and service reductions.

Developing a national policy on mass transit requires forthright and bold leadership, and the development of these systems is a problem that must be approached from the National perspective, much as the Interstate Highway Program was in the mid-1950s.

Your policy I don't believe provides that leadership. Second, I see no assurance in your policy statement that we can expect the spending of the balances in the trust funds.

The fiscal year 1991 budget cites an uncommitted balance in the Highway Trust Fund of $19 billion. This money has been paid by the American highway users in the expectation that it will be used for transportation purposes.

We are deceiving them by not spending the money for highways and transit, despite the staggering needs which exist.

The transportation policy also does nothing to convince me that the deception of the American taxpayer that has been continuing for years will stop.

It does nothing to show me a recognition that the Nation is facing a growing transportation crisis. We have this money available in the trust funds ready to be spent to meet this crisis, and that action alone would do more for our transportation problems than any other piece of paper.

It's impossible to disagree with a goal of developing a better transportation system. When I come to the crunch of making a National commitment to invest in our future, the report, I feel, is lacking.

The resources are already in place to start making that investment by spending the trust fund balances. I think we should start that effort as soon as possible, and taking the trust fund balances off the budget is a step in that direction.

But I think we must spend that money. I hope that when we move beyond the general statements in the policy to more specifics that you'll be able to give us a little more assurance on what we would do with these trust funds.

I won't take any more of the subcommittee's time at this point. I want to thank you, Mr. Chairman.

I do want to congratulate the Secretary and, again, the President today for calling the meetings that we've had to help us bring these problems before us.

Thank you, Mr. Chairman.

Mr. MINETA. Thank you very much, Mr. Anderson.

I'd like to call on the ranking Republican on the full Committee on Public Works and Transportation, the very fine gentleman from Arkansas, Mr. Hammerschmidt.

Mr. HAMMERSCHMIDT. Thank you very much, Mr. Chairman.

Mr. Chairman, I would like to join the Chairman of the full committee, Mr. Anderson, in commending you and Mr. Shuster for scheduling these five days of hearings to look at reauthorization of the Federal Highway and Mass Transit Program.

You know, this subcommittee has a great challenge, it has a great responsibility, it also has a great opportunity before it.

With the interstate system nearing completion, we can take a fresh look at fundamental elements of our Surface Transportation Programs that have been in place over three decades.

We have a lot of experience to build on there, and we can take steps to prepare for the future. The decision we make in this authorization process could influence our Nation's mobility well into the next century.

I would just comment on the trust funds. We do want to spend them down, but it isn't entirely the Executive Branch's fault, because if you remember, it is the Congress, the Appropriations Committee, that puts a ceiling, a cap, on those trust funds.

So there's enough blame to go around on why we aren't spending that money, and I would remind our colleagues that we have to look at our own operation as well as look downtown.

I do want to extend a warm welcome to you this afternoon, Secretary Skinner, and thank you for appearing before this subcommittee today.

As the Chairman said, you're the most energetic Secretary we've had around here in I don't know when. We've had five meetings since yesterday, and we appreciate you being at the fifth one.

But your efforts to stress the importance of transportation issues with the public and with President Bush have been highly successful.

It is clear that if we are to thrive in this competitive global economy of the future, the efficiency of our national transportation system will be critical.

Like many others, I had been eagerly awaiting your National Transportation Strategy, and I look forward to hearing your recommendations.

Thank you.

Mr. MINETA. I thank the gentleman from Arkansas.

Mr. Rahall.

Mr. RAHALL. Thank you, Mr. Chairman.

I join in welcoming you to the subcommittee today, Mr. Secretary. I want to especially thank you for the visit to my home State of West Virginia you made back in January in which you presented to our State a big, flat piece of cardboard, and it happened to represent a commitment to our infrastructure needs in West Virginia. Governor Caperton and Senator Robert Byrd, the Mayor of Huntington, and I were most delighted and appreciative of your efforts to help us complete that bridge going across Sixth Street into the State of Ohio from my home state.

I appreciate you taking the time to be with us in West Virginia. I do not plan on criticizing what was just announced today, but rather to make a few comments on what has already been in the public arena and what has already been addressed by both yourself and the President via his budget recommendations.

There's no question that we have to act, and we have to act quickly to address our infrastructure problems if we are to remain competitive in the world market place.

Although I could go through the figures of showing the need for infrastructure improvements, decaying bridges, roads in need of repair, et cetera, et cetera, I do not intend to do that this afternoon.

But the big question is what price do we pay in loss of productivity? I think there's no question that that price tag is huge.

The loss is astounding in terms of our productivity in this country. In the remarks you made before the Transportation and Research Board, you stated, and I quote,

> In the face of expanding international competition, we no longer can take transportation for granted. We need to maintain, expand and make our transportation system more productive. As a society, we should realize that when we invest in infrastructure, we not only increase productivity, efficiency and American competitiveness, but we also attract additional investment from the private sector.

I could not agree with these statements more. These are excellent sentiments; however, I think it is important that we also look at the facts that have been presented to us in the President's budget and make sure that those facts square with these sentiments that you have expressed.

That's where my big concern lies. For example, Amtrak funding is reduced from $646 million to zero; UMTA from $1.8 billion to $1.4 billion; essential air service, so important to my home State of West Virginia, is reduced from $30.6 million to $23.6 million; ARC is in for a big reduction.

We could go on and on and on down the list of these reductions in programs that don't seem to square with the statements that you have made.

We need to address our infrastructure needs, and we need to do it through financial commitment. That, like my other colleagues on this committee, is what I want to see take place.

Of course, we want to get more bang for our buck. That's a very worthy position to take. But at the same time, I think we have to stop chasing the most esoteric and costly defense systems, and we have to put those monies toward our infrastructure needs in this country.

We have to put them toward the future of this country, and that is right here at home. We must realize that we're no longer fighting a military war, we're fighting an economic war. Our threat is not communism, our threat is competition.

In that regard, I stand ready to work with you to ensure that our front line of defense, a sound infrastructure, is indeed provided for in our budget.

Thank you, Mr. Chairman.

[Mr. Rahall's prepared statement follows:]

STATEMENT OF HON. NICK J. RAHALL

There can be no question that we must act quickly to address our infrastructure problems if we are to remain competitive in the world marketplace. According to recent figures, it is estimated that more than 62% of paved roads in the U.S. are in need of repair, over 220,000 of the Nation's 575,000 bridges are either structurally deficient or functionally obsolete, and that some 30% of the bridges over 20 feet long are at least 50 years old, which is the average life-span of a bridge.

The price we pay in loss of productivity is astounding. It is estimated that the added cost of driving on bad roads is approximately $16.2 billion, or $99.60 per driver, and that we waste about 1.25 billion vehicle hours and 1.38 billion gallons of gasoline in traffic congestion on limited access highways per year. This is expected to increase to 6.9 billion hours and 7.32 billion gallons of gasoline by the year 2005.

In remarks made before the Transportation Research Board, Secretary Skinner said:

"In the face of . . . expanding international competition, we no longer can take transportation for granted. We need to maintain, expand, and make our transportation system more productive. . . . As a society, we should realize that when we invest in infrastructure, we not only increase productivity, efficiency, and American competitiveness, but we also attract additional investment from the private sector."

I could not agree more with these sentiments. Yet the President's budget request would reduce Amtrak funding from $646 million to $0, UMTA funding from $1.8 billion to $1.4 billion, the Essential Air Service from $30.6 million to $23.6 million, the Appalachian Regional Commission from $147.9 million to $50 million, and the list goes on. I do not see how we will address our infrastructure needs by decreasing our financial commitment.

Based upon how the President's Transportation policy has been described so far, I see only a continuation of this trend. Of most concern to me is the following statement made in an executive summary of the National Transportation Policy:

"Above all, it [the National Transportation Policy] embodies the ongoing shift from a heavy-handed Federal role to greater flexibility for and reliance on State, local, and private sector initiatives and resources."

This says to me quite simply, "yes we have transportation problems, let the states deal with it, the federal government does not have the money." As a representative from West Virginia, I can tell you that the States cannot deal with it, they do not have the money either, and they both need and welcome federal funds.

Mr. Chairman. This is not only a crisis for my state, it is a national priority. Are we to throw up our hands to the heavens every time we face a national need and turn our backs on the American people? West Virginians say no, I say no, and I hope our committee and this Congress will say no. It is time we faced our responsibilities to the country again.

If we are really serious about addressing our infrastructure problem, we will have to reorder our nation's priorities. We will have to stop chasing the most esoteric and costly defensive systems and put the money towards addressing basic infrastructure needs. We must realize that we are no longer fighting a military war, we are fighting an economic war. Our threat is not communism, it is competition. Our front line of defense is a sound, efficient infrastructure.

Mr. MINETA. Thank you very much.

Mr. Packard.

Mr. PACKARD. Thank you, Mr. Chairman. The last 35 years, the building of the interstate plan or fulfilling of the interstate plan has been a remarkable achievement, and it's certainly put this country in the forefront in terms of transportation and the movement of people and goods.

The next 30-year or so plan will become as critical to future of the country as what we have found the existing interstate plan has been in the past.

Certainly, the emphasis that you and the Administration is placing upon the development of such a plan is very heartening.

Those of us on the committee are very anxious to get deeply and quickly into the development of the new plan, and I know that you and your department, Mr. Secretary, are feeling the same.

I was particularly heartened to see your interest in the use of blending Government efforts with that of the private sector.

In California, where I've been working on transportation problems in the San Diego and Orange County areas, there is no question that we're moving in the direction of the private sector assisting us in doing what we cannot furnish all the funds to do publicly.

That's, I think, a move that we're going to have to incorporate into any plan that involves the long term future of transportation in this country.

The one disappointment, of course, and you're going to be hammered by almost all members of this committee on that obvious void, and that is the use of the trust funds to camouflage a deficit when they are so badly needed for transportation purposes.

I don't think any member of this committee is going to change their feeling on that, and we hope that you will recognize our feeling and work with us in helping to use those funds for the appropriate purposes.

Again, I'm so grateful that you're here and appreciate very much the work you've done in preparing us for moving into the new planning process.

Thank you very much, Mr. Chairman.

Mr. MINETA. Mr. Borski.

Mr. BORSKI. Thank you, Mr. Chairman.

Secretary Skinner, I also want to extend to you a warm welcome, and I want to give a particular warm welcome to Mr. Brian Clymer, the new Head of the Urban Mass Transit Administration. I believe this is his first time before our committee.

As a Philadelphian, I am very pleased that Mr. Clymer is heading up the federal agency which is responsible for our Nation's public transit policies.

Before coming to Washington, Mr. Clymer served many distinguished years as a member of the Board of Directors of SEPTA, Philadelphia's regional rail system.

He understands firsthand the importance of public transit and the challenges facing our Nation's transit system.

As one who believes that a strong public transit system is necessary to relieve traffic congestion, enhance U.S. competitiveness, and to improve our Nation's air quality, I must say, however, that I am somewhat disappointed and frustrated by what appears to be the Administration's policy of less aid to mass transportation throughout our country, and I look forward to your statements in questioning, sir.

Mr. MINETA. Thank you very much.

Mr. Grant.

Mr. GRANT. I have no opening statement, Mr. Chairman.

Mr. MINETA. Very well.

Mr. Payne.

Mr. PAYNE. Thank you very much, Mr. Chairman, and thank you for holding this hearing, the first in a series of hearings to begin the important process of reauthorizing the Federal-aid highway system.

Mr. Secretary, I certainly want to welcome you back here today and look forward very much to hearing your testimony.

I believe that we all share a deep concern for the condition of our Nation's infrastructure. I certainly know my fellow Virginians share that.

We have all seen and heard of roads that are falling apart, bridges that are on the verge of collapse, overcrowded highways, and other similar situations.

Our Nation's ability to grow and compete internationally is truly dependent on our ability to provide adequate and efficient modes of transportation, and we certainly need to examine how we maintain our current highway system, as well as upgrade and expand it.

Mr. Secretary, I want to commend you for holding the many meetings that you've held around the Nation in order to develop the national transportation policy, and while I have not yet had an opportunity to review this policy, I look forward to hearing your recommendations on the direction that our transportation network should follow into the next century.

Thank you.

Mr. MINETA. Thank you very much, Mr. Payne.

Mr. Hancock.

Mr. HANCOCK. I have no opening statement, sir.

Mr. MINETA. Very well.

Mr. Skaggs.

Mr. SKAGGS. Welcome, Mr. Secretary, gentlemen. I look forward to your testimony.

Thank you, Mr. Chairman.

Mr. MINETA. Mr. Hastert.

Mr. HASTERT. Thank you, Mr. Chairman.

I certainly greet the Secretary and certainly Tom Larson, who have made themselves very available to listen to ideas and to work with members of the Congress to try to put together a frame work for action.

I think there's a lot of insight in this plan. I commend you for the time and the work and the hearings and the drudgery that you went through to put this thing together and to listen to what people had to say.

I think that's certainly commendable, and I certainly agree with our minority leader, Mr. John Paul Hammerschmidt, and even the comments of Mr. Rahall, that says we need to have the sight to be able to prepare for the decade of the 1990s and the turn of the century when we need to be competitive and we need to be productive, because we're going to compete with the world, and we have to have the infrastructure there to do it.

So I commend you, and I'm looking forward to working with you. Of course, there are going to be adjustments as you go along on this thing, but we certainly appreciate your first effort.

Thank you, Mr. Chairman.

Mr. MINETA. Mr. DeFazio.

Mr. DEFAZIO. Thank you, Mr. Chairman.

Mr. Chairman, usually I refrain from opening statements, but I have to partake of our air transportation system shortly, and I won't have an opportunity to hear the Secretary's testimony, but I'd like to raise a few questions.

I think, in reference to some of the earlier remarks, I think it would have been a good first step in dealing with the transporta-

tion needs of this country until apparently the idealogues at OMB and the White House managed to transmute gold, which is my understanding from press reports of your first draft, into lead with their final draft.

I think it's really vintage George Bush White House material. The Twinkie transportation policy; airy light, with nothing but fluff at the core, and I hope it will have a shorter shelf life.

At a time when our highways are crumbling, our bridges are collapsing, our airways are becoming congested, dangerously, the Administration's solution is disengage. Wash your hands of the mess. Call it a local problem.

It's revenue sharing in reverse, Mr. Secretary. The Federal Government sucks up all the money, we even increase what we're taking for air transit, and we send the bills back to the States.

To deal with our infrastructure, we need vision, boldness, and commitment, not buck passing or timidity. For more than a decade, we've been underinvesting.

The Reagan Administration produced a report that showed us the tremendous needs of the next 20 years, half the bridges in the country need serious repair, close to a million miles of highway need resurfacing, in my home State of Oregon, we identified more than a billion dollars in highway projects for which there isn't money, and we're raising our own gas tax annually for the next ten years to pay for it. The neglect is haunting us in terms of productivity and competitiveness.

Fifty-four nations around the world spend more as a percentage of GNP on infrastructure than the United States. Japan spends five times what we do.

Mr. Skinner, I believe you are committed to dealing with our infrastructure. I believe you would like to see the Administration put forth an honest and responsible infrastructure plan.

I would like to ask you to provide us with the uncensored version of the plan, the plan before OMB and Mr. Sununu got through with it, and I'd like you to compare and contrast the two plans and enlighten this committee about the process the document went through and the policy recommendations in the report which did not originate within your department, and suggestions that OMB may have made which were adopted in your final report.

I believe that the committee could then act to provide honestly for the infrastructure needs of this country, but, unfortunately, this banned in Boston version is not going to do that for us.

Thank you, Mr. Chairman.

Mr. MINETA. Mr. Valentine.

Mr. VALENTINE. No opening statement, Mr. Chairman.

Mr. MINETA. Mr. Bosco.

Mr. BOSCO. No opening statement, Mr. Chairman.

Mr. MINETA. Mr. Visclosky.

Mr. VISCLOSKY. No opening statement, Mr. Chairman.

Mr. MINETA. Mr. Shuster.

Mr. SHUSTER. Mr. Chairman, I have a unanimous consent request, but before I make it, I'd like to point out to my good friend from Oregon that it was the Reagan Administration in 1982 which provided the last very substantial increase in funding for transportation, in fact, an increase of about 40 percent.

So the gentleman really doesn't have his facts right, and further I would point out, and even more to the point, that three times in the past two years we've had the opportunity in the Congress to take the aviation or highway trust funds off budget, and in each three of those votes, the Republican members of the House voted overwhelmingly in favor of taking those trust funds off budget so they could be spent, and the Democratic members of the House voted overwhelmingly against taking those funds off budget.

Beyond that, all four of the Democratic leadership, Foley, Gephardt, Gray and Hoyer, voted against taking those trust funds off budget.

So I'm sorry my friend from Oregon felt the need to try to make this so partisan, but since he has, I think it's important that we get the facts on the record.

Mr. DEFAZIO. Would the gentleman yield?

Mr. SHUSTER. With that——

Mr. DEFAZIO. Would the gentleman yield?

Mr. SHUSTER. No, I would not.

With that, I would ask unanimous consent that the statement of all I'm saying would be put in the record.

Mr. MINETA. Without objection, so ordered.

Mr. Secretary, we're pleased to have you here so soon after today's announcement of this policy, and we appreciate your clearing your schedule to do this, and so a copy of your statement is before us, and it will be made part of the record.

So if you would go ahead and proceed in your own fashion and introduce your colleagues. Thank you very much, Mr. Secretary, again, for your being here. We really do appreciate it.

TESTIMONY OF HON. SAMUEL K. SKINNER, SECRETARY OF TRANSPORTATION, ACCOMPANIED BY THOMAS D. LARSON, ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION; JERRY RALPH CURRY, ADMINISTRATOR, NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION; AND BRIAN W. CLYMER, ADMINISTRATOR, URBAN MASS TRANSPORTATION ADMINISTRATION

Secretary SKINNER. Thank you, Mr. Chairman.

I am delighted to be here with my own version of Denver's three amigos, General Curry, the NHTSA Administrator; Brian Clymer, who we now know, as I knew all along, but I'm glad the world knows, is our very able UMTA Administrator; and Dr. Larson, the former Secretary of Transportation from the State of Pennsylvania, who was former President of the Transportation Research Institute and one of the leading policy scholars in transportation in the Nation. He serves not only as the Federal Highway Administrator, but is the able Co-Chair of the National Transportation Policy Working Group.

I think if anyone reflects on what's happened the last few days, one must acknowledge that we have begun the debate on surface transportation and all modes of transportation as we move into the next decade.

If the National Transportation Policy does nothing else, and it does much more, than heighten America's awareness of our transportation needs and bring forth new and creative ideas for Congres-

sional review that will shape the form of our transportation system in the next century, I think it will have served its purpose.

But it does and goes far beyond that, and I'd like to talk a little bit about what it is. First of all, as everybody knows, the National Transportation Policy is the first such policy since 1978.

I was interested to see that the press has called it the long-awaited National Transportation Policy. The National Transportation Policy process began when Dr. Larson was sworn in and came down to Washington the end of April 1989, was completed at the end of the year with relatively minor changes at OMB, most of which we not only accepted, but thought were reasoned suggestions, and is actually announced today.

That's about an eight-month process to develop a strategic plan for transportation in this country, and I want to say that I think that's a direct result of a phenomenal effort by Dr. Larson and his staff, the Deputy Secretary and everybody that's worked on it all over the country.

One of the biggest frustrations in policy planning in Government, I am told by those with greater institutional knowledge than I have, is that it takes years just to get to the policy, and by the time the policy is complete, the reauthorizations have already been done, the Secretary is ready to leave, it goes on the shelf, and we begin the process all over again.

This plan has been completed in the first year of an Administration. It's one of the President's first management by objective goals that's been completed. We have the benefit of the policy for the next several years as we move forward into the areas of highway and aviation reauthorization.

Let me also say that this is a policy of the people. It's a policy that was developed after over 100 sessions held all over this country. People have been heard from on all aspects of the policy in all parts of this country.

I think it represents their feelings, their sentiments, and their suggestions, as well as identifies their problems, in addition to those that have been identified here in Washington.

Finally, let me say that I think it's a system that clearly requires and identifies the need for us to invest in America.

It brings home clearly the point that an investment in transportation is an investment in transportation infrastructure and an investment in America's future, and it is absolutely essential if we're going to remain competitive.

I think it talks about things that we all know must be done with limited resources. In all situations like this, we always have less resources than we require.

It focuses on systems of national significance and promotes national priorities. It talks about ways to improve mobility, not only in the existing system, but in the future.

It talks about how to efficiently move goods and provide jobs and improve the quality of life. It is intermodal in nature.

For the first time, the Department of Transportation and the various modal administrators have worked together in developing a policy, have been all over the country together, and have developed a synergy in a relationship that will be ongoing as we complete the

initial phase of developing the policy and now begin its implementation.

Finally, it addresses six major themes. One, maintaining and expanding the existing transportation system; two, providing a sound financial base for transportation programs; three, maintaining a strong and competitive transportation industry; four, ensuring public safety and national security; five, enhancing the environment and the quality of life; and six, it talks about—and this year's budget makes a substantial contribution in the funding for—advanced transportation technology, which is absolutely essential if we're going to compete in the world market.

The policy gives us the long term vision for the future and a short term decision making matrix for major initiatives. Let me give you some examples.

Soon, we will be forwarding to the Congress the FAA's reauthorization bill. This bill going before another subcommittee of this committee will include an increase of more than 70 percent to the Federal Aviation Administration's capital and research and development programs over the next five years as compared to the last five.

It also calls for a provision allowing local airports to levy a passenger facility charge to support airport development.

And, yes, we are proposing an increase in aviation user fees to support these increased levels of Federal spending on aviation infrastructure.

The Congress' willingness to enact such an increase will be an important demonstration of our Nation's leadership and the fact that we are committed to meeting the department's and the Nation's transportation infrastructure needs.

I would suggest that the American people's acceptance, reflected in public opinion polls, of user fees for transportation is quite clear. This was clearly demonstrated two weeks ago when the new toll highway authority was opened in northern Illinois, and where the volume on that new toll highway was substantially greater from day one than was expected. People are moving and products are moving faster and more efficiently than they have for years.

I might also suggest that as we move forward in implementing the National Transportation Policy, it gives us a good basis for reauthorization of the Highway Transit and Highway Safety Programs.

It frames the issues, it suggests some solutions and some very, what I consider, creative approaches to maximizing the dollars, and, yes, it does call for a greater local role.

It calls for a greater local role without diminishing the Federal role, and, in many cases, calling for a substantially greater Federal role.

With that goes greater flexibility. If one looks at the facts, they will see that the flexibility that exists in this program is much greater than the States have ever had before, and it is something that they have been asking for for many years.

The policy will serve as an umbrella for such things as the Highway Traffic Safety Summit that will be conducted in the Midwest in April and the oil spill initiatives to protect the environment and

prevent another disaster like the Exxon Valdez, that are before the Congress right now.

It calls for, as does the budget, a 17 percent increase in fiscal year 1991 for advanced research in such areas as MAGLEV, as well as intelligent vehicles and highways.

Finally, we have adopted, as part of this overall strategy to make ourselves competitive, a program that will enable foreign air carriers to provide improved international service to more cities than ever before.

Open skies for aviation is absolutely essential. For anyone to say that the National Transportation Policy is not specific is an indication that these people have not read the 169 guidelines and 65 legislative objectives in the Policy. These are long term goals that are needed to help preserve transportation facilities currently in place, expand essential capacity, close the gaps, and promote effective connections between the rural and urban Americas.

It is the beginning of what, as Chairman Anderson said, should be a very, very exciting adventure. One can approach this process with trepidation or with excitement and enthusiasm.

From my many discussions with members of this committee, with discussions with people in the industry that will be affected by the reauthorization process, as well as with discussions with my own people, I think it is clear that everyone, with rare exception, is looking forward to the process that begins today with a great deal of enthusiasm, a great deal of excitement, and when we're done, hopefully a great deal of satisfaction.

With that, I would ask that my formal remarks be made part of the record. Because there are so many members present who have so many areas that they're interested in, I would suggest that along with the three amigos, we will take questions from the Chairman and the rest of the members of the committee, as appropriate.

I would only have one final caveat: the easy questions are mine, the hard ones go to them.

Mr. MINETA. Thank you very much, Mr. Secretary.

As the Congress proceeds with the reauthorization of the Post Interstate Surface Transportation Programs, a major element of the programs will focus on preservation of the existing Federal investment in our highway and mass transit systems.

I'm wondering does the National Transportation Policy envision the use of Federal funds for highway and transit capital, maintenance and operating costs?

Secretary SKINNER. On highways of national significance as defined by the reauthorization process? The answer is clearly yes.

The amount of the Federal role as compared to the amount of the State role on what I consider to be very urban areas of joint interest, I think we're going to suggest some significant changes because we think that those arteries serve many purposes, and there are many very, very exciting, creative, and actually very practical funding solutions that can help fund some of those, making funds available for other areas in highways of national significance.

Mr. MINETA. Are there any other areas, other than highways of national significance, where maintenance requirements may be imposed or mandated?

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Secretary SKINNER. Dr. Larson, do you want to address that? We have not. I would say that now that the National Transportation Policy has been completed, we are in the process of developing a very extensive package for reauthorization.

As I've indicated to you, Chairman Mineta, that has not yet reached my desk nor the Office of Management and Budget, so you'll forgive us if we talk in concepts rather than in specifics, because we don't want to get out in front of the Administration.

Mr. MINETA. I understand.

Dr. Larson.

Mr. LARSON. Chairman Mineta, the concern for better managing what we have and maintaining it is a top priority. It's spelled out clearly in the policy document.

We envision expecting the States to use some of the new technology, some of the new management systems, as we go forward.

So the answer basically is yes, we are moving in that direction.

Mr. MINETA. Private sector investment levels are often based on tax policies, and in this policy we're looking hopefully to a great deal of private sector investment.

However, the uncertainty about future tax treatment makes long-term investments very difficult, those decisions that are related to long-term investments.

So how will the National Transportation Policy encourage the private sector to commit to long-term investments for the construction of major infrastructure improvements?

Secretary SKINNER. Well, basically, it will create flexibility within the statute that will allow States to pool funds and to designate roads that heretofore would not be available for toll or a combination of toll and Federal-aid funding.

That flexibility in and of itself will guarantee, in the case of the marketplace, an income stream that clearly will be sufficient.

The real key is not so much the tax treatment as much as it is the certainty of the income stream.

We will allow a much more flexible approach. We are hopeful, with your concurrence, that will allow the certainty of income stream which will allow the private sector to go to the marketplace and develop the capital necessary.

Mr. MINETA. So it's the attraction of the flexibility that will be encouraging the private sector to make these kinds of investments?

Secretary SKINNER. That's right. In the case of mass transit, Mr. Clymer may want to add a point or two, and, Dr. Larson, you may want to expand on highways.

Mr. CLYMER. Thank you, Mr. Chairman.

One of the things that we're looking at in the area of mass transit is perhaps eliminating some of the Federal barriers that exist and allowing a transit provider to function as a normal business entity.

There may be regulations that are more burdensome than they are beneficial, and if we can eliminate them and allow a transit provider to operate like a corporation would and provide some of its own transit benefits, without the use of Federal funds or public funds, then we feel that we should try to eliminate those barriers.

Mr. MINETA. There are certain areas in which maybe trying to add three or four more lanes of highways to an area won't do it.

We've got to get people from single occupant cars to car pools, van pools, and to transit. In the past, there has been some discussion about trying to change national tax policies to increase private sector involvement in highway and transit programs.

One of those specifically that was talked about was to provide, I believe it was called, a $15 per month employee tax benefit to cover ride sharing and transit uses.

Now, under this policy that you've issued today, given the sensitivity of the Administration about some of these tax issues, would we be precluded from considering tax initiatives? Are these ideas that would be entertained possibly as we go toward trying to develop legislation?

Secretary SKINNER. As you know, Congressman, the House Ways and Means Committee met yesterday on this very subject—I think it was yesterday—and took testimony on this.

The disparity between parking subsidies for surface transportation and mass transportation is very difficult for most people throughout this country to understand, and that is an issue that will be worked in the next several months through the Economic Policy Council to conclusion.

But I think at the same time we're working it through that policy process, the Congress will also be working it at the same time.

Mr. MINETA. Let me at this time call on our fine colleague from Arkansas, Mr. Hammerschmidt.

Mr. HAMMERSCHMIDT. Mr. Chairman, I have no questions at this time.

Mr. MINETA. Then, Mr. Stangeland, would you wish to go ahead now?

Mr. STANGELAND. Thank you, Mr. Chairman.

Welcome, Mr. Skinner, and I apologize for not being here for your opening statement, but I had the call of 50 young students in my district, and they took priority over you today.

Let me say that I appreciate your work as Secretary, and I look forward to analyzing carefully your statement on your new policy.

There are things about it that I think are enlightening and exciting, and I think our dialogue will more appropriately probably be carried on as we work up a new surface bill in hearings later this year for the next Congress.

With that, Mr. Chairman, I would yield back and allow some of the other members the right to question.

[The prepared statement of Mr. Stangeland follows:]

STATEMENT OF HONORABLE ARLAN STANGELAND
HIGHWAY REAUTHORIZATION HEARING
SURFACE TRANSPORTATION SUBCOMMITTEE
MARCH 8, 1990

THANK YOU, MR. CHAIRMAN. TODAY'S SUBCOMMITTEE ACTION BEGINS A SERIES OF IMPORTANT HEARINGS ON REAUTHORIZATION OF THE NATION'S HIGHWAY, MASS TRANSIT, AND TRANSPORTATION SAFETY PROGRAMS.

IT SHOULD ALSO PROVIDE A FORUM FOR DISCUSSION OF THE DEPARTMENT OF TRANSPORTATION'S LONG-AWAITED TRANSPORTATION POLICY RELEASED THIS MORNING. THIS FAR-REACHING REPORT COVERS EVERYTHING FROM AVIATION TO MARINE SAFETY AND FROM MASS TRANSIT TO HIGHWAY MAINTENANCE.

ON THAT NOTE, LET ME JOIN OTHERS IN WELCOMING SECRETARY SKINNER. WE WERE MEETING JUST YESTERDAY IN AN EFFORT TO MAKE SOME PROGRESS ON THE OIL SPILL CONFERENCE. NOW THE FOCUS SHIFTS FROM JUST OIL SPILLS TO A BROAD NATIONAL TRANSPORTATION POLICY.

MY INTERESTS OBVIOUSLY GO BEYOND OIL SPILLS, AS WELL. THE TRANSPORTATION PLAN RAISES SOME IMPORTANT ISSUES -- PARTICULARLY THE INCREASED RESPONSIBILITIES OF STATE AND LOCAL GOVERNMENTS AND USERS TO FINANCE NEW AND IMPROVED TRANSIT AND INFRASTRUCTURE INITIATIVES.

THE FEDERAL GOVERNMENT SHOULD ENCOURAGE "INNOVATION" AND "FLEXIBILITY." AT THE SAME TIME, THIS COMMITTEE IS GOING TO CONTINUE TO URGE THAT WE USE THE TRANSPORTATION TRUST FUND SURPLUSES. CERTAINLY WE SHOULD LOOK TO THE TRUST FUNDS BEFORE INCREASING FEDERAL TAXES OR IMPOSING NEW "USER FEES."

MR. CHAIRMAN, I ALSO CONTINUE TO HAVE CONCERNS ABOUT NOT

MEETING THIS COUNTRY'S RURAL TRANSPORTATION NEEDS. THIS GOES BEYOND HIGHWAY MAINTENANCE AND SAFETY. IT INCLUDES AIRPORTS, TOO. WE NEED A STRONG ESSENTIAL AIR SERVICE PROGRAM AND AN EQUITABLE ALLOTMENT AND ENTITLEMENT FORMULA TO MEET SMALL AND RURAL AIRPORT NEEDS.

THANK YOU, MR. CHAIRMAN. I LOOK FORWARD TO REVIEWING THE TESTIMONY FROM OUR WITNESSES TODAY AND IN THE COMING WEEKS AND MONTHS.

Mr. MINETA. Mr. Anderson.

Mr. ANDERSON. Thank you, Mr. Chairman.

I have a couple of questions. Mr. Secretary, my first is on private sector involvement. The National Transportation Policy envisions a significant increase in private sector involvement in transportation through ownership, operation of toll roads and bridges, as well as through the construction operation of public transit facilities and services.

Yet the private sector involvement may be limited only to the extent that the ownership and operation are profitable ventures.

If significant private sector involvement in the construction of transportation facilities and their operation does not materialize, will the public sector have the capability to address the Nation's tremendous transportation needs?

Secretary SKINNER. The answer is clearly that the solution to our Nation's infrastructure needs are a combination of all of the things that have been suggested.

The private sector cannot alone solve the problems, nor can, from what we have seen, the public sector. But operating in a joint State, local and private partnership, I think many of the problems that we face today can be resolved as we move into the next decade.

So nothing is being excluded. We're trying to expand horizons, rather than limit horizons.

Mr. ANDERSON. Is it wise to allow major public policy decisions, such as where a new highway is to be located, to be made by private individuals who may happen to be willing to put up the money for the project because doing so serves their private interests?

Shouldn't these decisions be driven by what's good for the public and not simply what is in the particular interest of the private party?

Secretary SKINNER. Well, I don't think anything we've envisioned here is going to allow a private developer to build a highway on what I call a willy-nilly basis.

Any of the projects that are ongoing right now have gone through State transportation departments and have been subject to a great deal of review by metropolitan planning organizations, and in many cases the legislative process at the State and local level.

So it was never envisioned that a developer could go out and build a road and put a toll booth at each end and get all the necessary State approvals without going through a State approval process, which I assume in all States would be based on reasonable approach to a very difficult problem.

Mr. ANDERSON. Also, one on intermodal access. Mr. Secretary, in past years, whether through legislation or other means, I've tried to focus attention upon and facilitate better intermodal transportation.

We need better access to our Nation's ports and airports, and we can have a wonderful airport to help move people and freight without delay or a tremendous port facility to help move cargo abroad.

But if you're in a traffic jam for an hour getting to that airport, or a truck is in a gridlock getting its goods to the port, you're still experiencing costly delays.

Now, America needs to be more productive and more competitive with our trading partners. So my question is do you feel as I do that there is a legitimate and very strong Federal interest in intermodal access, and if you do, what are you going to do to make sure that this Federal need is met?

Secretary SKINNER. The answer to the question is yes, and I'm going to let Dr. Larson expand a little bit on the some of the intermodal aspects that we think might be appropriate.

Mr. LARSON. Well, Mr. Chairman, the best example that I've seen recently is the Alameda Corridor in southern California where railroad packages are being combined, an improved highway is being provided, and grade separation is being provided so that we can move double-stacked trains directly from the ships out into mid-America and beyond.

So that's the kind of example that we need, and you're right, if you can't get to the airport, it doesn't really matter whether the plane is late or early.

So we do have to look at access, and I think that's happening. We're finding transit systems that are reaching out to airports.

I think in the future, we're going to see MAGLEV connections to wayports, which are airports built back away from the main line of the population, and I think there's a whole range of things that would suggest that intermodal connectivity is probably going to be the place where we'll find the best productivity improvements.

Mr. ANDERSON. Thank you, Mr. Secretary.

Mr. MINETA. Mr. Clinger.

Mr. CLINGER. Thank you very much, Mr. Chairman.

Mr. Secretary, thank you very much for being here on this very exciting day for the Department of Transportation and, I think, for the country.

What I have seen of the work product, I am very pleased with. I think it is, as you've indicated, the first step in what we hope will be an ongoing process.

The significant thing that needs to be noted is that unlike other transportation policies which are perhaps gathering dust somewhere in the archives of the Department of Transportation, this one comes early enough in the Administration so that we can really expect to see tangible results achieved from that.

I also want to note with pride as a Pennsylvanian that two of your colleagues there are fellow Pennsylvanians, one of them my constituent, Tom Larson, who is a major architect of this study, and I commend him for the many, many, many weeks and long days of hard work that I know went into this product. We're very proud of you for that effort.

I just had a couple of questions. One of the indications in your policy is that you would broaden the availability of toll financing by permitting the mingling of Federal tax revenues with State funds for various toll roads, and I wondered if you have now, or perhaps provide for the record, a status report on the toll road projects that were authorized in the 1987 Highway Bill.

If you don't have it, we can get it for the record.

Secretary SKINNER. I don't have it on me, but Tom may.

Mr. LARSON. We don't have a definitive report on those, Congressman. As you know, projects like that have a long gestation

period, but the ones that were specified for Pennsylvania are moving forward.

Others around the country are all moving forward, and we think that it is an opportunity. I was particularly struck by the concern that these projects not become the sole source of funding, and we're going to be very careful about that in working with the Congress to make sure that all the money isn't attracted to corridors where there is the potential for private participation.

This is one of the functions of the Federal Government to level out these kinds of concerns.

Mr. CLINGER. I note that the policy puts a great and, I think, well deserved and appropriate emphasis on increase in research and development in a whole range of areas.

Seventy percent, I believe, is the projected increase. That's an area, I know, Dr. Larson, you and I share the feeling that we could be doing better in developing materials for highways and various things, design criteria, et cetera.

Could we get some idea of what sort of technological advances you might anticipate from this increased research and development funding and where it's likely to be focused?

Secretary SKINNER. We can. I think there were nine total demo states in the 1987 Act; three are under construction, three are still picking the exact routes, and three have had the projects selected, but they haven't yet been started.

So it has been moving forward. One of the areas, it's interesting enough, in a week or so I'm going to be visiting Texas, and we're going to be looking at some new toll road technology which allows sensors to detect automobiles as they go through the toll booth and automatically record, and then subsequently charge the owner of the vehicle, every time it passes through that toll booth, which, of course, would eliminate some of the manual considerations that have been involved.

That's an example of technology on a very limited scale that I think people are looking at today to make the use of these infrastructure more efficient.

There are many others. Intelligent highway vehicle systems, which you're familiar with, which will allow us to manage the available space that we have now in a more efficient manner and allow the driver to make informed decisions based on actual congestion conditions on various alternative routes as the trip is progressing.

Mr. CLINGER. Just one final question. I know that the policy does not contemplate much involvement of the Federal Government, if any involvement, in Amtrak, and you talk about the necessity to involve private sector and involve other sources of funding.

Do you have any scheme in mind in that regard?

Secretary SKINNER. I think two things came up when we discussed passenger rail. Number one, the corridor in the northeast is a very, very busy corridor, and Amtrak has relieved the capacity problems.

Even though that's the busiest corridor in the system, Mr. Claytor, who is doing an outstanding job as President of Amtrak, advises me that they still lose $200 million to $300 million a year, and that's where half of their subsidy goes.

They have no real long range capital program. They have not explored in depth what a high speed rail system would look like and what impact high speed rail could have on their current job and mission and what it would cost to go to a high speed rail, a MAGLEV or some other kind of similar technology on, say, the New York-Boston corridor and what that would do to enhance the system.

So at my request, we have begun working with Amtrak on probably the most comprehensive study of passenger rail in many years in this country, and we anticipate that will be done by sometime this summer.

Then we will be able to make more informed decisions of not only the short term needs and how they're doing on their objective to become self-sufficient, but also what the benefits are of any long term investment that might be made either in existing technology or, hopefully, in high speed rail technology, which offers so many benefits to the many parts of the world that are now using it.

Mr. CLINGER. Thank you. I just want to again commend you for your leadership and the whole panel's leadership and what you've accomplished over these past months in developing this policy.

Thank you, Mr. Chairman.

Mr. MINETA. Mr. Rahall.

Mr. RAHALL. Thank you, Mr. Chairman.

Mr. Secretary, you know the problems that face the rural parts of our Nation today very well. We've seen reduction in services in one type of transportation sector after another with the deregulations that have come down the line.

Deregulation obviously has been beneficial to very large markets in this country, coast-to-coast travel, the big cities, the competition is great, and fares are down.

However, in the rural parts of our country we've seen loss of air service, we've seen loss of trucking service, we've seen loss of busing service, we've seen roads in decaying condition, and now we are seeing, if I interpret your statements here today and your recently announced policy correctly, that the States which have the most rural areas of our Nation within their boundaries, are being asked to come up with more financing to make improvements needed in our infrastructure.

These are States that have severe deficit problems of their own, like my home State of West Virginia. How do you envision, in these rural parts of the Nation which are so devastated because of lack of service after service, that we ask them now to come up with more money, especially when they have population losses because of the lack of proper infrastructure? How are they expected to meet the needs that face the people, that face the industry in the area, when they just cannot come up with this further funding from their end of it?

Secretary SKINNER. Congressman Rahall, I would make two observations. Number one, the more State and local funding that is available in the urban areas of America to deal with infrastructure problems, the more Federal funding is going to be available to at least allow States like West Virginia and the Dakotas and others to compete for such funding.

Number two, it has been my feeling that the proper balance of Federal funding between State urban areas and rural areas is appropriately discussed and decided in the reauthorization process. That highway reauthorization process that will go forward next year.

Just as you and your associates, in what I call the non-urban States, will be fighting for proper equity, balance and priority, I also think that your co-workers in the Senate from those States will also play a very significant role.

If those two groups are able to get together and make their case for a reasonable approach to what I call the non-urban problem, then I think those States will have an effective program.

To the degree we can identify those programs and come up with effective ways to show how that would be done, so that it can be open for discussion, I think is a very appropriate role.

But this very delicate balance between urban and rural America is something that I think we're going to need a lot of advice before making our position known. We're going to want to get a lot of advice and watch this evolve in the House and the Senate before we finally come to a decision.

That's not to say that we're not going to have in our National system of priority some highways that go through rural areas of America that will be Federally funded, because we will.

But just how many will be included will depend a great deal on how this compromise comes out between the urban interest and the rural interest.

Mr. RAHALL. I appreciate that response. One example that comes to mind immediately, where rural sections have formal coalitions that you discussed is in support of the Appalachian Corridor System.

That system is currently not scheduled to be completed until the year 2065. There have been proposals presented in both this body and the other body that would speed up the completion of that system by using Highway Trust Fund monies.

Would you care to comment on that?

Secretary SKINNER. First of all, that's a very ambitious project, much of which will have to go through the reauthorization process.

I do want to take this opportunity to talk about the trust fund issue, because I feel, very frankly, that this is probably the most misunderstood issue that I face on a day-to-day basis.

If we were to take the $19 billion in funds that Chairman Anderson talked about and break them apart into what I call committed versus uncommitted funds, we would find that by the end of 1991, $11.6 billion of that $20.5 billion will be committed.

About $2.5 billion will be uncommitted transit funds, and a good portion of the uncommitted transit fund problem has been due to the speed in which transit projects have been able to be brought to the decision process.

Then we have $6.4 billion in what I call uncommitted aviation funds. Assuming that we take a proper balance on the aviation expenses of this country, and if, in fact, we fund aviation operations out of the trust fund, rather than funding it out of general revenues, as we have traditionally done, partially because of the penalty provision that was enacted by the committee, that is causing the

trust fund to build and the general revenues to fund operations, we would find that the aviation trust fund would significantly decrease in a not-too-distant future.

The trust fund issue, to some degree, is an issue that is nice to talk about, but when one really looks at the facts, they show that it is not nearly as big a fund as people believe, and more importantly, using the trust funds are not the long term solution to the infrastructure problems of this country.

Mr. MINETA. Will my colleague yield?

Mr. RAHALL. I'd be glad to yield.

Secretary SKINNER. I knew we were going to discuss this.

Mr. MINETA. No, the only problem is, that when you say operations, Mr. Secretary, that really triggers me off. The trust fund was really intended for capital improvement purposes.

It was started that way. It was funded as a user fee for capital improvement programs. President Nixon first broke that principle in 1972. I believe it was in terms of funding the operations of the aviation system.

I understand that. There are some parts of the FAA that ought to be funded in terms of its operations from the trust fund.

My only concern is to continually go into that cookie jar is really, in the long run, not good public policy.

Secretary SKINNER. First of all, I wouldn't challenge the Chairman's institutional knowledge. I am told by some who also have institutional knowledge, but I have not confirmed it myself by looking at the record, that when the trust fund was initially conceived, for aviation, for example, they did talk about operations, and shortly afterwards, in order to protect it for capital purposes, it went to capital and stayed there for many years. The argument in recent years has been whether or not you should go back to the original intent.

But assuming for a minute that your institutional knowledge is superior to those who have advised me. I would suggest that we put history aside for a moment.

Let's look at the future of the Federal budget and the challenges that are going to be placed on the Federal budget. What is the best way to ensure a continuity of funding for the aviation system of this country, given the tremendous requirements that have been placed on general revenues?

We heard this morning at breakfast a very interesting analysis by Congressman Gray, which I have heard in the Cabinet Room and has been brought to my attention by Director Darman, on the very limited amount of resources that are available for discretionary programs.

Once we deal with the problems of interest, entitlements and a certain component for defense, we are vying for the remaining general revenue discretionary funding, and competing for that very limited funding. We compete with such problems as the savings and loan crises, the Pepper Commission Report on unfunded health care, the $200 billion to $250 billion high level radioactive waste problem, and other crises that are down the road that we haven't even talked about yet.

I believe, and this is very fundamental to the discussion that I think we'll go through this year, that we are better off where we

have user fees available to provide and develop a secure method of funding the non-military operations of aviation because that will ensure we won't have to compete for very limited dollars, against the crises I mentioned, and the crises of the future.

If we don't, in the long run we're going to be, and our successors are going to be, arguing this problem ten years from now. While it might not be the problems of today like high level radioactive waste, it might be wasted space or superfund problems or other matters.

So that's the basic concept. It outlines the discussion which we will have to resolve as part of the reauthorization process, but I believe it makes sense to do so.

Mr. MINETA. There was also that other part of the discussion this morning when the problem of the 302(b) allocation came up.

I have no problem with what you said about user fees and the dedicated aspects of using those funds. Toll roads is a good example.

I mean, what better example of a direct user fee than toll roads? But the problem is they're not being used for those purposes.

They're being sat on. We can always talk about it as capital funds. I thought it was for capital improvements and still feel that way. From my experience, at least, on the Aviation Subcommittee. I don't think it's any different as it relates to the highway trust funds.

So, I really feel that I have no problem with what you're talking about in terms of user fees. If we're going to do that and I support it, then let's take it off budget. Let's have the Gramm-Rudman requirements not be applicable to user fee funded programs.

That's all I'm saying. I suppose we can discuss this in terms of public policy for a long time. OMB's problem is something else.

They've got to deal with the fiscal problem of how to handle it. I don't think it ought to be at the expense of the users of the system who are willing to pay, but are not getting the benefits.

That's why I think we break the trust in the trust fund concept, if we take that approach of saying, well, that's all right, keep taxing the user, and don't use it for its intended purposes.

I think it's a credibility problem, and I just think we ought to be able to use the funds that are there for its intended purposes.

Secretary SKINNER. I might just respond.

Mr. MINETA. Absolutely.

Secretary SKINNER. The National Transportation Policy calls for a spending down of the trust fund. Not counting interest, if you look at the expenditures on highways, three of the last four years spending exceeded receipts, although there has been a balance in the highway trust fund, and that fund is different from aviation, as you and I know.

We don't make the operations capital argument that we make in aviation with respect to highways. So we're not spending all of the interest that's built up. We're spending to some degree but not to the amount of the interest, into the unrecovered balance, but a good portion of that balance is committed to projects.

Mr. MINETA. In this policy that was issued today, are you still saying we ought to go ahead and draw down against it? Is that right?

Secretary SKINNER. Yes, that's correct.

Mr. MINETA. All right.

Since I had taken time from you, let me continue to recognize the gentleman from West Virginia.

Mr. RAHALL. Thank you, Mr. Chairman.

I totally agree with the Chairman's responses to the Secretary and have the same concerns as he does. Mr. Secretary, I just have one final question that concerns the concept of wayports which I understand the Administration has endorsed in principle.

We see what is happening with essential air service, and I know that Chairman Byrd of the Senate Appropriations Committee and the other body is as concerned about that service as I am. He will have a very important say before that is completely wiped out.

But with the elimination of essential air service, as it appears headed toward, would not wayports be a good concept for the rural areas of this country? Would it not serve the national interest to build such facilities to serve as transfer points for cargo and for people in an effort to relieve the congestion that currently exists and is expected to get even more horrendous at our major airports in this country?

Secretary SKINNER. Well, let me say, Congressman, that wayports were something that were discussed early on when I became Secretary, and I began to explore it in greater depth, and there seems to be a feeling from the users of the system, as well as the people that provide the service, that waypoints may not offer as many of the benefits as was initially thought they would.

Therefore, there is not a consensus building toward a massive wayport system in this country. As I understand the argument that is made by the people who build the airports and who would have to build the wayports, because the Federal government owns no airport, is that they need the local traffic as well as the transient traffic. If, in fact, there is both, then an airport will really pay for itself.

But to ask people to go to major hubs and then commute from, for example, Washington to Lincoln, Illinois, then into Chicago, or make it to Charleston, West Virginia, and then into Chicago, from a market viewpoint, that concept is not acceptable, nor can it be justified.

In light of the questions raised concerning the nature of the wayport concept as it was initially proposed when I first became Secretary, it has not met with a great deal of acceptance from almost any sector of the business. Therefore, absent congestion problems of a major magnitude that cannot be solved in any way by new airports, that would be located where we have both a local and an intrapassenger component, I think that wayports are not going to be part of in our near future.

Mr. RAHALL. Well, we obviously have the congestion problem, and it's going to get worse by all studies. The idea of building new airports is fine, but where are you going to build those new airports?

We find that around the major hubs today there's just not the space, there's just not the public support, the noise pollution is already of such a nature that there's just not room to build those ad-

ditional airports or even expand the current airports, so where are you going to build those additional facilities?

Secretary SKINNER. Well, Congressman, I——

Mr. RAHALL. If you don't go to the rural areas in the Nation where there is adequate land, adequate air space, where will you go? Doesn't this reality support such a policy?

Secretary SKINNER. Let me just say that if, in fact, those conditions exist, and they do, the primary problem is in the northeast, where they're real critical.

But I have at least one mayor who wants to build an airport bigger than O'Hare in Chicago, I have the State of Indiana that desperately wants to have the same opportunity, and the people, as Congressman Hastert knows, of Urbana and Kankakee also want to build that airport.

So therefore, in the most congested area we have in the country, we have people that are presenting footprints and space that offer both interstate as well as local traffic.

In Denver, there's a similar situation. So in those areas where we can't meet the capacity problems, wayports have a better opportunity than in those areas where they have shown a willingness to expand airport facilities.

If we move to joint use facilities and begin to use such facilities, I think you'll see even greater facilities made available which won't require an encroachment on land owners. We're working with the Department of Defense on some of those opportunities in metropolitan areas for joint use facilities.

Mr. RAHALL. Thank you.

Mr. MINETA. Mr. Packard?

Mr. PACKARD. Thank you, Mr. Chairman.

My first question was on the spend down portion of your plan of the trust funds, and you have addressed that to some degree.

I would just be interested to know if the plan actually outlines a time table when those trust funds will be used and spent down, and also I'd be interested to know if, in the spending down, the bulk of that spending down of unobligated funds is in the area of operations or in the area of capital improvement?

Secretary SKINNER. It does not call for a specific schedule; it talks about it in a very generic form. The FAA budget calls for a spend down of the balances in the trust fund through the allocation of trust fund monies for both operations and capital in aviation, which, as Congressman Mineta said, is a position of policy this Congress is going to have to resolve.

In the case of highways, it calls for a general generic spend down, but not to any degree of certainty. And I would only comment again that a good portion of that trust fund is obligated to programs that would not be completed at the end of the authorization process.

We're required, as I recall, by legislation to keep a portion of those funds available to complete those projects after the authorization period is over.

Mr. PACKARD. Thank you. Much of your new policy encourages States to take a greater role and a greater responsibility in raising the funding for highway and transit improvements.

Most of the State capitals are finding a significant amount of resistance in developing new taxes and new fund raising mechanisms within the States to match, even at the levels that we are now currently looking at.

Of course, you call for a greater flexibility to be given to the States and the local counties and cities. Many of the cities and the counties that come to me and ask in developing a new transportation policy for the next 30 or whatever years that it would be nice if some additional funds would be made available to the cities and counties.

To what level of flexibility are you looking at, and have we changed in your policy the fundamental mechanisms that have been in place for the last 30-year plan, in terms of gas tax and in terms of highway truck fees, aviation ticket fees, et cetera?

Secretary SKINNER. Well, let me see if I can address part of it and then ask Dr. Larson for the follow-up on it. Number one, I've been all over this country talking to Governors, mayors—I think I've talked to every local organization there is—and I have also done some statistical work-up on what States have done in raising their user fees.

While you have a very big initiative going on in your State right now, as you know, 33 States have raised their gas tax user fee in some way or another in the last two years; 18 took some attempts, and most of those attempts have been successful.

I think where it's properly packaged and properly explained to the voter, the voter has accepted a user fee increase as long as they're assured that it will go for infrastructure improvements and to eliminate congestion, whether it be in the air or on the ground.

If I might reflect on California for a minute, Administrator Clymer and I were in California recently to do several events and speak, and he and I almost simultaneously noted and were quite surprised at the price of gasoline in California.

It was, as I recall, 78 cents for leaded gasoline, and 83 cents for no lead. It is the most congested area in the country, and it is the worst environmental area in the country, yet, at the same time, when you suggest raising the gas tax five cents, which has an environmental benefit as well as an infrastructure benefit, you meet a certain amount of resistance.

In fact, the poll I saw last week doesn't bode as well for the gas tax as I hoped it would, and that's in a State where infrastructure and the importance of infrastructure was brought home in the fall with the earthquake in northern California.

I think we've got to do a better job of explaining to the people all over this country, but especially, frankly, to the people of California that, if they want clean air, if they want efficient transportation, if they want to eliminate congestion, and they want back-ups in case of earthquakes, they're going to have to pay more for fuel than the lowest price that's being paid almost anywhere in the country, which happens to be California.

You go up to the northeast and ask them what they're paying, and I guarantee it's not 84 cents a gallon.

Mr. PACKARD. Well, in my area of San Diego County, it's not 84 cents a gallon, either. You can't get it for less than $1.10.

Secretary SKINNER. That was in Los Angeles. I know the cost of living in San Diego is higher.

Mr. PACKARD. Certainly, one of my concerns is the relationship between the States and their funding mechanisms for highways and their efforts to raise gas tax and fees and other revenue sources, and we are competing with them at the Federal level with the same gas tax increase proposals, et cetera, et cetera.

Secretary SKINNER. Congressman, I might make one other point. Because we haven't raised the Federal gas tax, and I've heard many Governors tell me this, it has given them an opportunity to raise their State and local gas tax to come up with a greater local share, thus getting themselves greater flexibility.

If we had raised the Federal gas tax on a pre-emptive basis, we would have preempted many of the opportunities that are available at the State and local levels.

Mr. PACKARD. I totally agree with that.

Secretary SKINNER. By refraining from raising the Federal gas tax, we've given the states an opportunity of self-help that they're taking advantage of all over this country.

Mr. PACKARD. Is the distribution mechanism pass throughs to the States of the current system generally considered to be perpetuated in the new transportation plan?

Secretary SKINNER. Well, Tom, you want to address that. I think that is one of the areas that we think is going to have to be determined in the legislative process.

Mr. LARSON. It is not at all determined at this point. We will certainly work with the Congress to find appropriate mechanisms for that distribution. It is not set at all at this point.

Mr. PACKARD. Thank you, Mr. Chairman.

Secretary SKINNER. If you can get a consensus from all the Members of the House and the Senate on that issue, we'll be more than glad to consider incorporating it within the policy.

Mr. MINETA. Mr. Borski.

Mr. BORSKI. Thank you, Mr. Chairman.

Mr. Secretary, I'd like to follow up a little bit on the gas tax and user fee. I think I agree with you in that the voters of America would be for increased user fees, particularly gas taxes, if they were convinced that the money was used for infrastructure.

Would the President lead the way and offer an increase in gasoline tax to show some leadership for the country, and perhaps the Governors would be more willing to join in?

Secretary SKINNER. Well, the leadership is in the eyes of the beholder, and I think the President has taken dynamic leadership by urging the State and local organizations to take advantage of this window of opportunity and do it. That is the course and option that he is taking at this point rather than raising the Federal level.

Especially when you consider it's going to preempt the opportunity of State and local governments to do so.

Mr. BORSKI. Is it passing the buck at all for the President to say he thinks it's a good idea for Governors to raise it but not for himself?

Secretary SKINNER. Well, I think the Federal commitment to infrastructure throughout this country is very substantial. Most of

my budget goes to infrastructure in one form or another, and that commitment is an ongoing commitment.

Unfortunately, in many of these projects, frankly, we find that the 80 percent is Federal share and 20 percent local share. The approach is, and I must say I plead guilty to this to some degree as a former head of a mass transit organization in the Midwest, that we look at Federal funds as free funds, especially if they only cost us ten cents on the dollar.

I think you manage local funds much better and much closer than you manage these "free" funds, which you and I know really aren't free.

So when you have a greater local share which can only be generated by State and local user fees, you get greater flexibility, you get greater say in where the project goes and what it's going to be. You also, at the same time, from a taxpayer viewpoint, get better assurance that that project will be managed better because of the big state and local component. They do not want to go back to their taxpayers and raise the user fee because they overran a project.

They won't hesitate to come to Washington and ask for more money, and that's why in urban mass transit, we've gone to full funding agreements to prevent that problem.

Mr. BORSKI. Mr. Secretary, I want to ask a question, too, on the spending down of the trust funds. Not to beat a dead horse, but it is my understanding that——

Secretary SKINNER. I wish that horse was dead, Congressman. I don't think it's ever going to be dead.

Mr. BORSKI. I think that the President and members of Congress, as was pointed out earlier by my colleague from Pennsylvania, I believe have both used the Highway Trust Fund to shield the budget deficit in some form.

Is it the position of the Administration to take the trust funds off budget or to spend down, or is there a difference?

Secretary SKINNER. Number one, there is a difference. Number two, there is no program to take them off budget at this point. Number three, it is a commitment to spend it down with a start in aviation and hopefully in other areas in the future.

Not only was that the President's campaign commitment, but it continues to be. The hows of doing that and the whens of doing that remain to be seen. But I would only suggest that in the case of the aviation budget this year, if you take our budget principles on the allocation of funding, it goes down to $3.3 billion by 1995 under our spending proposals.

We're going to need some help from the Congress to do that, and they will be the principle arguments that we've talked about.

Mr. BORSKI. Is it your opinion, then, that we should not be engaging in trying to use those numbers in a budget or trust funds at all for our Gramm-Rudman purposes?

You believe that we're weaning ourselves from that process, if not immediately, we will do so soon?

Secretary SKINNER. No, I think it's two different issues. Number one, we've got to get them spent down, and we're working on that.

Number two, unfortunately, as long as Gramm-Rudman is around and the trust funds that we're talking about are as big as you might think they are—and I don't think they're as big as ev-

erybody else thinks they are or a lot of people think they are because of the commitments that are against them—those funds are small compared to the really big trust fund that's on budget, which, of course, is the social security.

So a lot of your associates in the Congress tell me that this will be the year that the Congress and the Administration will deal with the social security issue. That is above my pay grade.

Mr. BORSKI. It is my hope that if social security is worked out that the Aviation and Highway Trust Funds are coupled with it and taken off budget.

I have a few questions about public transportation, and I'm particularly puzzled as to the Administration's want to cut Federal assistance for transportation, particularly to cities with over a million people.

It will cost the SEPTA in our region $20 million this year if the President's budget is proposed. How do you propose that SEPTA make that up?

Secretary SKINNER. Let me talk about SEPTA for a minute. Let me say I think Mr. Clymer is recused from SEPTA because of his prior—is that right, Mr. Clymer?

So Mr. Clymer will not answer. If he nods, he's sleeping, not nodding.

But SEPTA is one of the biggest mass transit properties in the country. It is a transit property that has not come to grips with reality.

It is not taking the steps that have been taken in places like New York and Chicago, where the State Government has stepped up to the plate and assumed a substantial responsibility for rebuilding the infrastructure and funding the operations with a steady stream of income.

To some degree, that has also happened in Boston. That hasn't happened in Philadelphia. Members of this Congress, including you and others, must continue to explain to the people of Pennsylvania, the legislature of Pennsylvania and the Governor of Pennsylvania that if you're going to have a first class system, you've got to have certainty of income stream, and you've got to have some help from the State, because the State is benefiting.

We've got to get on with that. The fact that we don't deal with the infrastructure and we don't replace tracks and cars and everything else is putting off the inevitable.

So SEPTA can no longer, in my opinion, run the risk of assuming that we're going to have a continuous Federal income stream, because that prevents them from living up to their responsibilities.

That's not to criticize the Board, they need help from the State legislature in Harrisburg.

Mr. BORSKI. I agree, Mr. Secretary, that we need help from the Governor and legislature, but we also need help from the Federal Government.

SEPTA has raised fares last year, they're proposing to raise them again this year. According to Mr. Gambicinni, who is running the SEPTA system, he believes that he's going to have to raise fares every year for the foreseeable future, and I don't see how certainly in the short term we can ask them to take an extra $20 million cut that they're depending on.

Secretary SKINNER. I understand the argument, but I think, as I recall, that in the budget up at SEPTA there the Federal operating assistance is about six percent of the total budget.

Why can't the State of Pennsylvania and the people in the greater region who benefit from the SEPTA system that by less congestion and more efficient travel, why can't the multibillion dollar budget of the State of Pennsylvania, be used, along with probably some very innovative and creative ways in the use of the infrastructure, to deal with it?

Instead, we've got fighting going on there, and no one is willing to do it, so you come and say let's keep that six percent of our budget.

That's not going to solve the problem at SEPTA, and with all due respect, if we continue to try to think that it is, we're really letting them off the hook to some degree.

Mr. BORSKI. Mr. Secretary, to elaborate on that just a little bit, what happens to our National Transportation Plan if local governments will not cooperate?

Isn't it in the national interest that we have a mass transit system that works properly?

Secretary SKINNER. Well, there's always exceptions to the rule, and I guess right now we have just been talking about a good example.

I don't think we're ready. I'll tell you how it happened in Chicago, and I'll tell you how it happened in New York. It happened in New York because the infrastructure got to a condition that was intolerable and unsafe.

Some very effective leaders in the New York system went to New York and convinced the State legislature to put a multi-billion dollar program in there.

Putting my role aside, the same thing happened twice in Illinois. First, with the reorganization of the regional authority and the guaranteeing of an income stream, which included a more equitable distribution of the suburban and city roles. So they put in a steady income stream, and then they were forced to operate within their budget, and last year the authority went to the legislature and obtained a billion dollar first phase program to rebuild the infrastructure of the system.

It happened, unfortunately, that it went to crises in both places before the State stepped up, but the State did step up. I'm not ready to concede that the great State of Pennsylvania that's represented by two of the three amigos here can't step up to the plate like New York and Illinois.

I'd hate to think they'd want to be number three to New York and Illinois in anything.

Mr. BORSKI. Mr. Secretary, I would venture to guess that my colleagues from New York and from Illinois or Chicago, if you will, would be after the same dollars and would like to see that in there, too.

Secretary SKINNER. Oh, they all are, but it's the old philosophy that it's free dollars in Washington, let's go get it.

Mr. BORSKI. I think that people are dependent on it somewhat today, and to take it out of the system will cause great havoc.

One final question, Mr. Secretary. Today's Washington Post reports that an earlier draft of your National Transportation Policy contained a commitment to work for fairer tax treatment of employees who ride to work on public transit.

My understanding is this was deleted. Can you explain why?

Secretary SKINNER. Yes. That issue wasn't ready to be resolved, and so, rather than making a commitment and holding up the entire policy, we agreed to not take a position on that, but at the same time, to work that position with the Treasury Department with the idea of moving it forward and getting Administration's decision.

We haven't reached that point, but it's one of those things that are a follow-up from the NTP, and the fact that it's not mentioned in the policy as a decision doesn't mean it's not under active consideration.

We just really weren't ready to take a position, and I didn't want to slow the whole policy up.

Mr. BORSKI. Conversely, there's also a provision that we give a tax break to employers for parking? Is that also being considered?

Secretary SKINNER. What's happened over the years is we allow subsidized parking to be deducted. We don't allow a mass transit subsidy to be deducted above $15.

That skews it, and a lot of people would say it doesn't make a lot of sense when we want to encourage mass transit usage.

The House Ways and Means Committee met on that yesterday and took testimony on it. I think a lot of people feel very strongly that that is something that ought to be dealt with, and we're committed to do so.

So we're planning to take a look at that, and I think it ought to be focused on. I'm not in a position to say what the Administration's position will be, but we are going to focus on it.

Mr. BORSKI. Okay.

Thank you, Mr. Chairman.

Mr. MINETA. Mr. Hastert.

Mr. HASTERT. Thank you, Mr. Chairman.

Again, I salute you, Mr. Secretary, and your staff for your tenacity, first of all going out and having the hearings across this country that you did and listening to people and what they had to say, and then trying to put something together in a timely basis, and I really do think it's a timely basis in trying to address those problems.

You talk about an increase in the spend down. Approximately what is that percentage increase, do you know, in the trust fund?

Secretary SKINNER. When we talk about it in the aviation area we would spend it down from about $7 billion today to $3 billion by 1995.

In the highway area, we basically are spending it out at slightly above what the receipts are, not counting interest building up in the account.

Mr. HASTERT. That's in 1991?

Secretary SKINNER. That's in 1991.

Mr. HASTERT. Then, as you know, you've been around this game for a while, that first year spend-outs, you end up with engineering which is sometimes only ten percent of the cost that is out-year ob-

ligations, which are sometimes 20, 30, 40, 90 percent higher. Do you anticipate that happening?

Secretary SKINNER. Why don't I ask the Federal Highway Administrator to answer that?

Mr. LARSON. We are allowed to have a two-year anticipated outlay, two years of income. We're at about one and a half times that level now.

A press release was prepared during our budget preparation which really summarized it and said that if you took advantage of the full two years, you could increase spending for the next three years by approximately 35 percent.

So that's the scenario that has been laid out, as just a matter of record.

Mr. HASTERT. You know, if we really start to look at need or what projected need is, I know in the State of Illinois, and certainly under your leadership in the RTA, we made some fine strides, and we're happy to be a partner with you on some of those things that we've done.

But, you know, I was just going through a study from the State of Illinois that their projected need over a four-year period is $19 billion to bring everything up to snuff, the bridges, the roads, the accesses that you need, and the dollars available with Federal dollars and state dollars are about $4.5 billion, which means really we have a $14.5 billion gap in there someplace, and certainly it would take the whole trust fund right there to do that.

But I think we have some big problems trying to assess the needs of infrastructure and putting it together, and I think we need to be as creative as possible on that, even on the rail side.

One of the things is that we've become so independent on the subway and great separations in Illinois that it said the four-year need is a $5 billion cost, and the dollars available are $1.3 billion.

We just talked about states raising their own money for urban transit, but to increase urban transit, as you well know, in Illinois we have grade separations that are 70 and 80 years old and tremendous costs.

Are there some ways that we can help these transit systems by pumping some Federal dollars in there?

Secretary SKINNER. I'm going to ask Administrator Larson, and maybe with the help from Mr. Clymer on that issue.

Mr. LARSON. Well, Congressman, I was listening to this word "need" and reflecting that it's a word that has almost become a discredited word in our transportation field.

Everybody comes up with a number and purports it to be the truth. It's very difficult, very difficult to get a real fix on that, and if you look at the literature, you can find numbers that go from $21 billion that the Federal Highway Administration evidence supports to perhaps three or four times that, depending on the interest group that is advancing the number.

Our data suggests that the highway system is relatively stable. The bridge program is slipping, but the notion of finding a hard number that you can hang your hat on is a very difficult thing to do, and it is often misleading.

Mr. HASTERT. Well, I'm just taking state numbers that were generated by our own State's transportation, and I understand that

sometimes needs are wish lists, but there are some problems out there with infrastructure, especially in the urban areas, and I'm sure in Philadelphia and New York and especially Chicago, they have some pretty old bridges that were built for horse and buggies and today we're using them for vehicles.

Secretary SKINNER. You're right, Congressman, and far be it from me to challenge the integrity of the records from the State of Illinois, especially under our fine Governor.

But I would say that in our strategic planning in Chicago we identified about $6 billion, as I recall it, in the needs in northeastern Illinois for transit infrastructure over the next 20 years.

The $1 billion program that was enacted by the legislature is the first step toward what I think will be a multi-billion dollar program to do that, and that's being done with a combination of substantial Federal funding but substantial local funding, as well.

Mr. HASTERT. So the point is you have to have some local funding there before you can supplement the other.

Secretary SKINNER. Well, it does give us a certain amount of feeling of confidence. Where we have so many projects competing for funding, we've been giving priority to those projects where there's a greater local share.

Because, again, we think we get better management, we get more attention, we have less chance of overrun, we can give them more flexibility, which they want, and at the same time we have a substantial Federal investment. By doing that, we then have funds available to spread across a bigger sector of this country.

Mr. HASTERT. Moving away from parochial interests, if you will, on this issue——

Secretary SKINNER. Well, those concepts apply all over the country.

Mr. HASTERT. I understand. We're facing some real competition in the world, especially from a changing Europe. If you travel over there, you see every truck side and every sign board talks about Europe 1992 and updating their transportation, their competition.

Putting on your farsighted glasses here, in a sense, you talk about maintaining a strong and competitive transportation industry. How are you going to implement that, and what do you see as the means of doing that?

Secretary SKINNER. Well, what we've got to do is, number one, use the infrastructure we have more efficiently through things such as high intelligent vehicles where people in their car will be able to see the actual conditions on other parallel highways and be able to move to those highways with a degree of certainty of more efficient usage.

Number two, expanding the infrastructure we've talked about through a variety of ways, private sector, tolls and things like that, using the system more efficiently.

Number three, just building more capacity with the combination of Federal and State funding. All of that will eliminate congestion and make more efficient use of the infrastructure that we have.

Last night, the chairman of a major airline was in my office, and he discussed the results of three studies in Europe that were recently conducted by three different European organizations.

All of those three studies pointed out that the problems of congestion in infrastructure and transportation in Europe are very, very substantial.

They have not only some of the same problems that we have, but they don't even have some of the aggressive programs we have in place now to address them.

In very frank terms, that gives us a competitive advantage over those systems, and if we can take advantage of this investment in infrastructure to make our system more efficient, we're going to be able to price our product more competitively, because the transportation component will not contain the cost of the hours of delays on highways and the fuel that was burned and the salaries of the truck drivers or the barge operators or the airplane pilots, et cetera.

Therefore, the best example I can think of is up in Detroit. I visited the Chrysler plant. The plant has one hour's worth of seats and inventory for two shifts worth of production.

Every hour a manager calls the seat manufacturer 40 miles away, which is an independent company, orders the seat by fabric, by color, and by style, the manufacturer makes the seat, packages it and delivers it to the factory within four hours.

The manager has low inventory costs at the manufacturing facility, has low inventory costs at the Chrysler plant, and it's all because there's a very efficient, uncongested 40-mile interstate highway link between the two facilities.

That's the kind of efficiencies we've got to build into our system.

Mr. HASTERT. Also, then, I would assume that when you're talking about that kind of competitiveness, especially when you have the just and need philosophy, we need to unleash the regulation from our trucking industries so that they're able to do that, too.

Secretary SKINNER. No question, and our rail industry. We've made a lot of recommendations in the rail industry, and we haven't really talked about them today.

I want to do that. We have a rail system in this country that still is operating under some very, very archaic rules and regulations, and if we're going to make that rail system competitive and keep it in existence, we're going to have to make some of the changes that have been suggested in the policy.

That's going to make us the lean and mean system that we need to be if we're going to compete.

Mr. HASTERT. Thank you, Secretary Skinner.

Mr. MINETA. Mr. Clement.

Mr. CLEMENT. Yes, sir.

Mr. Secretary, I know since the 1950s, we've spent a lot of our time on our interstate system, but I think all of us know much has changed, people have changed, times have changed, our society has changed.

What do you think is our best way to solve our transportation needs now and in the future?

Secretary SKINNER. Well, number one, I think with the themes that we've talked about, is to maintain the system that we have.

This interstate that you were talking about is one of the most efficient in the world, and we've got to maintain it and keep it in good condition.

We've got to expand highways of national interest where they're appropriate. At the same time, we've got to make them more efficient in their utilization.

The way we do that is by technology and by investing in the use of infrastructure. For instance, we're investing at the FAA billions of dollars in an air traffic control system that, when it's complete, between equipment and software, will be the most complex, most efficient, most sophisticated system in the world.

That system will allow us to be very efficient in the use of our infrastructure, and I might also add, Congressman, it also creates technology that we can export to other parts of the world that are in crying need of that level of technology. They don't even have the current level of sophistication we have, let alone the upgraded versions. Those are some of the examples.

Mr. CLEMENT. Well, what about our surface transportation system? Do you think we're getting our money's worth from the amount of money that we're spending at the present time on our system?

Secretary SKINNER. I think we are getting a good return on most of our investment, but I now have the opportunity to talk about another problem that isn't discussed in the National Transportation Policy.

It deals with how we establish projects for priority funding in the Federal budget. This issue is whether or not, before we earmark a project, we're going to go through a very decent justification process so that we're confident that when that project is funded, it is going to have a realistic return on the multi-billion dollar investment we make.

We have projects that are earmarked on occasion or are authorized by the Congress on which we later find ourselves having to come back and convince them, based upon the analysis, that the projects are not realistic investments given the return on the investment.

Congress sometimes overrules us on it. The issue is where spending money on those projects, if that happens, is in the long range best interest of the country because of the utilization of resources there versus other projects that are a higher priority.

Mr. CLEMENT. Is this what you were referring to a while ago when you talked about so-called free dollars or Federal dollars versus State dollars, and many State Governments consider those so-called Federal dollars are really free dollars, and we're really not getting our money's worth?

Secretary SKINNER. No, I was talking about a little different approach, but it applies the same way. That approach is that people sit out in the States, and they say, well, we've got so much money available. Now, where can we get additional money?

They in effect say there's Program X at the Federal Government, and it's 90 percent funded, and you can go to Washington and get 90 percent of the money and put in a 10 percent State component. What great leverage!

There are a lot of rules and regulations about the management of the program, but the State or local entity can live with that, because it's 90 percent Federal funded.

They don't pay enough attention because the costs are just passed on back to Washington, and they don't have the taxpayer accountability at the local level for overruns on projects that come out of Washington to the degree they do on local projects where the local share is substantial, and they have to go back to the taxpayers and explain to them why they're raising the levy from half a cent to three-quarters of a cent to cover for the overrun.

That's the kind of local responsibility I was talking about.

Mr. CLEMENT. I know you proposed toll roads. You know, in many localities and regions of the country, that's not very popular, toll roads, and they'd prefer paying for new roads, highways, or transportation in a different way, than toll roads that many feel are a nuisance.

Are the States and local Governments going to have any freedom of choice when it comes to the proposal on these toll roads, or is this something we're going to have to live with for the future?

Secretary SKINNER. Well, let me say that toll roads aren't right for every locality and every problem, but there certainly are areas where they are right. I would like to again, go back to the Illinois example where the new toll road was opened. People who were against the toll road when it was first built, who now have seen the benefits of it and are hearing from the users how much easier it is to get to work, are now saying let's build the extension that we talked about and didn't do because it's now acceptable.

So I think that there are other parts of the country like that, but we're not going to solve the rural problems of this country by toll roads.

Tom, you may want to add on to that.

Mr. LARSON. Simply, all of our thinking is that it would be an option, not a mandate.

Mr. CLEMENT. I want to ask you about bicycling now. I know I like bicycling, I think a lot of people do, and I'd like to see us expand our bicycling program all over this country.

I think it would solve many of our problems with congestion, pollution and energy consumption that we have now, and I know you designated a person in your office that you call a Bicycle Coordinator, I believe, that spends about one-fifth of her time on that particular project now.

I didn't know whether the time has come to have a full time person involved with that, and also I'd like for you to update me about your commitment to bicycle paths and the bicycle program, not just here, but throughout the United States.

I'm from Nashville, Tennessee, and I'd like to have just a demonstration project.

Secretary SKINNER. I'd ask Dr. Larson to answer that question.

Mr. LARSON. First of all, I share your enthusiasm for bikes as a means of recreation and transportation. When I was a director in Pennsylvania, we built a lot of bikeways, and it is discretionary now.

There are funds, and as an enthusiast, I could certainly be supportive of the notion of putting more emphasis on that. One of the interesting things about bike use is the use for delivery service.

One of my daughter's best friends spent a year here in Washington as a delivery person, and I was in awe of her accomplishments.

We have gone beyond the traffic and are now moving people and goods by bicycles right here in this city and in many others. I think there is a big future.

Mr. CLEMENT. What are the obstacles with a bicycle path or program throughout our country?

Mr. LARSON. The obstacles are, I think, in part, in our own agency. I think there has been a mentality that this was frivolous.

I disagree with that and believe that we should, in fact, take it more seriously. So I think the obstacles are people obstacles across the country, not just in the DOT.

Mr. CLEMENT. With these new bicycles, my goodness, people can get to work no matter how many hills and valleys they have to cross, and I think that would put that much more emphasis on the environment that I think all of us are concerned about, the quality of life issue, and I think it would offer us a new dimension that we do not have now.

I know your Department, Secretary Skinner, could surely be the leader in that area.

Secretary SKINNER. I met with a bicycling group a few months ago and agreed to assign someone to be the coordinator within the department for bicycling, and I think if that hasn't been done, it's in the process of being done.

Mr. MINETA. If my colleague would yield, Mr. Larson, I believe it's on page 96.

Mr. LARSON. Yes, it is. Thank you, Mr. Chairman.

Mr. CLEMENT. Thank you, Mr. Secretary. Were you going to say something else?

Secretary SKINNER. I was just going to ask Tom whether that's been done or not.

Mr. LARSON. I'm not aware of that.

Secretary SKINNER. We're not sure. You see, now we get into the big jurisdiction question: should it be in highways or should it be in the policy office?

So normally that's a six-month process, but I think I can expedite it.

Mr. CLEMENT. Thank you, Mr. Chairman.

Mr. MINETA. Mr. Grant?

Mr. GRANT. Mr. Chairman, at this time, I have some questions; I'd yield my time to Mr. Upton and Mr. Emerson, who are senior to me on the committee.

Mr. MINETA. Mr. Upton?

Mr. UPTON. Thank you, Mr. Grant.

Mr. Secretary, I want to congratulate you on your study and your willingness to come up here so many times during the first year of the Bush Administration.

I think all of us on the committee certainly have the public in sight, and I think I can speak for many if not all of my Democratic colleagues that we're very glad that you're down at the department, and we're delighted that you're here this afternoon.

This morning, I was asked a question by one of my local media radio stations in western Michigan with regard to user fees as it pertains to the Coast Guard, which, of course, is under your jurisdiction as the Secretary for the Department of Transportation.

My response was very easy, because I support user fees for the Coast Guard, as long as they are for vessels that are on Coast Guard navigable waters, obviously, a modest fee, we're talking in the neighborhood of $20 or $25 a year, and as long as all of the funds, all of them, go to Coast Guard activities such as search and rescue.

I'm hopeful that we'll have an amendment later this year led perhaps by Saul Conti to see if we can get Congress to adopt something like that.

You've talked in your testimony this afternoon about user fees and the importance of dedicating them to the prescribed purposes, very much along the lines of what I support with regard to the Coast Guard.

I think almost probably every member of this committee would agree that if we can construct the user fee along the lines where all of the funds are prescribed to go to a certain purpose, we would support it.

Are we spending every penny that we collect for highways and mass transit through the gas tax today?

Secretary SKINNER. On the current basis, regarding the Highway Program, this year's budget spends more than we take in in taxes.

In fact, there's a chart here that goes on ad nauseam on, from 1984 to 1995, on whether we had a surplus or deficit year. I think in both the transit and highway account, and it shows that in many years we had a deficit, a few years we had a surplus.

Our proposal this year generates the smallest surplus we've seen since 1984.

Mr. UPTON. So your table shows that the spending in the trust fund for the highway actually exceeds the revenues that have come in?

Secretary SKINNER. I'll let Dr. Larson explain the highway account and let Mr. Clymer explain the transit account for you.

Mr. LARSON. In the case of the highway account, most of the balance that is so much talked about was built up in the late 1970s and early 1980s, and since then, with a few ups and downs, we've been spending the income plus the interest of that account.

Mr. UPTON. Well, in the testimony that's come out this afternoon, you also indicate that part of this package that you've sent up, in fact, in the future we will be spending down the trust fund.

In essence, you're saying that we've already been doing that in the last couple of years. Is that correct?

Mr. LARSON. No, there is a balance of about $10.6 million, and, as this press release that I referred to a few moments ago specified, within the law, we could accelerate by about a 35 percent a year increase, and that would go on for about a three-year period.

That is the potential that could be realized from the funds in the Highway Trust Fund.

Mr. UPTON. Okay. When you ask for more spending by state and local units, are you at the same time reducing Federal funds, then, or are you, in fact, increasing Federal funds when you are asking the local and State forces to also increase?

Mr. LARSON. If I may respond, that issue is not yet before us. This is a strategic plan. It does not get into the details of what is properly the reauthorization which is still before us.

Mr. UPTON. But am I correct, though, when in your proposal you ask the states to spend more money, you're not at the same time saying that the Federal Government will be spending less than it is today? Is that correct?

Mr. LARSON. That statement has not been made at this point in time. Again, the issues there will be part of a reauthorization process that will go on with the Congress.

Mr. UPTON. Okay. Thank you.

Mr. Secretary, you indicated earlier this afternoon that, in essence, state and local officials often have better local decision making than they do at the Federal Government.

I note that the state that I represent, Michigan, since 1956, the last 30 some years, we've been a donor state. We have provided more money through the taxes that have been collected than in fact we have received in highway projects throughout our state.

When you ask the states to provide more money in this proposal, would you also consider lowering the Federal tax for those states that are donors, or at least transferring perhaps a greater share than 78 percent to those states that have been donors?

Secretary SKINNER. I think I'll stand by my earlier position that I'm more than glad to accept the position that the members of the House and the Senate from both the rural and urban areas can collectively agree on.

You know, I think that one of the problems there and the reason that we've kind of ducked that issue is because there has been such a unique legislative debate on the proper relationship and allocation that I'd like to hear from all sides before we make an informed decision.

Not to do so would make my decision uninformed. That's why I'm hesitating on that.

Mr. UPTON. I'm glad to be the first to twist your arm, then.

Secretary SKINNER. Let me just say on Coast Guard user fees before we leave it, I'm delighted to know you and I both understand the importance of the Coast Guard, especially in the Great Lakes area.

If you take aids to navigation, which are an important part of search and rescue, and combine the two, we estimate that in 1991 we'll spend $987 million on search and rescue and aids to navigation. Even if our user fee proposal were enacted, it would only generate about $150 million in revenue.

So we have a long way to go before we cover the cost of search and rescue. So you understand where I stand on that, I think the basic mission of the United States Coast Guard has been and continues to be in the area of search and rescue, aids to navigation, and marine and environmental safety.

While we have an important role to play in the fight against drugs, we do not want in the long run to compromise our responsibilities that we've been doing very well for the past 200 years, and we're just not going to do that as long as I'm Secretary.

Mr. MINETA. Would my colleague from Michigan yield?

Mr. UPTON. Yes, sir.

Mr. MINETA. When you spoke of the trust fund balances, I was wondering, what about the Urban Mass Transit Account? In terms

of the income and the outgo, are we spending more than we're taking in, as you've indicated?

Secretary SKINNER. Yes. Mr. Clymer will answer that.

Mr. CLYMER. Mr. Chairman, similar to the Federal Highway Program, most of the balance in the Mass Transit Account developed in the early 1980s. In this year and next year, we'll be spending slightly less than the amounts going into the trust fund, although, as the Secretary pointed out earlier, in our 1991 budget, the excess will only be in the neighborhood of approximately $250 million, which is the lowest amount that will remain unspent since 1984.

Mr. MINETA. Why is that occurring?

Mr. CLYMER. Congress has only allowed us to spend up to approximately $1.1 billion a year of trust fund revenues, and in actuality I think there is somewhere in the neighborhood of $1.4 billion going into that fund from the penny gas tax.

Mr. MINETA. The $580 million in terms of operating subsidies, that comes out of the general fund?

Mr. CLYMER. That's correct.

Mr. MINETA. Thank you.

Mr. Skaggs.

Mr. SKAGGS. Thank you, Mr. Chairman.

I have to make an observation to my friend from Florida, Mr. Grant, that if only certain decisions hadn't been made, of course, he'd still be senior to me over on this side of the aisle.

Mr. Secretary, when you're at this point in the afternoon's questioning and others have talked philosophy and concept, I've had a chance to get down the level of individual words in your statement.

One of those that I'd like to ask you about appears on page 2, and it's the choice of the word amenity, environmental amenity, which, to my mind, carries the connotation of a sort of secondary level of consideration that I hope I am misinterpreting.

I'm wondering if, taking off from that, you might give us your thoughts on how important environmental factors are or ought to be, in your mind, as we do work to develop the kind of integrated transportation policy that you are proposing for the country.

Secretary SKINNER. Oh, I see, it's in my testimony.

Mr. SKAGGS. Yes, sir.

Secretary SKINNER. Oh, that's even worse. I thought it was in the statement in our policy, and I could blame it on Dr. Larson. But I have just recently approved the statement, so I can't.

Well, "amenity" does not indicate anything other than an attempt, probably inartfully—maybe it was put in there by one of the other organizations that are accused of wordsmithing my statements—it really does not mean secondary.

In fact, Dr. Larson and I were talking today, he has just returned from a trip to Turkey and Europe, and we were talking about the problems of the environment in those countries. I think he and I both agree if you really want to see what the automobile can do to the environment, all you have to do is go to Greece and Turkey, and you will see air that you can barely breathe.

We have committed to and worked with the Administration on the Clean Air Bill and on the mobile sources issue. I believe a very reasonable compromise was reached in the Senate, and we will con-

tinue to work with the Conference Committee when the bill gets to conference in order to reach a solution that makes sense.

Environmentally sound projects are part of this overall process and in everything we do. At the same time we protect the environment, we want to make sure that we don't unnecessarily stop projects where the real environmental risk is minor or gets tied up in form over substance.

I participated in the development of the MOA and the subsequent MOA on the wetlands issue between the Corps of Engineers, the EPA and other Departments of Government.

We heard from almost 40 States all over the country about their concerns over the permitting process and the problems that they had with some portions of it. We heard about their concerns with projects going forward where there was really no wetlands impact, other than an impact to technical, a definitional wetland rather than an actual wetland.

So we've been trying to push forward on the environmental issues while at the same time making sure that we don't, in the words of someone, throw out the baby with the bath water.

I think we've reached that in wetlands, and I think we've reached that in clean air. There's no question the President is committed to it.

All you have to do is sit in on the meetings that I sit in on and watch him express his concerns. I might add, if I can depart, I think that the process that we went through, the interagency process, not only in the development of this plan, but in the development of the MOA and everything else, is a very healthy process.

Just as you don't want your constituents not to be heard before a decision is made, it is unfair to go through a decision process without having every constituency heard on their concerns.

Governor Sununu, in his development of the process, was really the gatekeeper to make sure that everybody was heard. Unfortunately, I think he has been portrayed as something of a roadblock.

What he really was, was a facilitator so that a very comprehensive program could be put together without literally failing to listen to or totally ignoring legitimate concerns by most of the states in this country.

Mr. SKAGGS. I did not intend necessarily to push the button about the clean air situation with you, but looking prospectively, and I hope more congenially, at where we may be as we deal with the Highway Reauthorization Bill, I gather from your comments that you do see a positive and central role for environmental considerations generally and air improvement in particular to play in fashioning that legislation.

Secretary SKINNER. Yes, although the only reason I got into clean air, Congressman, as you know, is that it has such a broad impact across all areas, including the mobile sources area.

Mr. SKAGGS. Related, however, since you did bring up the current actions on clean air, as I understand it, the Senate compromise that's been worked out would mean that the Department of Transportation would no longer be the lead agency in coordinating approval of State implementation plans.

How do you see that affecting the administration of a Federal aid program for highway construction? Perhaps that's a question you want to refer to one of your colleagues, but I'm interested.

Secretary SKINNER. I'd love to refer that to Dr. Larson, so thanks for the suggestion.

Dr. Larson, do you want to take that one?

Mr. LARSON. We have had concerns about that question of implementation, but I come from a position where the concern for the environment is transcending some of the concerns that we have traditionally had.

I believe that we can work successfully in this new program, and I'm very much committed to doing that as Federal Highway Administrator.

Mr. SKAGGS. No objection from you, then, on this count?

Mr. LARSON. No objection from me with respect to lead agency responsibility for approval of SIPS.

Mr. SKAGGS. Just one final area of inquiry, if I may, Mr. Chairman.

I appreciated your references in several places, Mr. Secretary, in your statement to the need for greater flexibility.

Do I read you correctly there as indicating, again, a willingness on the part of the Administration to contemplate, let's say, removal of some of the restrictions and conditions attached to certain kinds of Federal assistance if local areas, and I'm thinking about the effort that's underway in my area now to develop a really integrated multi-modal transportation funded overwhelmingly by local resources, you would react favorably to the idea of permitting the Federal pieces of that, both mass transit and highway dollars, to be pooled and provided with some greater flexibility to local governments?

Secretary SKINNER. Yes, we can make some pretty strong arguments for that. Obviously, some of that is the legislative process that we're going to have to go through, especially on these funding sources.

I must say I think that while we have broken down the barriers of modal resistance within the department, I'm not so sure the interest groups in the highways and aviation areas have quite seen the light yet.

So we have some missionary work to do with them, and anything you can do to encourage the intermodal approach by surface and aviation interests will be appreciated.

Mr. SKAGGS. Well, I expect we may need to deal with this issue in terms of building in some flexibility under the Reauthorization Bill, and I just wanted to make sure I understood where you all would be on that issue.

Thank you very much, Mr. Chairman.

Thank you, Mr. Secretary.

Mr. MINETA. Mr. Emerson.

Mr. EMERSON. Thank you, Mr. Chairman.

Mr. Secretary, welcome. Just a couple of questions here. You stated that among your goals and objectives, one of them is the promotion of effective connections between rural and urban areas.

I take that to mean in conjunction with the Federal Highway Act Reauthorization, and I'm sure you'll have more specific recom-

mendations, but as one who represents a very rural area that is interested in better connections to urban areas, I wonder if you have anything specific in mind that you could share with us at this time?

Secretary SKINNER. Not too specific. Dr. Larson may want to amplify on that a little bit.

Mr. LARSON. Well, first of all, the system of national significance that has been much talked about, it's certainly not set in asphalt or concrete yet, but it would run in rural and urban areas, and we would work with the States to define the specific corridors.

Beyond that, there has been talk in AASHTO and in other associations about a new access program that would be added to what we've talked about up to this point which would specifically reach out into the urban areas.

I have been reminded many times by the Senators from rural states, by House members, and Governor Kay Orr some time ago said that we must not disconnect rural America from the main stream of America by disconnecting the transportation networks.

So we're very sensitive to that concern.

Mr. EMERSON. Well, I appreciate that, and not only do we not want to be disconnected, we want to be better connected.

So as we look to the reauthorization of the Federal Highway Act, I hope you'll bear that in mind, and we look forward to working with you to share some ideas.

Another thing, Mr. Secretary, I'm wondering if you have any hope for an expanded rail system in this country through the private sector.

In other words, are you seeing from where you sit any evidence that there is a market demand in the foreseeable future for an expanded rail system, you know, out of the corridors that traverse the megalopolis of the East Coast and probably of the West Coast and maybe a little bit in the Midwest?

I think there's a pretty good network between Chicago and St. Louis. For example, you can't get to St. Louis from Washington, DC, right now on a train.

During your tenure as Secretary of Transportation, are we likely to see us have rail service between Washington, DC, and St. Louis?

I wouldn't lay it all on the back of the Government. I'm saying is there a demand there that could generate such a service?

Secretary SKINNER. We're not sure at this point where that demand is, and, you know, as you say, there may be a demand but whether it can be justified, or whether it's a cost related demand, remains to be seen.

That's why we've really started to take a look at a comprehensive review of passenger rail in this country and where it's going and whether high speed rail can offer some opportunities that haven't existed before.

So in six months, I'll be able to answer that question.

Mr. EMERSON. Thank you very much.

Thank you, Mr. Chairman.

Mr. MINETA. Mr. Visclosky.

Mr. VISCLOSKY. Mr. Chairman, thank you very much.

I guess that Mr. Skaggs and I both got to page two. I don't know if we got much farther.

Mr. Secretary, I would just like to read from your statement on page two and page five your words, "an investment in transportation is an investment in our future economy in jobs," and on page five you use the terminology of investment again in stating, "in my mind, there is no question that improved transportation will improve our productivity as a Nation, that an investment in infrastructure is an investment in jobs."

I guess one of the first questions I would raise in terms of the Administration's commitment to their investment in a more productive economy is in response to an answer that you gave to Mr. Borski that the Administration does not support taking the trust funds off budget. Why?

Secretary SKINNER. Why did the Administration take that position?

Mr. VISCLOSKY. Why does the Administration take that position?

Secretary SKINNER. I believe that given the current budgetary situation and the current deficit situation that they don't think it's appropriate.

We really haven't reargued that. That was a position that I inherited. The Administration had taken it prior to the time that I arrived.

It has not been revisited, and I was not part of the detailed decision process, other than to know that they felt the budgetary situation we have today would be compounded if that were to occur, and, therefore, they didn't think they could justify it.

But I haven't revisited it, and I know that's the same position that they took earlier.

Mr. VISCLOSKY. Mr. Secretary, I forget which of the panel made reference to this, and it might have been yourself, in talking about the trust funds and the possible spend down, it was pointed out that in three of the last four years the expenditures from the Highway Trust Fund exceeded receipts.

Is that because of an Administration initiative or is that because of changes Congress worked on the budget proposed by the Administration?

Secretary SKINNER. I haven't got the budget proposals. What I have is the actual spend down, I don't have the institutional history concerning whether that was imposed upon us against our will or with our acquiescence.

Mr. VISCLOSKY. Well, in terms of an investment and in terms of support of investment, my sense, and perhaps I misinterpreted the comments earlier, is that there was a policy of sorts during the last three or four years to begin increasing expenditures in terms of highways.

My question is, was that a Congressional initiative or was that an initiative of the Reagan-Bush Administration?

Secretary SKINNER. Well, I don't know exactly the dynamics. I'll get that answer for you.

Mr. VISCLOSKY. Mr. Secretary, if I could, someone referenced that you have the figures for the last ten years in terms of the draw downs in terms of the Highway Trust Fund.

I would appreciate it, beginning with the fiscal year 1981 budget, if we might have for the committee record what the beginning and ending fiscal year balance was and how that was impacted in terms

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of what the Administration's original budget request was and what the ultimate disposition was in terms of Congressional activity, because I think it's an important distinction to make in terms of investment and infrastructure.

If there has been an increase in terms of expenditures versus taxes, whose initiative is that to begin to draw down that trust fund?

Secretary SKINNER. I think that's a very good question, and I should know that, and I'll get the answer to you.

[The information follows:]

Over the period FY 86 to FY 89, outlays from the Highway Account did exceed tax receipts in three of the four years. In fact, over that four year period, spending exceeded taxes by $3.4 billion. This was due to action by both the Congress and the Administration. As the attached table shows, every Administration budget presented between 1986 and 1989 proposed to outlay more than collected over this four year period. For FY 86 and FY 88, the Congress enacted appropriations acts that resulted in higher outlays in those years than the Administration proposed. For FY 87, the Congress decided to spend less than requested, and for FY 89 the Congress chose to spend about the same as was proposed. So the answer to the year question depends on which of the four years we're talking about. In general, it is probably fair to say that both the Administration and the Congress proposed to spend more than would be collected in tax receipts, but that the Administration was slightly more conservative.

A COMPARISON OF IMPACTS ON THE HIGHWAY ACCOUNT OF THE HIGHWAY TRUST FUND OF ADMINISTRATION BUDGET PROPOSAL AND ACTUAL APPROPRIATIONS. FY 1986-89

ACTUAL	1986	1987	1988	1989
TAX INCOME	12,250	11,793	12,836	14,358
OUTLAYS	14,180	12,808	14,038	13,602
DIFFERENCE	-1,930	-1,015	-1,202	756
CUMULATIVE DIFF FY 86 to FY 89				-3,391

PRESIDENT'S BUDGET FOR '86	1986	1987	1988	1989
TAX INCOME	12,397	12,586	12,785	13,042
OUTLAYS	13,685	14,003	14,133	14,597
DIFFERENCE	-1,288	-1,417	-1,348	-1,555
CUMULATIVE DIFF FY 86 to FY 89				-5,608

PRESIDENT'S BUDGET FOR '87	1986	1987	1988	1989
TAX INCOME	12,250	12,598	12,842	13,837
OUTLAYS	14,180	13,414	12,774	12,830
DIFFERENCE	-1,930	-816	68	1,007
CUMULATIVE DIFF FY 86 to FY 89				-1,671

PRESIDENT'S BUDGET FOR '88	1986	1987	1988	1989
TAX INCOME	12,250	11,793	13,763	13,982
OUTLAYS	14,180	12,808	13,026	14,042
DIFFERENCE	-1,930	-1,015	737	-60
CUMULATIVE DIFF FY 86 to FY 89				-2,268

PRESIDENT'S BUDGET FOR '89	1986	1987	1988	1989
TAX INCOME	12,250	11,793	12,836	13,022
OUTLAYS	14,180	12,808	14,038	13,529
DIFFERENCE	-1,930	-1,015	-1,202	-507
CUMULATIVE DIFF FY 86 to FY 89				-4,654

UNDERLINE = ACTUALS
NORMAL = PROPOSED IN PRESIDENT'S BUDGET
ALL FIGURES IN MILLIONS OF DOLLARS

The attached table shows the end-of-year balance of the Highway Account of the Highway Trust Fund for the first years 1981 to 1990. The end-of-year balance is a product of the budget as passed by the Congress. The beginning-year balance is the same as the end of year balance of the prior year. The bottom line of the table shows the effect on the balance, in the budget year, of the Administration's budget compared to what was enacted. A positive number indicates that the Administration's budget would have resulted in a higher balance, a negative number indicates it would have resulted in a lower balance.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

ACTUAL HIGHWAY TRUST FUND BALANCES
AND THE EFFECT THE ADMINISTRATION'S PROPOSED
LEVELS WOULD HAVE HAD ON THE BALANCES

($ in millions)

	1981	1982	1983	1984	1985	1986	1987	1988	1989	est. 1990
End of Year Trust Fund Balance	9,259	9,046	9,062	10,210	10,362	9,486	9,412	9,019	10,551	10,981
Effect of Administration's proposed budget..... 1/	0	-324	-774	436	130	143	125	190	50	1,013

1/ These amounts were computed by applying outlay percentages to the difference between the enacted Federal Aid Highway obligation levels vs. the amount proposed by the Administration.

Mr. VISCLOSKY. In terms of next year's budget for fiscal year 1991, it is my impression, and I would appreciate knowing if I'm correct or not, that differential in terms of the Administration's proposal for spending from the Highway Trust Fund versus tax receipts is about $700 million.

That is, we would receive and maintain about $700 million that we would not spend, according to the Bush budget proposal.

Secretary SKINNER. That's the 1991 budget?

Mr. VISCLOSKY. Yes, sir.

Secretary SKINNER. I show outlays of $1.40319 billion and income, not including interest, of $1.3768 million. In the transit account, I show outlays of $1.095 billion and income of $1.345 million. So that basically shows about a wash, if you combine the two accounts.

Mr. VISCLOSKY. My impression was, again, that the differential in terms of the receipts versus the expenditures called for in the Administration's budget shows the differential of about $700 million in taxes that would be retained and not expended.

Secretary SKINNER. That's not my understanding, but we'll get you the accurate facts, and I'll just have my staff talk to yours.

Mr. VISCLOSKY. If you could refer that to the permanent committee staff and to the subcommittee, I would appreciate that.

Secretary SKINNER. You may be counting interest, and if you're counting interest, the number you're using may be correct.

Mr. VISCLOSKY. Fine. Mr. Secretary, you did reference mass transit, and I might ask for the comparison in terms of the fiscal years for mass transit.

Another question I might have is, in terms of the spend down, I understand that no determination has been made, that a general proposal has been put forth.

In terms of when the Administration might come back to the committee with a specific recommendation, when might we anticipate that occurring?

Secretary SKINNER. On highway reauthorization?

Dr. Larson, do you want to talk about that?

Mr. LARSON. Well, I think that we're not ready yet to give a date for that. We're working vigorously, and we're working across the three administrations, but we don't yet have a date certain when we could come forward.

Mr. VISCLOSKY. Mr. Chairman, I really have no further questions. I just might note in terms of policy statement that the Secretary, in his statement, does talk about providing flexibility, a term that we have used here, to assist States and local Governments to raise revenues.

Again, my sense here is that the commitment still is not present in terms of the Administration as far as making that true investment.

Although the President was quoted in your testimony from his State of the Union indicating that it's time to act together, my sense is the message of the Bush Administration is it's time for the States and localities to act alone.

Thank you, Mr. Chairman.

Mr. MINETA. Mr. Grant.

Mr. GRANT. Thank you, Mr. Chairman.

I appreciate that. I only wish that my good friend, Mr. Skaggs, was still here.

Secretary SKINNER. So do I.

Mr. GRANT. We actually are friends more than just rhetorical friends. I would remind my friend, Mr. Skaggs, that it's more important where you stand than where you sit, and in that regard, I'm very pleased to be standing where I am.

Just one quick thing, Mr. Secretary. I'm from Florida, and I recently took a trip down the middle of the state at Thanksgiving, normally a six-hour trip that I knew was going to take less time on our bonded system down there, not the interstate system, but our bonded system, the turnpike.

It usually takes six hours from Tallahassee to Stuart, and it took me nine and a half hours. On three different occasions on that trip, the four-lane traffic was stopped dead still three different times.

The reason I mention that is to say that I know that we built a highway system or program, frankly, that was designed to build a national system.

In Florida, we don't have one of the highest tax rates in the country. We're in the lower quarter, frankly, of the taxes we levy.

But what our people see is that since 1956, there are only six States that have received fewer dollars back than the State of Florida, and, in fact, in 1988, the last figures I had a total on, we paid in $623 million and got back $467 million, and no one was lower than us.

It's very hard to justify to our citizens why we should continue to increase the fuel taxes that they pay. My question is: Might not that kind of situation lead you to decide that some of the programs in Florida, and this is very parochial, but that some of the programs in Florida might be projects of National significance?

Secretary SKINNER. I know Florida pretty well. I was down there the same time you were and have traveled all over that State and spent a lot of time down there. Florida is unique.

Governor Martinez, I think, the other day was very happy, not happy exactly, but he pointed out that maybe there weren't as many as 1,000 people a week coming into Florida, that maybe they've gone down to 900 a week and that that would give them a little breather.

The infrastructure in your State is at the top of everybody's list of concerns, as you know, and the estimates are staggering as to what Florida is going to have to do to handle their infrastructure needs.

I do believe that Florida can be more aggressive. I would assume that Florida would at least have been in an 85 percent return state, and maybe Dr. Larson can address that, but Florida's unique infrastructure problems are going to require the best minds at both the Federal level and the State level.

I've talked to Governor Martinez about what I think is going to have to be a very aggressive infrastructure program in that state even with substantial Federal commitment if those problems are going to be solved because of the growth that's going on there.

We have not focused, frankly, on what would be the networks of new national importance to the degree that we can be specific on your question.

You know, Florida also has some rural areas as well as some very urban areas. It's a unique State because of its length. Northern Florida is becoming more urban than it has ever been before, so I think we just have to wait and focus on that.

In the meantime, I think there's a lot that can be done at the State and local level.

Mr. Larson, you might address the return on tax dollar issue.

Mr. LARSON. I will provide the Congressman with data of the last four or five years of just what has happened in that account and why.

Mr. GRANT. I'd appreciate that.

[The information received from Mr. Larson follows:]

US Department
of Transportation

**Federal Highway
Administration**

Office of the Administrator

400 Seventh St., S.W.
Washington, D.C. 20590

March 23, 1990
Refer To: HFS-10

The Honorable Bill Grant
Member, Committee on Public Works
and Transportation
House of Representatives
Washington, D.C. 20515

Dear Mr. Grant:

On March 8, 1990, I, along with Secretary of Transportation Samuel K. Skinner and other Departmental Administrators, had the privilege and pleasure of testifying before you and other members of the Committee on Public Works and Transportation concerning the National Transportation Policy. During the hearing, you requested information concerning the State of Florida and the Highway Trust Fund. The information is enclosed.

I am pleased to furnish this information and look forward to working with you as we act together on our Nation's highway programs.

Sincerely yours,

T. D. Larson
Administrator

Enclosure

FHWA:HFS-10:THoward:62833:bjm:3/13/90
cc: Disk/c/GRANT

HOA-1	Mr. Calhoun
HOA-2	Mr. Kane
HOA-3	Mr. Swinford
Ms. Lauffer	Mr. Howard
Ms. Moore	Budget Div.
Mr. Lockwood	Chron.
HOA-3(ES)	

STATE OF FLORIDA

COMPARISON OF HIGHWAY TRUST FUND RECEIPTS
AND FEDERAL-AID HIGHWAY APPORTIONMENTS AND ALLOCATIONS

(thousands of dollars)

FY		CONTRIBUTIONS	APPORTIONMENTS/ ALLOCATIONS	NET DONATED
1985		$532,296	$539,982	-$7,686
1986		546,948	633,125	-86,177
1987		549,006	463,119	85,887
1988		623,441	467,303	156,138
	TOTALS	2,251,691	2,103,529	148,162

Mr. GRANT. As you say, we're concerned about the new formula for distribution, whatever that might be.

I find it a little unusual that both the land area and postal mileage, of all things, is still included in the distribution formula, and both are, in my judgment anyway, totally unrelated to either the extent or the use of the highway system.

I know that our Chairman is going to direct us in this regard, and I look forward to that debate.

Did I understand you to say that you are not advocating at this time any changes in the shares of project costs? Did I understand you to say that?

Secretary SKINNER. No, I think we feel that as we go through the reauthorization process, the state and local share as related to the Federal share has to be addressed and that there may be different components for different parts of the system.

We think that in many projects a greater local share is not only warranted but very practicable, and in many States they're doing that already, so we think it will have to be revisited.

Mr. GRANT. Thank you.

Mr. Chairman, I thank you.

Secretary SKINNER. Thank you.

Mr. MINETA. Thank you very much, Mr. Grant.

Secretary, in your testimony you specifically speak to redesigning Federal transit assistance to rely more on the formula distribution of funds.

I take it that this would also mean a reduction in the UMTA discretionary grant program, if not the total elimination of what we now know as the Section 3 Program.

Now, if we are to accomplish this, how we would design a funding allocation formula that could adequately anticipate and address the major capital needs of new rail starts and rail extensions.

Would I be misreading your testimony and the National Transportation Policy to assume that the Administration may in the future be suggesting a no new starts policy, or, if there are new starts and rail extensions to be funded, that that would come through greater flexibility out of the Highway Program?

Secretary SKINNER. I'll ask Dr. Larson and Mr. Clymer to answer that.

Mr. CLYMER. Why don't I start off on that? I think the idea in having more funds formula driven does allow for more flexibility initially, and our 1991 budget does recognize the need for discretionary funding, and certainly as we go into the reauthorization, there would probably be a need to discuss some discretionary program because of the projects that are outstanding.

Ultimately, in the long run, if dollars are driven on a formula basis, then they become predictable to the local areas. They'll know exactly what they're getting.

If they know on a year-to-year basis what's coming in on a formula basis, then any long term planning need not come out of a discretionary pot because they can simply go out and finance their local program based on the predictable dollars that were coming in from the Federal level and their own ability to fund at a local level the size of the project.

Mr. MINETA. Mr. Larson, do you have an expansion on that?

Mr. LARSON. No, sir.

Mr. MINETA. So hopefully that flexibility will be able to do that?

Mr. CLYMER. I think that's a longer term goal. It takes a while to wean from one system over to the other. But, ultimately, I think if a region has an idea of what funds it can expect on a formula basis, then the dollars are going where they belong, driven by formula, and they're predictable to the local area that can then decide best how to use those funds.

If they are predictable, then they should be able to do their own longer range financing.

Mr. MINETA. As it relates to the transportation projects that we have within our jurisdiction, I'm wondering, does increasing the State's share for those projects weaken the Federal-State partnership in those States that don't have the local resources to meet the Federal match requirements?

Are we getting ourselves in a spiral that really is downward driven to the disadvantage of the "weaker" States?

Mr. CLYMER. I think it's a question of financial capability, not necessarily a weakness in the States. If we're looking at what we referred to earlier as the free dollar that isn't really the free dollar, there may be a tendency to take on a project that's larger than there is local ability to either fund on an initial capital basis, or, more importantly, have the ability to operate on an ongoing basis.

So that even if an area is able to go in and get the larger Federal dollar to build a project when that financial capability may not be there at the local level, it may be inclined to go get the project, and once it's built have a system in place that it may not be able to afford regionally to operate.

So I think for the areas that are looking at these kind of systems, what's in their own pocketbook should drive the type of system that's put into place so that areas that do not have the financial capability maybe shouldn't be looking at rail systems, they should be looking at HOV lanes or bus systems, for example.

Mr. MINETA. Let me interrupt for just a minute.

Mr. Secretary, knowing you have another commitment, why don't you go ahead?

Secretary SKINNER. I might thank you, Mr. Chairman.

Mr. MINETA. If I could ask your colleagues to stay, because I do have a couple more questions.

Secretary SKINNER. That's fine. I might take General Curry with me.

Mr. MINETA. Hold it. I may have a question for General Curry, too.

Secretary SKINNER. You have some questions for General Curry? Sorry, General.

I thought for a while here that things were in such good shape——

Mr. MINETA. They are in good shape, but I'm just wondering if I might ask one question.

Secretary SKINNER. That's all right. Why don't I let him, and he can go back afterwards. Or do you want to ask it of me?

Mr. MINETA. No, sir. It's for General Curry.

Secretary SKINNER. Okay. Thank you.

Mr. MINETA. Again, thank you very, very much, Mr. Secretary, for being here and for your fine statement.

Secretary SKINNER. Thank you.

[The prepared statement of Secretary Skinner appears on page 63.]

Mr. MINETA. General Curry, this deals with the policy statement, and I'm not sure whether it's you or maybe Mr. Larson. In any event, the policy statement points out the population of the elderly drivers that is continuing to grow.

Now, this will require some refocusing on priorities that will make driving less hazardous for the older driver. I'm aware that both Federal Highways and NHTSA are closely looking at this issue and have been working with organizations that are developing strategies to address the needs of the older driver.

One of the many factors that contribute to traffic deaths and injuries includes poorly designed and especially poorly maintained highways.

What will maybe NHSTA suggest or what will the Federal Highway Administration be doing to promote design standards that will be more sensitive to the needs and abilities of the growing population of elderly drivers?

Mr. CURRY. Tom, I think you should begin with the design of the highways.

Mr. LARSON. Well, there is no question but what there is a growing population of people that are elderly, and there's also a growing recognition that vision is one of the diminishing faculties with age in many people.

The things that can be done include better lighting in intersection areas, we do that more regularly now; better signage, signs that are illuminated and have larger, more reflective surfaces, and we're doing a good deal of that; the pavement markings, simply having lines and reflectors that give signals to the driver are very, very helpful.

I think we have a kit of tools that are generally available, and it probably comes back to this question of whether there are adequate resources to do all the things that need to be done.

If it's a choice between better signage and filling potholes, unfortunately, we'd probably find many areas that would opt for the pothole filling and neglect the other.

I think that's one of the areas where we're going to have to be very aggressive in promoting better facilities, better design, better furniture for the highway, so to speak, so that the elderly population can be properly served.

Mr. MINETA. Maybe we could be applying those new standards or that kind of standard you're talking about in terms of new construction and still be able to use the money to do the potholes and now maybe do the retrofit. At the present time, is there a way of being able to balance those kinds of interests? Otherwise, if we don't start doing it for the future, we'll never even get started on improving those safety factors as the population gets older?

Mr. LARSON. There are a number of areas where the retrofit question is very keen, and certainly earthquake retrofit is one of them, after the recent experience in California.

How much of your future resource do you put into retrofitting? Those are tough questions that we need to debate as we go forward on this reauthorization.

Mr. MINETA. Well, I wanted to keep it related to the elderly portion.

Mr. LARSON. I am simply submitting that it's about the same kind of a question, and we do have to look both forward and backwards.

Mr. MINETA. I see. Okay.

General Curry, the policy statement also points out that human factors are the largest single cause of accidents on the Nation's highways.

It then enumerates several of the principal driving behaviors that result in the annual fatality rate. Could you tell us how NHTSA plans to encourage the adoption of additional programs or laws that may be required to reduce this annual fatality rate?

Mr. CURRY. I would——

Mr. MINETA. In conjunction with that, are you asking for additional funding to implement whatever those programs might be?

Mr. CURRY. We are comfortable that the funding that we have essentially as it is will allow us to do the things that need to be done.

I would add one more part, Mr. Chairman, to what Tom Larson has said, and that is that when it comes to the elderly, we have a large research program that looks into the behavior of the elderly as drivers, also.

We are concerned about the human factors of how they react, that is, their physical faculties do deteriorate over time.

We are concerned about their ability to drive on the roads, how the cars are designed to relate to them. We're certainly not at the point where we feel that we could make any definitive statements, but I want you to know we are actively inquiring into these areas, and we are doing many things, that perhaps will show us some benefit as regards the elderly of the future.

Mr. MINETA. I have one final question. In view of the increased fatalities on 65 mile per hour rural interstate highways, how will this policy provide for increased enforcement of 55 mile per hour and 65 mile per hour highways?

Mr. CURRY. As relates to speed, from my standpoint, you probably have put your finger on one of the most important things that we think can be done, and that is the enforcement of the speed limits, whether they are 55 mile an hour speed limits or 65 mile an hour speed limits.

My personal experience, and I'm sure probably yours has been, that these speed limits are violated much too often. We'll have a National Traffic Safety Summit on the first of April in which we will be meeting with law enforcement officers of all 50 States and some of our Territories.

This is on the agenda. We will be discussing exactly the enforcement of speed limits, 55 mile an hour, 65 mile an hour, those kinds of things.

Based on what we get from our law enforcement officers, we plan to relook at and retailor our programs to see if we can't do it in a much more effective way.

Mr. MINETA. Thank you very much, General Curry. Since you have a commitment, let me go ahead and excuse you.

Mr. CURRY. Thank you, Mr. Chairman.

Mr. MINETA. I have one final question. Under the National Transportation Policy, Mr. Clymer, the elimination of general funds support for mass transit has the effect of raising the relative cost of transit.

Would the adoption of this National Transportation Policy, through the department's legislative program, force higher transit fares or the elimination of services and/or the reduction in services?

Mr. CLYMER. Well, I think that's been part of the age old question in transit, even as we in the transit industry would go from year to year in our budgets as to how we would look at paying for the increased costs of providing transit services.

Every locality has to make a choice, and they have to make a choice whether it be additional support on the state level or on a local level or on a regional level, or from the fare box.

If we go around the country, we can look and see many different fare structures accompanied by different structures at the State and regional level.

Atlanta, for example, has an approximately 85-cent fare, but they have a State funded sales tax. Their fare box recovery ratio is much lower than, for example, Philadelphia, where the fare box recovery ratio is close to 60 percent, but there is no dedicated funding for transit, so, therefore, most of it has to come out of the fare box.

So I think that it's a difficult issue to assess as you're moving forward with the transportation policy and the needs increase. The needs are going to increase from a number of different perspectives.

They may increase as we look at the match ratio and are trying to leverage on a national basis more dollars into the transit industry as a whole to cover infrastructure requirements, and they're going to increase just because of normal inflation and budgetary requirements at the local level.

I think these are decisions that are going to have to be made locally. Hopefully, what we can do through the Federal program is to try to provide some stability to those programs and some flexibility in the delivery of those dollars to make those decisions easier.

Mr. MINETA. Well, let me thank the Secretary in absentia, as well as General Curry, and you, Mr. Clymer and Dr. Larson, for your being here today.

As was said this morning, this really is a good start. I'm thrilled by the fact that we've gone through this process. We have, for the first time, a document that becomes a guideline for all of us. I am frankly excited about the prospects of what we will be doing in the next 18 months or so.

It will not be without some agony at some points in terms of determining public policy or trying to make sure we have adequate funding for programs. But I know that in the bipartisan spirit of this House Committee on Public Works and Transportation and this Subcommittee on Surface Transportation, I look forward to working with the Secretary, with you, Dr. Larson, Mr. Clymer, General Curry, and everyone else in the Department.

I know that our staff is dedicated to that, and so all the way around I think this has been a good start, and I look forward to the final product whenever that's out.

I know we have to have it in place by September 30, 1991. So that's my intent. I'm quite sure we'll meet that goal.

Thank you very, very much.

Mr. CLYMER. Thank you, Mr. Chairman.

Mr. LARSON. Thank you.

[Whereupon, at 4:53 p.m., the subcommittee was adjourned, to reconvene at the call of the Chair.]

PREPARED STATEMENT OF WITNESS

STATEMENT OF THE HONORABLE SAMUEL K. SKINNER
SECRETARY OF TRANSPORTATION

before the
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
SURFACE TRANSPORTATION SUBCOMMITTEE
U.S. HOUSE OF REPRESENTATIVES

concerning the
NATIONAL TRANSPORTATION POLICY AND HIGHWAY, TRANSIT,
AND HIGHWAY SAFETY REAUTHORIZATION

March 8, 1990

Mr. Chairman and Members of the Committee:

We are pleased to have the timely opportunity today to discuss the National Transportation Policy which President Bush released this morning at the White House. This Committee is one that has a major interest in the National Transportation Policy and will have a large share of the responsibility for translating it into national legislation. This is the first National Transportation Policy since 1978.

Today, at your invitation, I have with me three of the Department's key administrators whose programs are encompassed in the Policy -- Thomas Larson, the Federal Highway Administrator; Jerry Curry, the National Highway Traffic Safety Administrator; and Brian Clymer, the Urban Mass Transportation Administrator.

We initiated our National Transportation Policy development process a year ago, feeling that it was time to take a new look at transportation policies. We went out to the American people in more than 100 public meetings. In essence, what we heard was a

call for an improved transportation system -- a system with greater capacity and a sound financial base; a system that supports our national goals in the areas of safety, national security, environmental amenity, and accessibility for all.

The people we heard echoed the words of President Bush that "we are ready to make an investment in America's future." An investment in transportation is an investment in our future economy, in jobs.

The National Transportation Policy we unveiled today provides a strategic framework for that national investment of time, of money, and of commitment. It shapes the movement of passengers and goods in the 1990's and beyond.

Simply speaking, the National Transportation Policy is about using our common sense -- doing the right things with our limited resources -- focusing on systems of national significance and promoting national priorities -- improving mobility, the efficient movement of goods, providing jobs and improving the quality of life for all Americans.

We deliberately structured the policy to be intermodal in nature-- driven by the freedom of the marketplace and focused on moving America toward a transportation system that promotes U.S. competitiveness both at home and abroad. Its long-range strategy

guidelines emphasize increased private sector transportation investment and job-producing economic growth.

The policy has six major themes: one, maintaining and expanding the existing transportation system; two, providing a sound financial base for transportation programs; three, maintaining a strong and competitive transportation industry; four, ensuring public safety and national security; five, enhancing the environment and the quality of life for our citizens; and six, advancing transportation technology into the 21st century.

This document is not the conclusion of a project, but the beginning of a new era and an ongoing process in which you, of course, will have a major role. The Policy has given us a long-term vision for the future and a short-term decisionmaking framework for major initiatives. Let me give you some examples:

One, we soon will be forwarding the Federal Aviation Administration Reauthorization bill to Congress. That bill includes an increase of more than 70 percent for the Federal Aviation Administration's capital and R & D programs over the next five years compared to the last five, and a provision allowing local airports to levy a passenger facility charge to support airport development. And, yes, we are proposing an increase in the aviation user fee to support these increased levels of Federal spending on aviation infrastructure. The Congress' willingness to enact such an increase will be an important demonstration that our

national leadership is committed to meeting the nation's transportation infrastructure needs.

Two, we are using this policy as the basis for preparing our reauthorization proposal for the highway, transit and highway safety programs in 1991 and other near-term legislative initiatives such as eliminating remaining economic regulation of trucking. This policy is also the umbrella for a law enforcement safety summit on April 1, and oil spill initiatives to protect the environment and prevent another disaster such as Exxon Valdez.

Three, we have asked for a budget increase of 17 percent in Fiscal year 1991 for research and development in areas such as maglev as an alternative transportation mode, and intelligent vehicles and highways that use advanced electronic and communications technology to facilitate movement of people and goods.

Four, we have adopted a program that will enable foreign air carriers to provide improved international air service to more cities. Further opening up the skies in international aviation will produce economic growth.

Among the 169 guidelines and 65 legislative, regulatory and program objectives in the policy are long-term goals that will help to preserve transportation facilities currently in place; expand essential capacity; close the gaps in the transportation network; promote effective connections between rural and urban

areas, between ports and inland points, and between modes; maintain the integrity of the trust funds, and ensure that all transportation user fees are spent for their intended purpose -- to improve transportation; and promote sounder management of our transportation systems.

Finally, the policy urges greater flexibility for state and local governments to raise revenues -- for example, collecting tolls on highways; and encouraging greater private investment in transportation.

The policy supports certain goals: We must eliminate remaining economic regulation of trucking and strive for uniformity of state regulations. We must remove inequitable labor requirements that limit productivity in the railroad industry. We must strive to maintain a high level of safety at all times in all modes. In aviation safety, in highway safety, in boating safety, and the transportation of hazardous materials, the policy provides a framework for action.

In my mind, there is no question that improved transportation will improve our productivity as a nation -- that an investment in infrastructure is an investment in jobs. I know that today is the kick-off of your Committee's hearings on the reauthorization of the federal-aid highway, transit and highway safety programs. Inadequate maintenance and inefficient use of the transportation infrastructure reduce the capacity of the system and contribute to

congestion. Expanding capacity will certainly be necessary in some areas; in many other areas, we must make better use of existing transportation facilities. For example, with low-occupancy automobiles playing such a large part in traffic congestion in urban and intercity travel, we must take greater advantage of the potential of bus, rail and ridesharing if we are to reduce crowding, delays, and "gridlock."

Your Committee is interested in "proposals to meet the transportation needs of Commerce in the 1990's and the 21st century" and a "fresh perspective" on the transportation program at the end of the interstate highway construction program. We trust that our National Transportation Policy will meet your expectations. Now let me briefly outline the Policy's principles that we intend to encompass in the Surface Transportation Reauthorization proposal.

Regarding highways and highway safety, the new program would:

- Make use of the Highway Trust Fund to address critical highway infrastructure requirements.
- Focus the Federal-aid highway program on systems and projects of national significance.
- Provide Federal funding incentives for preservation of highways of national significance.
- Require sound infrastructure management programs as a condition for Federal-aid.
- Increase the State and local share on Federal-aid projects.

- Allow greater flexibility in the use of Federal trust funds for highway and transit purposes.
- Allow greater use of toll financing for Federal-aid highways.
- Devote additional resources to research and development, including programs to improve highway safety through human factors research, and seed money for private sector or State and local research on new transportation technologies, such as intelligent vehicle/highway systems.
- Improve highway and motor carrier safety by targeting Federal financial support and technical assistance to promote enactment and more effective enforcement of laws governing speed limits, driving under the influence of alcohol or drugs, truck driver qualifications and vehicle maintenance, and use of safety belts, child safety seats, and motorcycle helmets; and increase public awareness in those areas.

Regarding mass transit, there are changes that should be made in the current mass transit assistance program, and the policy will lead us toward them: increased emphasis on formula distribution and less reliance on discretionary allocation to permit more confident planning at the local level; an enhanced local commitment to mass transit; flexibility between highway and transit programs in a number of categories; and an appropriate emphasis on research, technology and training to facilitate the development of the latest techniques and best trained people to

provide safe, efficient, attractive, comfortable and convenient mobility for everyone.

To implement the national transportation policy for mass transportation, the Administration will develop legislation consistent with the following principles:

- o Restructure the Federal mass transportation assistance programs to improve effectiveness and reduce reliance on the General Fund.
- o Eliminate barriers to private sector participation in financing and operating mass transportation systems.
- o Allow greater flexibility in the use of Federal trust funds for highway and transit purposes.
- o Increase the State and local role in managing and administering Federal funds.

President Bush spoke about the National Transportation Policy in his State of the Union message last month, stating that "it's time to act." He emphasized "that it's time to act <u>together</u>." Suffice it to say that I am very pleased to end an exciting day in the presence of this Committee. Today is the culmination of a lot of hard work and study by the Department's staff. We are eager to share our early thoughts about the task that lies ahead for all of us.

My colleagues and I will be pleased to answer your questions at this time and I look forward to working closely with all of you as we "act together."

* * *

REAUTHORIZATION OF THE POST-INTERSTATE SURFACE TRANSPORTATION PROGRAMS

TUESDAY, MARCH 13, 1990

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON SURFACE TRANSPORTATION,
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, DC.

The subcommittee met, pursuant to recess, at 10:13 a.m., in room 2167, Rayburn House Office Building, Hon. Norman Y. Mineta (chairman of the subcommittee) presiding.

Mr. MINETA. The Subcommittee on Surface Transportation will come to order.

At this time we will be continuing the hearings that began last Thursday with the appearance before the subcommittee of Secretary Skinner of the Department of Transportation with his colleagues from NHTSA, UMTA, and from the Federal Highway Administration.

Frankly, as I have indicated on a number of occasions, I am proud to be chairing this subcommittee with the good help of our Republican ranking member, Bud Shuster of Pennsylvania, Glenn Anderson of California on the full Committee on Public Works and Transportation, and Congressman John Paul Hammerschmidt of Arkansas.

Now that we have a national transportation strategy it is a good starting point for where we go in terms of what we want that post-interstate era to look like. So we have before us a number of our colleagues who would have suggestions on how to improve our infrastructure and national highway transportation system.

I am pleased to welcome before us Congressman Frank McCloskey and Congressman Lee Hamilton of Indiana; as well as Congressman Jim Chapman of Texas, our fine former colleague who is now on the very important Appropriations Committee; our colleague from Virginia, Congressman Frank Wolf, a fine member of the Appropriations Committee.

At this time let me just indicate that I did have a call from the Governor of Indiana indicating that because of the last day of the legislature he would not be able to be here. We will go ahead and have you proceed in your own fashion.

Before you proceed let me ask my fine colleague, Mr. Shuster, if he has any opening statement.

Mr. SHUSTER. Thank you very much, Mr. Chairman.

I simply want to associate myself with your remarks and welcome our fine colleagues to the subcommittee. Also, I'd ask unani-

mous consent that an opening statement by Congressman Hammerschmidt be placed in the record.

Mr. MINETA. Without objection, so ordered.

Mr. SHUSTER. Thank you, Mr. Chairman.

[Mr. Hammerschmidt's prepared statement follows:]

STATEMENT OF HON. JOHN PAUL HAMMERSCHMIDT

Thank you Mr. Chairman: I would like to commend you, Mr. Chairman and Congressman Shuster, for scheduling this second day of hearings to examine issues underlying reauthorization of the Federal Highway and Mass Transit Programs.

Secretary Skinner's overview of the national transportation policy last week was a fitting start of this series of hearings. I know that many of the groups appearing before the committee today actively participated in Secretary Skinner's outreach program.

Your contributions to the surface transportation policy-making process went well beyond that, however. Some associations have been active for more than 2 years in trying to indentify our Nation's mobility needs and the policies that will ensure we can meet them. You have have worked, first, toward a consensus among your own members, and then gone beyond the share your ideas with the whole of the transportation community.

The product of your efforts is very welcome in this committee today. I know that I am joined by my colleagues in looking forward to hearing your recommendations.

I want to extend a warm welcome to my congressional colleagues, as well, and let you know that this committee is anxious to hear your suggestions and to work with you to shape the future of our highway and transit programs.

Mr. MINETA. At this time let me turn to our colleague, Frank McCloskey, of Evansville, Indiana. He, like I, has served in another capacity before coming here to Congress, and that was as the mayor of a city. I was mayor of San Jose, and Frank was mayor of Evansville, Indiana. So let me, at this time, turn over the time to our colleague, Congressman McCloskey.

TESTIMONY OF HON. FRANK McCLOSKEY AND HON. LEE H. HAMILTON, U.S. REPRESENTATIVES FROM THE STATE OF INDIANA

Mr. McCLOSKEY. Mr. Chairman, we do have a Frank that is the mayor of Evansville. His name is McDonald. I was at the other end of the district up in Bloomington.

Mr. MINETA. I'm sorry. Bloomington.

Mr. McCLOSKEY. They are two key cities obviously in Southwestern Indiana, and obviously very, very important and desirous of the project we are going to talk about today.

I want to thank you, also, for your generosity in hearing my distinguished colleague, Lee Hamilton, and myself out on this needed project. As you know, Mr. Mineta, you displayed the generosity to talk with me about this project several times and you have had several meetings with our governor.

As you said, Governor Bayh cannot be here today. He sees this as a priority meeting, but it is the last day of, quite frankly, a very tumultuous legislature, so he had to stay in Indiana.

If it is permissable, I would like to submit his written remarks for the record, and also the remarks of our good mayor of Evansville, Frank McDonald.

Mr. MINETA. Without objection, so ordered.

Mr. McCLOSKEY. Thank you, sir.

[The prepared statement of Governor Bayh appears on p. 279.]

[The prepared statement of Mr. McDonald appears on p. 374.]

Mr. McCloskey. Very briefly, for a project of this sort and this priority I think a public official—at least most of us—only gets involved with perhaps one or two projects of such scope in a lifetime. I would like to read my full remarks for the record, but, to capsulize, as many members of the committee know, we are talking about the possibility of an interstate highway-type connector between Indianapolis and Evansville in Southwestern Indiana.

Very simply speaking, if you look at the present interstate highway system in that area, there are adequate east-west interstates, there are adequate north-south interstates all over the state. But, indeed, the southwestern area, as far as any north-south spoke, has been left out. It is one vast void as far as north-south transportation, and also basic transportation from Evansville to Indianapolis both ways, and also negatively affecting many, many communities along the way.

The southwestern area of Indiana includes Evansville, the third largest city in the State, and, as I have said, Bloomington, the home of Indiana University. It has experienced declining employment and loss of major businesses in the last several years. Some parts of the region have lagged behind the rest of the area in the economic rebound of recent years, even though the area is the gateway to the midwest.

Part of the problem is the lack of a major connector highway linking Southwestern Indiana with our State capital. While there are interstate or four-lane highways running east to west and north to southeast, there is not a major throughway connecting Indianapolis and Central Indiana with the southwest portion of the State where Indiana, Kentucky, and Illinois meet. This serves to isolate the southwest portion of the State from other areas of Indiana.

Looking at a map of the area, it appears that when the interstate system was designed, a spoke of the wheel was omitted. There are direct interstate routes from all corners of the State to the center, except for the southwest corner. Interstate 69 begins north of Detroit and terminates in Indianapolis. From Indianapolis, the interstate highway system continues southeast on I-65 and west on I-70.

The residents of Evansville can travel easily by Interstate 64 east to Louisville and west to St. Louis, but cannot, by direct route, get to the capital of their own State. Those communities are closer by road time to Evansville than the capital of their own State.

Travel from Indianapolis to areas in the southwestern part of the State can only be accomplished by traveling on a number of two-lane rural roads, which is made more difficult by narrow bridges, railroad crossings, and having to pass through small communities where a residential speed limit prevails. In essence, there is no direct route. Not only is this time consuming, but it creates serious safety hazards for both drivers and residents of small communities.

The regional picture is even more graphic. A considerable portion of the midwest and central south is deprived of adequate north-south access. This area includes Michigan, Northern Ohio, Illinois, Western Kentucky, Western Tennessee, Eastern Arkansas, Western Mississippi, and Central Louisiana. Travel between Memphis, Tennessee, and Detroit, Michigan, for example, would be greatly improved by the construction of this project. With that in

mind and with our basic concept, this should be a regional and national priority.

Just yesterday I was very pleased to receive a call from the AAA Motor Club in Southern Indiana. The AAA in Southern Indiana has informed us that seven AAA clubs, with a total of more than 2.8 million members, have officially agreed to support our efforts to build such a highway. The AAA clubs supporting the highway proposals are those in Chicago, Eastern Kentucky, Northern and Southern Indiana, Tennessee, and Michigan, as well as—a little international flavor here—the club across the Canadian border in Windsor, Ontario.

The lack of an adequate north-south highway route in this region of the country has been apparent for more than 40 years. According to a joint highway research project conducted by Purdue University and the Indiana State Highway Commission back in the late 1940s, the State Highway Department proposed a route linking Indianapolis and Evansville at that time. It was envisioned the highway would continue through Kentucky on the then-proposed Interstate 24, and from there on to Nashville.

I ask unanimous consent that I be permitted to submit a copy for the record of a map of the area with the current interstate highways highlighted.

All areas between Indianapolis and Evansville would benefit economically through improved access to these cities. The lack of a highway linking Evansville to Indianapolis has been a severe detriment to economic growth in our area. Many businesses have told me they have been reluctant to locate in the area because of the transportation problems. Other economic sectors, such as agriculture, have been constrained by lack of a satisfactory north-south highway route.

Local companies have said the highway would allow them to reach their current markets and suppliers in Indianapolis and Fort Wayne more readily, as well as to expand their marketing areas beyond the State's borders to such areas as Michigan, Western Tennessee, Eastern Arkansas, Western Mississippi, and Central Louisiana.

It is not just local companies that would benefit. National companies with establishments in the area have stressed the importance of quality interstate transportation.

In addition, the highway would provide improved access to educational institutions, recreational facilities, and cultural attractions throughout the State and region. Moreover, the highway will ensure that the area will be better served during medical emergencies and natural disasters.

Earthquakes have been in the news lately. Not many people know that the Evansville area and areas of Illinois and Missouri atop the New Madrid Seismic Zone are said to be as much in peril as many areas of California or elsewhere. The largest quake in the continental United States occurred along that fault in 1812. Unfortunately, geologists say that a very large quake of San Francisco area or worse proportions is likely—quite possibly by the end of this century. Obviously, such a highway could be vital to the area's immediate and long-range safety and recovery.

The benefits of building a highway linking Indianapolis and Evansville could go well beyond the advantages it would bring to the State of Indiana. For example, Western Kentucky—the Henderson and Owensboro areas—would receive widespread benefits from a highway linking Evansville and Indianapolis. Henderson County is just over the border from Evansville. That area is a hub of sub-assemblers for the auto industry—especially plastics. In fact, the area has come to be known as "Plastics Valley."

Currently, trucks leaving Henderson County travel to Northern Indiana and Michigan on U.S. 41, which is considered to be unsafe by many trucking firms. The alternate route, I-64 to Louisville and then I-65 to Indianapolis, is roundabout.

In addition, the auto industry places great emphasis on punctual delivery of parts by sub-assemblers. The currently available routes from Henderson County to Michigan are neither expedient nor reliable. Improved transportation would greatly benefit these Henderson County sub-assemblers. This is just one example of out-of-State benefits which an Indianapolis-to-Evansville highway would bring.

Local and State interest in this highway project is great. As I have said, Governor Evan Bayh is a strong supporter of this concept. He would have been here today, as I have said. His statement is in the record, but to quote partly from his statement, the proposed highway linking Evansville to Indianapolis "is a perfect example of how a strong Federal/State partnership in highway development can provide a much-needed and well-deserved transportation artery for the citizens of not only Indiana, but the entire region and nation."

The Governor also points out that the highway will provide much-needed rural access and will encourage economic development. The Governor said he hopes that the Indianapolis-to-Evansville highway could serve ultimately as a major link to effectively extend I-69 from Northern Michigan through the heartland to Memphis.

He has put the State's money, as far as he is concerned, where his mouth is. He has proposed to use in excess of a quarter of a billion dollars in Hoosier lottery profits and other State funds to construct a significant new four-lane segment of the route between Bloomington and Petersburg. The Governor has directed the Indiana Department of Transportation to immediately undertake location and preliminary environmental studies at an estimated cost of more than $3 million on the segments between Evansville and Bloomington.

Also, National Transportation Secretary Skinner, after various conversations with Governor Bayh, has indicated a positive attitude toward this highway. Secretary Skinner told the Governor that such a highway has "a legitimate chance of getting significant Federal funding" if the State stands ready to contribute funds towards the building of the highway.

The Governor does feel—and it is my feeling, also—an overwhelming majority of the General Assembly plans to invest in such a highway.

In addition to the Governor's support, the highway has received bipartisan support from members of the State legislature and, as I have indicated, numerous elected officials.

In addition to governmental support for the highway, residents of Southwestern Indiana have had their say at numerous public meetings. More than 3,500 people attended a series of such meetings, and they were overwhelmingly in favor of such a highway.

Mr. Chairman, I thank you very much for your generosity and your interest in this project so far. We know just how difficult a project of this magnitude is. Your positive interest and consideration and that of the subcommittee is so much appreciated.

Thank you very much.

Mr. MINETA. Thank you very much, Mr. McCloskey.

At this time let me turn to your colleague, Congressman Hamilton.

Mr. HAMILTON. Thank you very much, Mr. Chairman, Mr. Shuster, and members of the committee.

Mr. Chairman, I know you want me to be brief. Mr. McCloskey has set out very well the case for this highway. I do ask unanimous consent that my statement be included in the record.

Mr. MINETA. Your prepared statement will appear in the record following your oral remarks.

Mr. HAMILTON. Mr. McCloskey and I very much appreciate the very careful consideration that you are giving our request. We know something of the tremendous demands upon the members of this committee and the very balanced way that you approach the national transportation needs.

I, of course, support fully Frank McCloskey's statement in support of the highway. I confess to you that I have a very special interest in this project because Evansville is my home town.

The standing comment in Indiana is how difficult it is to get to Evansville. Indeed, you often hear the comment that "You can't get to Evansville from here." That's a kind of standard joke that I guess is true of many places in the country. It is certainly true of Evansville.

Evansville is one of the leading cities, not just in Indiana, but in what we call the Tri-State Area—Illinois, Indiana, and Kentucky—and it is a considerable handicap to the people of Indiana that we cannot get to Evansville easily. There is no direct link between Indianapolis, the State capital, and Evansville, which is clearly one of the leading and major cities of our State.

Let me just say that the State of Indiana has committed themselves solidly to this project. They have already appropriated money for some of the appropriate studies that have to be made. And it has marvelous support not just in the area that Frank McCloskey represents, which includes Evansville and Southwestern Indiana, but has very strong support in my part of the State in the southeastern part, as well as all segments of the State so far as we are able to determine. Local and State support, then, as well as private support, is very, very strong, indeed.

The objectives are the north-south corridor, not only in Indiana but in the Central United States. This would be a most important link connecting Detroit to Memphis, for example, and it is needed to accommodate—and this is an additional point to what Frank said—the projected rapid growth in Southern Indiana over the next several decades.

Evansville will grow. So will certain other counties, growth centers in our State. It is important that we link these growth centers in our State, as this highway does.

So, Mr. Chairman, we are very grateful to you for your consideration. We are asking you to authorize Federal funding as you consider the 1991 Surface Transportation Authorization Act. We thank you for your consideration of our request.

Mr. MINETA. Thank you very much, Congressman Hamilton.

Let me ask of your colleague, Mr. McCloskey—I know that the State of Indiana has committed a significant amount of its funds for the construction of this interstate-type highway in the southwestern part of the State. Without the availability of additional Federal funds for the construction of this project, will the State of Indiana be able to complete this project?

Mr. MCCLOSKEY. I would say, Mr. Chairman, it would be exceedingly difficult. I would not say impossible. To be quite candid, I guess on the good news side the State administration has indicated in various remarks that no matter what they plan to do a significant highway upgrade, and particularly four-laning along those lines. But it would be much more difficult and much more long awaited if we do not have significant help. Indeed, as I have indicated and we have talked about it, if you look at the regional and national impact of such a highway up and down the central United States from Detroit to Louisiana, I would hope that it could be considered for interstate authorization. That is our hope.

But they realize, no matter what, there is a void there. That is what I am hearing from the State Transportation Department.

Mr. MINETA. Mr. Hamilton, the committee has received testimony in support of adding segments to the existing interstate system. However, with the soon-to-be-completed interstate system in place, the focus in the Congress will be on preserving the existing system and also on adding additional capacity in areas that are not presently being served by the interstate highway system.

With regard to this specific project, are there significant economic benefits to be derived by the construction of this project?

Mr. HAMILTON. Absolutely, Mr. Chairman. There is no doubt in my mind about that at all.

You understand, I'm sure, that Southern Indiana is basically a rural area. We do not have large cities. One of the characteristics of rural areas is that you need certain areas that generate growth.

What we would be doing by this highway would be to link areas of economic vitality in our State and expand economic opportunities significantly. We would be linking Evansville, which is one of those areas of growth, with the region of several counties in the Southwestern and Southwestern-Central Indiana, and so economic growth would be greatly enhanced by these developments.

May I Give you one example of how important these highways are?

Mr. MINETA. Sure.

Mr. HAMILTON. Not long ago Walmart, which is expanding very rapidly into Indiana, as well as to other States, came to me and said they wanted to put a distribution center—a very, very large distribution center—in Southern Indiana. I said, "Where do you want to put it?" They said, "We want to put it on I-65," which is

one of the major interstates in our State. I said, "How far off I-65 do you want to put it?" Their answer was ten feet.

They have now put a huge distribution center with hundreds and hundreds of jobs in Southern Indiana—Seymour, Indiana. It is there because of the highway.

These highways, as you know better than anybody in this Congress, generate tremendous economic growth and opportunity.

Mr. McCloskey. Mr. Mineta, if I might add to that, I'm pleased that Mr. Hamilton answered that question so eloquently. I have never told Lee this but, just talking to some of our area leadership, most experts in economic development, for example, and Hoosier Energy, they told me, "Frank, we can show you where the businesses are going along the interstate in Lee's district, but they are not going anywhere in your district." So Lee is very generous in backing of the Hoosier State to be here.

But in answer to your specific question about economic benefit, yes, Mr. Chairman, there are studies, and a very detailed study which this committee and the Appropriations Committee cooperated in, showing a positive economic benefit not as high as some would like, in the area of a range of a realistic $1.23 to an optimistic $1.54. However, a recent professional and technical critique and update of that prepared by a Maryland firm suggested that a better analysis would change the benefits per dollar from $2.02 to $2.39.

I think it is very good and vital information but, quite frankly, I don't think, when you look at the area patterns and the interstate patterns, you need a technical study, as such, to see the need for this highway.

But yes, sir, there are various studies showing positive economic benefit.

Mr. Mineta. Thank you very much.

Mr. Shuster.

Mr. Shuster. Thank you very much, gentlemen. I certainly welcome my colleagues here today.

Looking at the four stages of this proposed new interstate, Indianapolis to Bloomington has a preliminary cost of $152 million. How many miles are we talking about in each one of these segments?

Mr. McCloskey. I don't have it broken down right now by segment, Mr. Shuster. I could get that for the record. But we're talking roughly 120 to 130 miles.

Mr. Shuster. All four together——

Mr. McCloskey. Right.

Mr. Shuster [continuing]. Are 130 miles. Okay.

Mr. McCloskey. And some of it would be, in essence, new construction—particularly from north of Evansville to Washington, Indiana, along the present general routing of Highway 57. And there would be brand-new highway going through Green County connecting to Bloomington, but that would—the Indianapolis-Bloomington leg would be essentially an update of the present four-lane Indiana 37 which serves Indianapolis, Bloomington, and Indiana University.

Mr. Shuster. Would you have a rough idea of how many miles would be in the Petersburg to Evansville link?

Mr. McCloskey. I think we're looking at about 60 to 70 miles there.

Mr. Shuster. So of the total 130 miles, half of that is the Petersburg to Evansville?

Mr. McCloskey. I would say more than half of it would be Evansville to north of Washington, Indiana, which is in Davies County hitting Green County.

Mr. Shuster. So just in rough numbers—I'm trying to get a handle on the total cost, and you have cost estimates here for everything except that last one. If the cost of everything but the last one is $387 million and the last one is greater than the sum of all the others, you are looking at $700 million, $800 million, or $900 million.

Mr. McCloskey. You are looking in the area of $800 million, Mr. Shuster.

Mr. Shuster. Right. So we are talking big bucks.

Mr. McCloskey. We are talking very big bucks. As I have said, most normal public officials only get involved with a project of this scope once or twice in a lifetime, but it is needed.

Mr. Shuster. One of the things that we are considering as we move from the post-interstate era is a new category called "highways of national significance, national highway system." If we should find ourselves going in that direction, certainly this would be a candidate for that category.

Mr. McCloskey. We appreciate that, sir.

Mr. Shuster. But I am almost certain that we are not going to find ourselves funding these projects at the 90 percent level.

Mr. McCloskey. I understand that.

Mr. Shuster. So I think it is—I guess I'm trying to give you a heads up and your Governor a heads up in terms of it taking a very substantial match of——

Mr. McCloskey. There is a very significant State commitment, which I think the subcommittee is well aware of.

Mr. Shuster. Right. Thank you very much.

Mr. McCloskey. I appreciate your consideration, again. Thank you.

Mr. Mineta. Mr. Valentine.

Mr. Valentine. Thank you, Mr. Chairman.

Did I understand you to say that the cost of approximately $800 million would be the total cost of construction, or just the cost to the Federal Government?

Mr. McCloskey. No. The total cost of construction of Indianapolis to Evansville.

Mr. Valentine. If this section of road is undertaken, if this project is put in the bill, would the effect be that the State of Indiana would receive, in addition to its normal fair share of money from the trust fund and other sources based on the formula, an additional $800 million?

Mr. McCloskey. No. Not an additional $800 million, but whatever the Federal share would be combined with the State share. I know the State would plan to expend hundreds of millions of dollars on this. We are looking for the help we can get.

Mr. Valentine. But this would be in addition to what the State of Indiana would receive without this project?

38-253 O—91——4

Mr. McCloskey. I would assume we are talking about hopefully more than half of the cost of the project additionally. Yes, sir.

Mr. Valentine. What is the gasoline and fuel oil tax in Indiana? How much is it?

Mr. McCloskey. I believe, as I recall, it is $0.09, Mr. Valentine.

Mr. Valentine. Yes. Is there——

Mr. McCloskey. I would say for the record that the $800 million is a very rough figure. It has been estimated at less than that. Again, the State's share would be subtracted from that, so we are not asking for $1 billion from the Federal Government for this. I'd like to back us away from any idea like that.

Mr. Valentine. Yes. Is there any special reason why, with the 30 years of the construction of the interstate system, that this need was not met?

Mr. McCloskey. Sir, quite frankly, I have asked that question several times, Mr. Valentine. We are researching it. I just don't know. Right now it is lost in the annals of Hoosier and national history. I'm sure with better research we could find out. I have asked several times. But if you do look at it, you just know there is a gap. It just leaps out at you.

What I am most heartened by is all these State AAAs on their own getting in touch with us saying regionally we need to do this. They were just coming in yesterday.

Mr. Valentine. One final question, Mr. Chairman.

Would a toll road be a feasible answer to part of this problem?

Mr. McCloskey. I would say it should not be ruled out. Everyone is open to all funding ideas.

Mr. Valentine. If you decide——

Mr. McCloskey. It would not be my preferred way, but I would not rule it out, and I don't think the State administration would, either.

Mr. Valentine. If you decide to pursue that you might confer with our colleague from Virginia, because the Richmond-Petersburg Turnpike, which I use frequently, is the most lucrative section of toll road in the United States. You might find out how he arranged to get that on the interstate system and keep it there.

Thank you, Mr. Chairman.

Mr. McCloskey. I was wondering if the chairman could—Mr. Mineta, would it be possible to comment briefly on a mutual hope that the Interstate Trust Fund could be off the Federal budget enough to allow an increase in disbursements rather than, as President Bush suggested, an 8 percent cut?

Mr. Mineta. Well, as you are very well aware, in September of 1987 this committee, the House Committee on Public Works and Transportation, attempted to take the Aviation Trust Fund off budget. At that time we lost it—211 yes, 216 no.

I think there is an interest on the part of the committee leadership to do something similar in terms of both the Aviation Trust Fund and the Highway Trust Fund on that issue.

If we are successful in doing that, we would have to couple it with making sure that the Gramm-Rudman-Hollings provisions do no apply against the trust fund amounts. Yes, are we interested in doing that? Absolutely.

In the absence of taking the trust funds of-budget, we would like to draw down against the unapportioned and unobligated surplus in the trust fund.

Mr. McCloskey. I think you are going to get increased and enthusiastic support for those goals, Mr. Chairman. I know that is going around the House now.

Mr. Mineta. It is always amazing how those who didn't support us in September of 1987 suddenly are advocates of the program now that they do have some interest in what we are doing here. I'm not saying that of the members of this panel, but of the members of the House.

Mr. McCloskey. Right.

Mr. Mineta. Mr. Bosco.

Mr. Bosco. Thank you, Mr. Chairman.

I would only thank our colleagues from Indiana and say that I hope that as we literally begin the hearings on the reauthorization that we do take into account what Members of Congress ask us to do. I know that some in the press and around the country have almost caused us to believe that we shouldn't listen to our elected colleagues in apportioning highway trust funds—it somehow is better to give these funds to bureaucrats and bureaucracies in the States and God forbid that we should take into account what elected Members of Congress would want in their districts or in their States.

I feel just the opposite. I think when Members of Congress come before us with worthwhile projects such as this that those projects should go right to the top of the list. I, for one, am going to be guided by that principle.

Mr. McCloskey. Thank you very much, Mr. Bosco.

Mr. Mineta. Mr. Boehlert, did you have any comments?

Mr. Boehlert. No.

Mr. Mineta. Mr. Laughlin.

Mr. Laughlin. No questions.

Mr. Mineta. Mr. Clement.

Mr. Clement. No questions.

Mr. Mineta. Mr. Sangmeister.

Mr. Sangmeister. No questions.

Mr. Mineta. Mr. Payne.

Mr. Payne. No questions.

Mr. Mineta. Well, let me thank our distinguished colleagues from Indiana for their presentation.

Mr. McCloskey. Thank you, Mr. Chairman.

Mr. Hamilton. Thank you, Mr. Chairman.

[Mr. McCloskey's prepared statement follows:]

TESTIMONY OF CONGRESSMAN FRANK McCLOSKEY
BEFORE THE HOUSE SUBCOMMITTEE ON SURFACE TRANSPORTATION
MARCH 13, 1990

I WOULD LIKE TO THANK CHAIRMAN MINETA AND THE MEMBERS OF THE SUBCOMMITTEE FOR THIS OPPORTUNITY TO TESTIFY ABOUT A PROJECT OF GREAT IMPORTANCE TO SOUTHWESTERN INDIANA AND OUR ENTIRE REGION OF THE NATION. I AM PLEASED MY DISTINGUISHED COLLEAGUE LEE HAMILTON IS HERE, AND APPRECIATE HIS SUPPORT.

THE SOUTHWESTERN AREA OF INDIANA, WHICH INCLUDES EVANSVILLE, THE THIRD LARGEST CITY IN THE STATE, AND BLOOMINGTON, THE HOME OF INDIANA UNIVERSITY, HAS EXPERIENCED DECLINING EMPLOYMENT AND THE LOSS OF MAJOR BUSINESSES IN THE PAST SEVERAL YEARS. SOME PARTS OF SOUTHWESTERN INDIANA HAVE LAGGED BEHIND THE REST OF THE REGION IN THE ECONOMIC REBOUND OF RECENT YEARS, EVEN THOUGH THE AREA IS AT THE GATEWAY TO THE MIDWEST. PART OF THE PROBLEM IS THE LACK OF A MAJOR CONNECTOR HIGHWAY LINKING THE MAJOR CITIES OF SOUTHWESTERN INDIANA WITH THE STATE CAPITAL, INDIANAPOLIS.

WHILE THERE ARE INTERSTATE OR FOUR-LANE HIGHWAYS RUNNING EAST TO WEST AND NORTH TO SOUTHEAST, THERE IS NOT A DIRECT MAJOR THROUGHWAY CONNECTING INDIANAPOLIS AND CENTRAL INDIANA WITH THE SOUTHWEST PORTION OF THE STATE, WHERE INDIANA, KENTUCKY AND ILLINOIS MEET. THIS SERVES TO ISOLATE THE SOUTHWEST PORTION OF THE STATE FROM OTHER AREAS OF INDIANA.

LOOKING AT A MAP OF THE AREA, IT APPEARS THAT WHEN THE INTERSTATE SYSTEM WAS DESIGNED, A SPOKE OF THE WHEEL WAS OMITTED. THERE ARE DIRECT INTERSTATE ROUTES FROM ALL CORNERS OF THE STATE TO THE CENTER, EXCEPT FOR THE SOUTHWEST CORNER. INTERSTATE 69

BEGINS NORTH OF DETROIT AND TERMINATES IN INDIANAPOLIS. FROM INDIANAPOLIS, THE INTERSTATE HIGHWAY SYSTEM CONTINUES SOUTHEAST ON I-65 AND WEST ON I-70.

THE RESIDENTS OF EVANSVILLE CAN TRAVEL EASILY BY INTERSTATE 64 EAST TO LOUISVILLE, KENTUCKY AND WEST TO ST. LOUIS, MISSOURI, BUT CANNOT, BY DIRECT ROUTE, GET TO THE CAPITAL OF THEIR OWN STATE. TRAVEL FROM INDIANAPOLIS TO AREAS IN THE SOUTHWESTERN PART OF THE STATE CAN ONLY BE ACCOMPLISHED BY TRAVELING ON A NUMBER OF TWO-LANE, RURAL ROADS, WHICH IS MADE MORE DIFFICULT BY NARROW BRIDGES, RAILROAD CROSSINGS AND HAVING TO PASS THROUGH SMALL COMMUNITIES WHERE A RESIDENTIAL SPEED LIMIT PREVAILS. NOT ONLY IS THIS TIME CONSUMING, BUT IT CREATES SERIOUS SAFETY HAZARDS FOR BOTH DRIVERS AND RESIDENTS OF THE SMALL COMMUNITIES.

THE REGIONAL PICTURE IS EVEN MORE GRAPHIC. A CONSIDERABLE PORTION OF THE MIDWEST AND CENTRAL SOUTH IS DEPRIVED OF ADEQUATE NORTH-SOUTH ACCESS. THIS AREA INCLUDES MICHIGAN, NORTHERN OHIO, ILLINOIS, WESTERN KENTUCKY, WESTERN TENNESSEE, EASTERN ARKANSAS, WESTERN MISSISSIPPI, AND CENTRAL LOUISIANA. TRAVEL BETWEEN MEMPHIS, TENNESSEE AND DETROIT, MICHIGAN, FOR EXAMPLE, WOULD BE GREATLY IMPROVED BY THE CONSTRUCTION OF THIS PROJECT.

JUST YESTERDAY, I RECEIVED A CALL FROM THE AAA MOTOR CLUB IN SOUTHERN INDIANA SAYING THAT SEVEN AAA CLUBS WITH A TOTAL OF MORE THAN 2.8 MILLION MEMBERS HAVE OFFICIALLY AGREED TO SUPPORT OUR EFFORTS TO BUILD A HIGHWAY LINKING INDIANAPOLIS TO SOUTHWEST INDIANA. THE AAA CLUBS SUPPORTING THE HIGHWAY PROPOSAL ARE THOSE IN CHICAGO, EASTERN KENTUCKY, NORTHERN AND SOUTHERN INDIANA,

TENNESSEE AND MICHIGAN, AS WELL AS THE CLUB LOCATED JUST OVER THE CANADIAN BORDER FROM DETROIT IN THE CITY OF WINDSOR IN ONTARIO PROVINCE.

THE LACK OF AN ADEQUATE NORTH-SOUTH HIGHWAY ROUTE IN THIS REGION OF THE COUNTRY HAS BEEN APPARENT FOR MORE THAN FORTY YEARS. ACCORDING TO A JOINT HIGHWAY RESEARCH PROJECT CONDUCTED BY PURDUE UNIVERSITY AND THE INDIANA STATE HIGHWAY COMMISSION, IN 1947 THE INDIANA STATE HIGHWAY DEPARTMENT PROPOSED A ROUTE LINKING INDIANAPOLIS AND EVANSVILLE. AT THAT TIME, IT WAS ENVISIONED THAT THE HIGHWAY WOULD CONTINUE THROUGH KENTUCKY ON THE THEN-PROPOSED INTERSTATE 24, AND FROM THERE ON TO NASHVILLE.

I ASK UNANIMOUS CONSENT THAT I BE PERMITTED TO SUBMIT FOR THE RECORD A COPY OF A MAP OF THE AREA WITH THE CURRENT INTERSTATE HIGHWAYS HIGHLIGHTED.

ALL AREAS BETWEEN INDIANAPOLIS AND EVANSVILLE WOULD BENEFIT ECONOMICALLY THROUGH IMPROVED ACCESS TO THESE CITIES. THE LACK OF A HIGHWAY LINKING EVANSVILLE TO INDIANAPOLIS HAS BEEN A SEVERE RETARDANT TO ECONOMIC GROWTH IN SOUTHWESTERN INDIANA.

A NUMBER OF BUSINESSES HAVE BEEN RELUCTANT TO LOCATE IN THE AREA BECAUSE OF THE TRANSPORTATION PROBLEMS. OTHER ECONOMIC SECTORS, SUCH AS AGRICULTURE, HAVE BEEN CONSTRAINED BY THE LACK OF A SATISFACTORY NORTH-SOUTH HIGHWAY ROUTE.

LOCAL COMPANIES HAVE SAID THAT THE HIGHWAY WOULD ALLOW THEM TO REACH THEIR CURRENT MARKETS AND SUPPLIERS IN INDIANAPOLIS AND FT. WAYNE MORE READILY, AS WELL AS TO EXPAND THEIR MARKETING EFFORTS BEYOND THE STATE'S BORDERS TO SUCH AREAS AS MICHIGAN,

WESTERN TENNESSEE, EASTERN ARKANSAS, WESTERN MISSISSIPPI, AND CENTRAL LOUISIANA. IT'S NOT JUST LOCAL COMPANIES THAT WILL BENEFIT. NATIONAL COMPANIES WITH ESTABLISHMENTS IN SOUTHWEST INDIANA HAVE STRESSED THE IMPORTANCE OF QUALITY INTERSTATE TRANSPORTATION.

IN ADDITION, THE HIGHWAY WOULD PROVIDE IMPROVED ACCESS TO EDUCATIONAL INSTITUTIONS, RECREATIONAL FACILITIES AND CULTURAL ATTRACTIONS THROUGHOUT THE STATE AND THE REGION. MOREOVER, THE HIGHWAY WILL ENSURE THAT THE AREA WILL BE BETTER SERVED DURING MEDICAL EMERGENCIES AND NATURAL DISASTERS.

EVANSVILLE LIES IN A HIGH-RISK EARTHQUAKE AREA. THE NEW MADRID SEISMIC ZONE IS THE MAJOR EARTHQUAKE ZONE IN THE EASTERN HALF OF THE COUNTRY. IT INCLUDES SEVEN STATES -- INDIANA, KENTUCKY, ILLINOIS, MISSOURI, MISSISSIPPI, TENNESSEE AND ARKANSAS. THE LARGEST QUAKE IN THE CONTINENTAL UNITED STATES OCCURRED ALONG THE FAULT IN 1812. WHEN THE NEXT MAJOR QUAKE ON THE NEW MADRID FAULT OCCURS, WHICH GEOLOGISTS SAY IS LIKELY BEFORE THE TURN OF THE CENTURY, A MAJOR HIGHWAY ACROSS SOUTHWESTERN INDIANA WILL BE VITAL TO THE AREA'S IMMEDIATE AND LONG-RANGE RECOVERY.

THE BENEFITS OF BUILDING A HIGHWAY LINKING INDIANAPOLIS AND EVANSVILLE GO WELL BEYOND THE ADVANTAGES IT WOULD BRING TO THE STATE OF INDIANA. FOR EXAMPLE, WESTERN KENTUCKY WOULD RECEIVE WIDESPREAD BENEFITS FROM A HIGHWAY LINKING EVANSVILLE AND INDIANAPOLIS. HENDERSON COUNTY IS JUST OVER THE BORDER FROM EVANSVILLE. THIS AREA IS A HUB OF SUB-ASSEMBLERS FOR THE AUTO

INDUSTRY, ESPECIALLY PLASTICS. IN FACT, THE AREA HAS COME TO BE KNOWN AS "PLASTICS VALLEY." CURRENTLY, TRUCKS LEAVING HENDERSON COUNTY TRAVEL TO NORTHERN INDIANA AND MICHIGAN ON U.S. 41, WHICH IS CONSIDERED TO BE UNSAFE BY MANY TRUCKING FIRMS. THE ALTERNATE ROUTE, I-64 TO LOUISVILLE AND THEN I-65 TO INDIANAPOLIS, IS ROUNDABOUT. IN ADDITION, THE AUTO INDUSTRY PLACES GREAT EMPHASIS ON PUNCTUAL DELIVERY OF PARTS BY SUB-ASSEMBLERS. THE CURRENTLY AVAILABLE ROUTES FROM HENDERSON COUNTY TO MICHIGAN ARE NEITHER EXPEDIENT NOR RELIABLE. IMPROVED TRANSPORTATION WOULD GREATLY BENEFIT THESE HENDERSON COUNTY SUB-ASSEMBLERS. THIS IS JUST ONE EXAMPLE OF OUT-OF-STATE BENEFITS WHICH AN INDIANAPOLIS-TO-EVANSVILLE HIGHWAY WOULD BRING.

LOCAL AND STATE INTEREST IN THIS HIGHWAY PROJECT IS GREAT. INDIANA GOVERNOR EVAN BAYH IS A STRONG SUPPORTER OF THE INDIANAPOLIS-TO-EVANSVILLE HIGHWAY. IN FACT, GOVERNOR BAYH WANTED TO BE HERE TODAY. HOWEVER, TODAY IS THE FINAL SESSION DAY FOR THE INDIANA GENERAL ASSEMBLY. SO GOVERNOR BAYH HAD TO REMAIN IN INDIANAPOLIS. HE DID ASK ME TO SUBMIT HIS WRITTEN TESTIMONY FOR THE RECORD, AND I ASK UNANIMOUS CONSENT THAT I BE PERMITTED TO DO SO.

IN HIS STATEMENT, GOVERNOR BAYH SAYS THAT THE PROPOSED HIGHWAY LINKING EVANSVILLE AND INDIANAPOLIS "IS A PERFECT EXAMPLE OF HOW A STRONG FEDERAL/STATE PARTNERSHIP IN HIGHWAY DEVELOPMENT CAN PROVIDE A MUCH-NEEDED AND WELL-DESERVED TRANSPORTATION ARTERY FOR THE CITIZENS OF, NOT ONLY INDIANA BUT, THE ENTIRE REGION AND NATION." THE GOVERNOR ALSO POINTS OUT THAT THE INDIANAPOLIS-TO-

EVANSVILLE HIGHWAY WILL PROVIDE MUCH-NEEDED RURAL ACCESS AND WILL ENCOURAGE ECONOMIC DEVELOPMENT. THE GOVERNOR SAYS THAT HE HOPES THAT THE INDIANAPOLIS-TO-EVANSVILLE HIGHWAY COULD SERVE ULTIMATELY AS A MAJOR LINK TO EFFECTIVELY EXTEND I-69 FROM NORTHERN MICHIGAN THROUGH THE HEARTLAND TO MEMPHIS.

GOVERNOR BAYH HAS PROPOSED TO USE IN EXCESS OF A QUARTER OF A BILLION DOLLARS IN HOOSIER LOTTERY PROFITS AND OTHER STATE FUNDS TO CONSTRUCT A SIGNIFICANT NEW FOUR-LANE SEGMENT OF THE ROUTE, BETWEEN BLOOMINGTON AND PETERSBURG. THE GOVERNOR HAS DIRECTED THE INDIANA DEPARTMENT OF TRANSPORTATION TO IMMEDIATELY UNDERTAKE LOCATION AND PRELIMINARY ENVIRONMENTAL STUDIES, AT AN ESTIMATED COST OF MORE THAN $3 MILLION, ON THE SEGMENTS BETWEEN EVANSVILLE AND BLOOMINGTON.

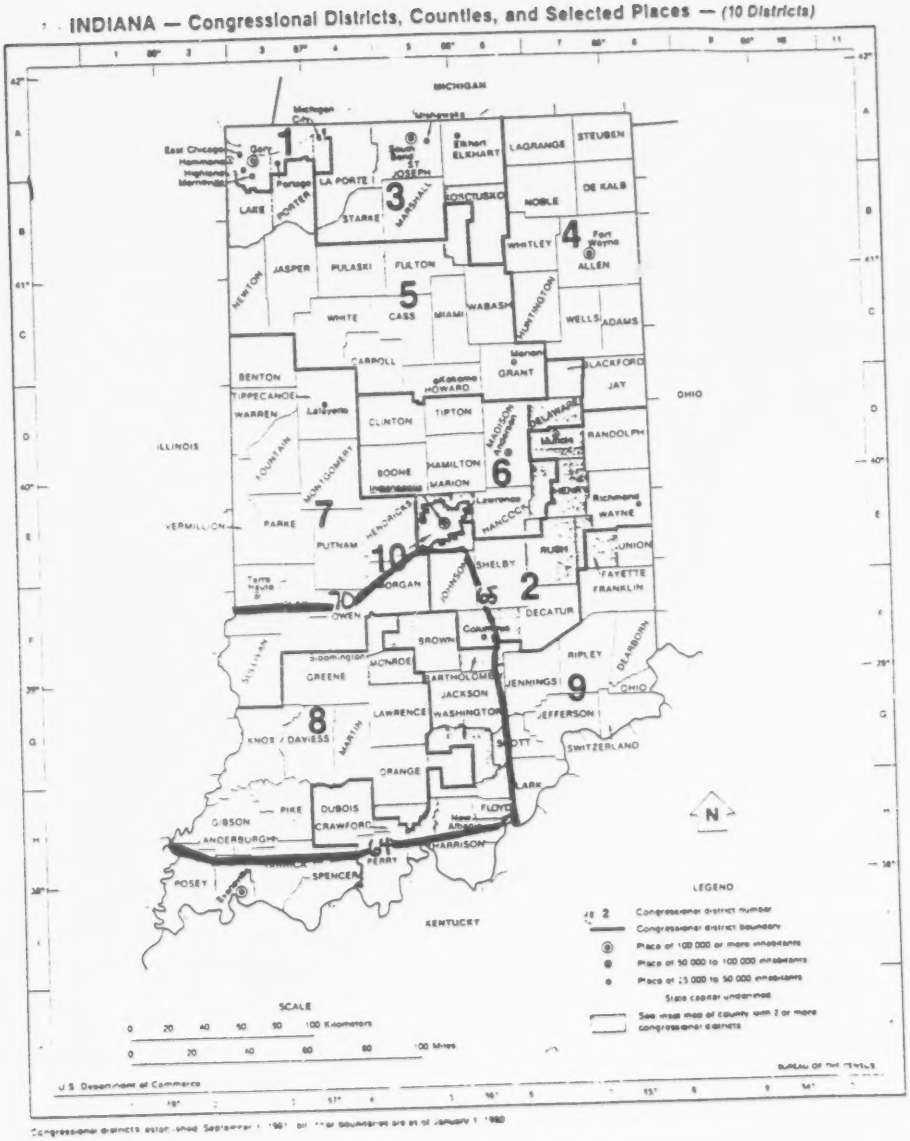
GOVERNOR BAYH MET RECENTLY WITH SECRETARY OF TRANSPORTATION SAMUEL SKINNER TO DISCUSS THE HIGHWAY PROPOSAL. SECRETARY SKINNER TOLD THE GOVERNOR THAT AN INDIANAPOLIS-TO-EVANSVILLE HIGHWAY HAS "A LEGITIMATE CHANCE OF GETTING SIGNIFICANT FEDERAL FUNDING" IF THE STATE STANDS READY TO CONTRIBUTE FUNDS TOWARD THE BUILDING OF THE HIGHWAY. GOVERNOR BAYH HAS INDICATED THAT HE IS COMMITTED TO WORKING IN PARTNERSHIP WITH THE FEDERAL GOVERNMENT IN BUILDING THE SOUTHWESTERN INDIANA HIGHWAY.

IN ADDITION TO THE GOVERNOR'S SUPPORT, THE HIGHWAY HAS RECEIVED BIPARTISAN SUPPORT FROM MEMBERS OF THE STATE LEGISLATURE AND LOCAL ELECTED OFFICIALS. I ASK UNANIMOUS CONSENT THAT I BE PERMITTED TO SUBMIT FOR THE RECORD A LETTER OF SUPPORT FROM FRANK MCDONALD II, THE MAYOR OF THE CITY OF EVANSVILLE.

IN ADDITION TO GOVERNMENTAL SUPPORT FOR THE HIGHWAY, THE RESIDENTS OF SOUTHWESTERN INDIANA STRONGLY SUPPORT THE CONSTRUCTION OF THE HIGHWAY. MORE THAN 3,500 PEOPLE ATTENDED A SERIES OF PUBLIC MEETINGS IN OCTOBER, 1988 AND IN JANUARY AND JULY, 1989. THE PARTICIPANTS AT THOSE MEETINGS INCLUDED LOCAL RESIDENTS, ELECTED OFFICIALS, AND BUSINESS LEADERS. VIRTUALLY ALL OF THOSE TESTIFYING AT THE PUBLIC HEARINGS EXPRESSED STRONG SUPPORT FOR THE HIGHWAY PROJECT. EASTERN ILLINOIS AND NORTHWESTERN KENTUCKY BUSINESS LEADERS AND ELECTED OFFICIALS PARTICIPATED IN THOSE MEETINGS AND SUBMITTED TESTIMONY ON THE POSITIVE ECONOMIC IMPACT THE INDIANAPOLIS-TO-EVANSVILLE HIGHWAY WILL HAVE ON THEIR REGIONS. BESIDES AAA CLUBS, CHAMBERS OF COMMERCE AND LOCAL DEVELOPMENT AGENCIES ALL STRONGLY SUPPORT THE HIGHWAY PROJECT.

IN CONCLUSION, I URGE THE SUBCOMMITTEE TO INCLUDE THE INDIANAPOLIS-TO-EVANSVILLE HIGHWAY IN ITS PLANS TO IMPROVE NORTH-SOUTH INTERSTATE TRANSPORTATION THROUGH THE MIDWEST AND THE CENTRAL SOUTH. THANK YOU ONCE AGAIN FOR THE OPPORTUNITY TO APPEAR BEFORE YOU.

INDIANA — Congressional Districts, Counties, and Selected Places — *(10 Districts)*



Congressional districts established September 1, 1981 or later; boundaries are as of January 1, 1980

[Mr. Hamilton's prepared statement follows:]

LEE H. HAMILTON
9TH DISTRICT, INDIANA

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HONORABLE LEE H. HAMILTON

TESTIMONY BEFORE THE

HOUSE PUBLIC WORKS COMMITTEE

SUBCOMMITTEE ON SURFACE TRANSPORTATION

March 13, 1990

Mr. Chairman and Members of the Committee. Thank you for giving me an opportunity to express my strong support for developing a new interstate highway in Indiana linking Indianapolis and Evansville. As you develop the 1991 Surface Transportation Authorization Act, I hope you will authorize federal funding for this Evansville-Indianapolis interstate.

At the present time, there is no direct route linking Indianapolis, the state capital, with Evansville, one of the major cities in Indiana. Governor Bayh has proposed to develop a new Indianapolis-Evansville interstate highway, assuming that the state can receive some federal assistance in financing the project.

The new interstate would be build in four stages:

Indianapolis-Bloomington: Presently, a 4-lane state highway links the two cities. This state road would be upgraded to an interstate highway. Extensive bridge and interchange work would be required. A preliminary cost estimate is $152 million.

Bloomington-Newberry: This section would be built from State Road 37 at Bloomington to State Road 57 near Newberry, Indiana. This area south of Bloomington requires immediate highway improvements because of

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heavy congestion. The new interstate will replace state roads which are inadequate to handle the 13,000+ vehicles that use the roads each day. This interstate segment is projected to cost some $120 million.

Newberry-Petersburg: State Road 57 currently links these two communities. State officials are evaluating whether it would cheaper to upgrade State Road 57 to an interstate or whether a separate highway would be required. At a minimum, this section of the interstate is expected to cost at least $115 million.

Petersburg-Evansville: These two cities are also linked by State Road 57, and similar studies will determine the most efficient means to develop an interstate highway between these two communities. This final portion of the new interstate would run from Petersburg to the intersection of I-64 and I-164 just north of Evansville. Cost estimates for this portion of the interstate have not yet been determined.

The state of Indiana is making a strong commitment to improve interstate highway for Indiana and for the central United States. Governor Bayh has recently initiated location and preliminary environmental studies for the proposed Evansville-Indianapolis interstate. These studies are expected to cost $3 million and should be completed by November, 1991. Construction of the new interstate is expected to begin in 1996. The state of Indiana's commitment to this needed interstate project, along with appropriate federal assistance, will ensure the success of the project.

A new interstate accomplishes several important objectives for Indiana, for the midwest and for the nation.

First, an interstate highway would provide a much needed north-

south corridor in the central U.S. Few interstates in the Midwest now run north to south. The proposed Evansville-Indianapolis interstate would complete an interstate corridor running from Detroit to Memphis, and beyond. Assuring safe and effective interstate travel will be great boost for economic development in this part of the country.

Second, this new interstate is needed in Indiana to accommodate the rapid growth that has been projected for southern Indiana over the next several decades. Recent studies project employment increases of over 40% between 1985 and 2020 in southwest Indiana. The most rapidly growing parts of the region will be the area of Martin, Dubois and Spencer counties, where employment increases should exceed 43%, and in the Bloomington/Bedford area, which has a forecast employment growth rate of 40%. Both of these projected high growth areas are located near the proposed Evansville-Indianapolis interstate.

The Indianapolis-Evansville interstate enjoys the strong support of Indiana's state and local officials. All of us realize how vital this highway would be for the residents of Indiana and for the region. I strongly urge the committee to authorize federal funding to help Indiana in completing this needed interstate highway.

Thank you very much for consideration of this project.

Mr. MINETA. At this time, let me introduce our very fine colleague from Texas, Congressman Jim Chapman, a very powerful member of a very powerful Appropriations Committee, a former colleague and member of the House Public Works and Transportation Committee.

Mr. CHAPMAN. And today, Mr. Chairman, your humble servant.

Mr. MINETA. I'll use that same line when I am testifying before your subcommittee, Mr. Chapman.

TESTIMONY OF HON. JIM CHAPMAN, A REPRESENTATIVE FROM TEXAS

Mr. CHAPMAN. Thank you, Mr. Chairman.

I appreciate this opportunity to speak on behalf of a project that is not just a Texas project, but a project for all of America. I would like to thank you and the members of your subcommittee for this opportunity.

Having served as a member of the Surface Transportation Subcommittee and the powerful Public Works Committee, I can appreciate both the challenge and the job that you have.

Mr. Chairman, today I would like to testify in support of what, in the heartland of America, has come to be known as the "Mid-America Connection." There is a handout, that should be at each of the desks before the subcommittee, of a small map of the interstate system in this country that will show that between the Mississippi River and the Rocky Mountains there is no complete north-south artery that traverses the United States of America.

While there are Interstates 29 and 35 from basically Canada to Kansas City, and Interstate 49 under construction from Shreveport to New Orleans, and a major four-lane highway from Texarkana to Houston, there is no link between those two cities. The closest north-south artery of the country is at the Mississippi River all the way over to the Rocky Mountains.

There is a 500-mile gap in the interstate system that, according to a feasibility study authorized by this committee and the Congress in 1986, would serve 40 million Americans, directly serve 11 States—a link in the interstate system that I do not understand why it was omitted in the original plan, but one which would connect Shreveport, Louisiana, with Kansas City, Missouri. Only 17 miles of that link would be in the State of Texas, yet I cannot think of any highway artery more important to my State, to Louisiana, and to all the States between Shreveport and Kansas City.

The feasibility study conducted by the Department of Transportation in 1987, completed in 1988, establishes that fully 20 to 25 percent of Americans would directly benefit from this highway. It is a highway that would replace a current highway system which is labeled the most dangerous in the heartland in America at which the fatality rate exceeds twice the national average, one which would serve the poorest of Americans in some of the most economically depressed parts of our country.

That feasibility showed that, in addition to the geography that this highway link would serve, that there are military installations which are identified on the maps that are before you, major centers of commerce. Over 130,000 American troops and their bases are lo-

cated along the route of the interstate highway. And major recreational areas which are today virtually inaccessible would also be served by this highway connector.

What I would like to do is relate today to you how this project relates to the President's new transportation policy. Last week the President stated that there were going to be basically five criteria the Administration felt would warrant expansions of our highway system: to maintain and expand the national transportation system, to foster sound financial bases, to keep our transportation industry strong and competitive, to support public safety and national security, and to protect the environment and the quality of life. This connector fully qualifies on all of those criteria.

The American Association of State Highways and Transportation Officials recently released their recommendations—and I understand they are to testify here today—for national transportation policy. AASHTO calls for increased funds for highways of national significance, and certainly, Congressman Shuster, within the parameters that you have described this would have to be a prime candidate for such a highway.

This highway would provide for national defense needs, as I outlined, enhance economic vitality because it would serve some of the poorest parts of our country. And I might add almost half of this highway would traverse Congressman Hammerschmidt's district. In fact, Congressman Hammerschmidt has been very effective in the form of demonstration projects in building portions of this link south from Kansas City in previous highway authorization legislation.

This highway needs to be completed. It is a vital link that would connect Canada to the ports on the Gulf of Mexico, it would serve some 40 million Americans, and would be of tremendous economic benefit to 11 States in our nation's heartland.

Mr. Chairman, I would just simply ask that this particular link be considered as one of the prime candidates in this committee's discussions of its new Highway Act reauthorization, and that this committee smile favorably upon this as a part of that connection. I think it is truly a missing link in our highway system.

I would be happy to answer any questions you may have.

Mr. MINETA. Thank you very much, Mr. Chapman.

In your statement you indicate a need for Federal support to advance construction of this roadway known as the MAC—the Mid-America Connection. Through the reauthorization of the surface transportation programs how can the Federal Government assist the States in the coordination of this project?

Mr. CHAPMAN. Mr. Chairman, what we simply need is either a designation that this project qualifies under the new law for what the equivalent would be under current law of the interstate system.

This highway is supported by the administrations and governors of all the States. In fact, it is a big issue in the Arkansas governor's election this year. All of those candidates have expressed support for this highway link as one of their top priorities.

The State of Texas is ready to move forward. The State of Louisiana is ready to move forward. We simply need the authorization from the Congress that under whatever the successor program will

be that would enhance and expand, in effect, our interstate system, that this highway would be one of those links.

If the funding, as Congressman Shuster suggests, may not be under the new system a 90/10 match, whatever the primary highway may be, this project needs to be authorized under that. And if the Congress should do that, the States are ready to move forward with their current allocation from the Federal Highway Trust Fund. They are ready to begin construction.

Mr. MINETA. Mr. Shuster.

Mr. SHUSTER. I have no questions. I just very much appreciate your testimony. I think it is the kind of thing we need to focus on. Thank you.

Mr. CHAPMAN. Thank you.

Mr. MINETA. Mr. Bosco.

Mr. BOSCO. No questions.

Mr. MINETA. Mr. Boehlert.

Mr. BOEHLERT. No questions.

Mr. MINETA. Mr. Laughlin.

Mr. LAUGHLIN. Mr. Chapman, I commend you for your testimony. I am a little surprised that you only put 17 miles of this in our State out of the 500-mile system.

Mr. CHAPMAN. I had to bend it a little west, Greg, to get 17 miles of it into the State. No, it is appropriate, really.

Mr. LAUGHLIN. I understand. Why is there such a safety problem along this current road system that causes it to have a death rate double the rest of the highways in our nation? And why would this Mid-American Connection, in your opinion, reduce that death rate?

Mr. CHAPMAN. Congressman, quite frankly, one of the worst major arteries in the heartland of America is Highway 71. It goes north from Texarkana to Fort Smith and then connects on to Kansas City. The death rate on that stretch of highway—it is two-lane, it has unimproved shoulders, it is heavily, heavily traveled, and, as a result of its condition, it has doubled the national highway fatality rate.

To improve that roadway from the safety aspects, alone, I think would be justification. But that stretch of highway is one of the most dangerous in the country from the standpoint of volume of traffic and the demonstrated number of traffic fatalities and accidents that we have had. The safety aspect of it is one of the things that I think is a tremendous justification for the project.

Mr. LAUGHLIN. Thank you very much.

That's all the questions I have, Mr. Chairman.

Mr. MINETA. Mr. McEwen.

Mr. MCEWEN. No questions.

Mr. MINETA. Mr. Clement.

Mr. CLEMENT. Yes. Congressman Chapman, how are you going to divide the cost between the respective States?

Mr. CHAPMAN. Congressman, it would be done basically by the mileage. The States would have to build their portion of this highway from their allocation from the Highway Trust Fund. That would be a decision that would be made by the appropriate State Highway Commissions, and they would basically decide what portions and from what directions to build the highway. But it would be apportioned primarily by the mileages that are involved, and

those States would have to build from their allocation that portion of the highway that lay within that State.

Mr. CLEMENT. Have all the States endorsed this particular highway?

Mr. CHAPMAN. Absolutely. In fact, this highway would be constructed as a part of the current interstate system had it been authorized as a part of the current interstate system. It is much needed, and State highway authorities are ready to move forward.

Mr. CLEMENT. And what is the projected cost?

Mr. CHAPMAN. The feasibility study identified total cost as about $1.7 billion. Of course, over 517 miles, that would take a number of years to construct. But from the question that was asked of the previous Members, that would come, as I understand it, from the State's allocation under the current system.

Mr. CLEMENT. And what are you looking for in terms of commitment from the Federal Government?

Mr. CHAPMAN. We would just want to know that the Mid-America Connection would enjoy one of the top priorities for expansion and connection to the interstate system. If we are not going to have new interstate highways under the new highway program, then whatever would be compatible with that interstate, whatever it is called, whatever the top Federal commitment is going to be to the expansion of the interstate system, we would hope that this highway would fall within the framework of receiving that kind of commitment and priority from the Federal Government.

Mr. CLEMENT. Thank you.

Mr. MINETA. Mr. Duncan.

Mr. DUNCAN. Just one question, Congressman Chapman. Why was this not authorized before? Do you know? Is it because this is a largely rural area?

Mr. CHAPMAN. Congressman Duncan, I don't know if it is just in the last 30 years that the growth has been such that this north-south artery now is dramatically needed and desperately needed. I don't know the answer to that because when you look at a map of our interstate system, it just jumps at you that this, from Kansas City to Shreveport, should be an interstate highway. It is not there. In fact, from the Mississippi River to the Rocky Mountains—I-35 goes to Oklahoma City and stops—there is no link. That is why such a large portion of the country would be served by this particular connector. I have no idea of the history of why it was not included in the original interstate system.

Mr. DUNCAN. Is the current road more heavily travelled than some of the other interstates close by?

Mr. CHAPMAN. Absolutely. In fact, the feasibility study, Congressman, said that this would be one of the most heavily travelled interstates in the country when built.

Mr. DUNCAN. And you say it would cost $1.7 billion for the total 500 miles?

Mr. CHAPMAN. That's correct. That was the estimate.

Mr. DUNCAN. All right. Thank you very much.

Mr. MINETA. Mr. Sangmeister.

Mr. SANGMEISTER. No questions.

Mr. MINETA. Mr. Payne.

Mr. PAYNE. No questions.

Mr. MINETA. Well, thank you very much, Mr. Chapman, for your very fine presentation. This subcommittee will keep it under consideration as we move forward during the reauthorization process.

Mr. CHAPMAN. Mr. Chairman, thank you very much for this opportunity. I appreciate it.

[Mr. Chapman's prepared statement follows:]

BACKGROUND OF TESTIMONY

THE SUBCOMMITTEE ON SURFACE TRANSPORTATION

Submitted by:

The Honorable Jim Chapman

FACTS ON KANSAS CITY TO SHREVEPORT FREEWAY

I. SCOPE: Connect Kansas City with Shreveport with a four lane, divided, controlled access highway.

II. NEED: The 1987 feasibility study was approved by the D.O.T. in March 1988. Justification for construction has been acknowledged.

III. KEY POINTS:

SAFETY: U.S. Highway 71 in Arkansas has six traffice accidents per mile and one death every 4.7 miles each year. Far above the national average. There are 267 miles of U.S. Highway 71 in Arkansas.

ECONOMICS: The Kansas City - Shreveport highway will fill a gap over 500 miles wide between existing North-South interstate highways. It will intersect East-West interstates I-10; I-20; I-30 and I-40. It will connect with I-49 at Shreveport and both I-29 and I-35 at Kansas City. It will complete an existing highway system which will provide safe and cost effective transportation from Canada to the Gulf of Mexico.

Interstate and international trade will result by reducing distance and travel time to the ports of Houston and New Orleans. These are the nearest ports to every state along the route.

Eleven states in the Nation's heartland will benefit. Manufacturing, distribution, agriculture and tourism will be enhanced.

This will be the nearest North-South Freeway to 20% of the Nation's population.

DEFENSE: The states served by this addition have several major military installations. There are four air bases, three ammunition plants, one maintenance and supply depot and seven troup training facilities. There are currently over 130,000 U.S. Army troops stationed in the states served between Kansas City and the Gulf of Mexico.

This highway will enhance the economic opportunities for an area of the country with the lowest per capita income and highest un-employment rates.

The MAC-PAC is a group of community leaders from five Southern and Midwestern states. This group represents a broad based, grass roots drive to construct a multi-lane, limited access roadway linking Kansas City, Missouri with Shreveport, Louisiana. The roadway has come to be known as the Mid-American Connection or "MAC". Area residents along the proposed North-South corridor gave birth to this idea in 1972 and it has been gaining momentum ever since. The MAC-PAC has achieved amazing success in securing firm and coordinated support for this endeavor not only among the five states that would directly benefit from the roadway, but also from the entire surrounding area. This group has established a communication network which includes every Chamber of Commerce in the corridor from Canada to the Gulf of Mexico. Presently, the MAC-PAC is working with the state legislatures of the applicable states in order to secure funding commitments. However, to make this dream a reality, they will also need Federal Support.

The construction of the MAC will directly result in substantial economic, defense and safety benefits for twenty percent of the U.S. population and indirectly benefit all of America. I feel that there is no other proposed highway in America that would have a more profound impact on the economies of as many states as the MAC. Nor is any other route as sorely needed.

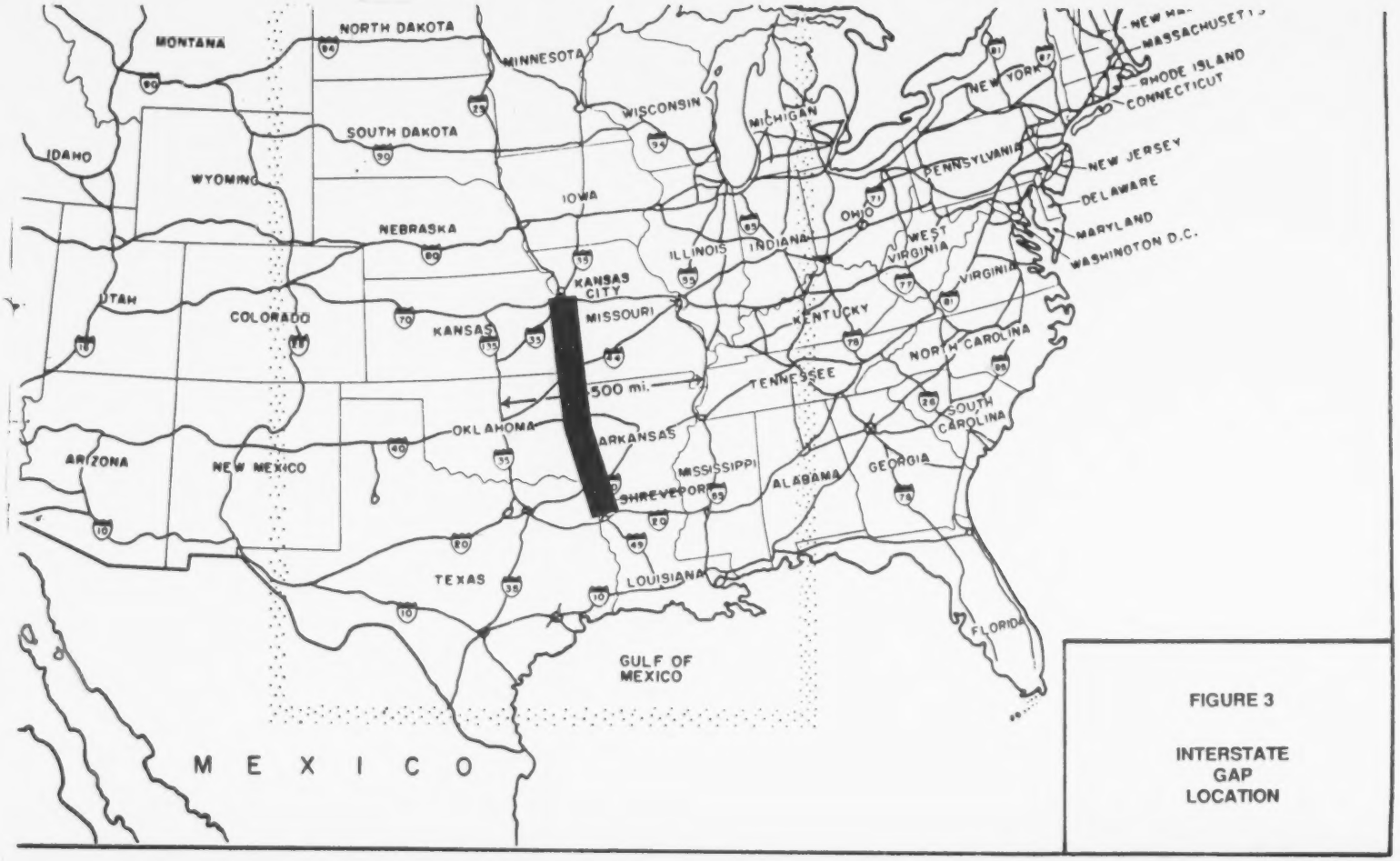
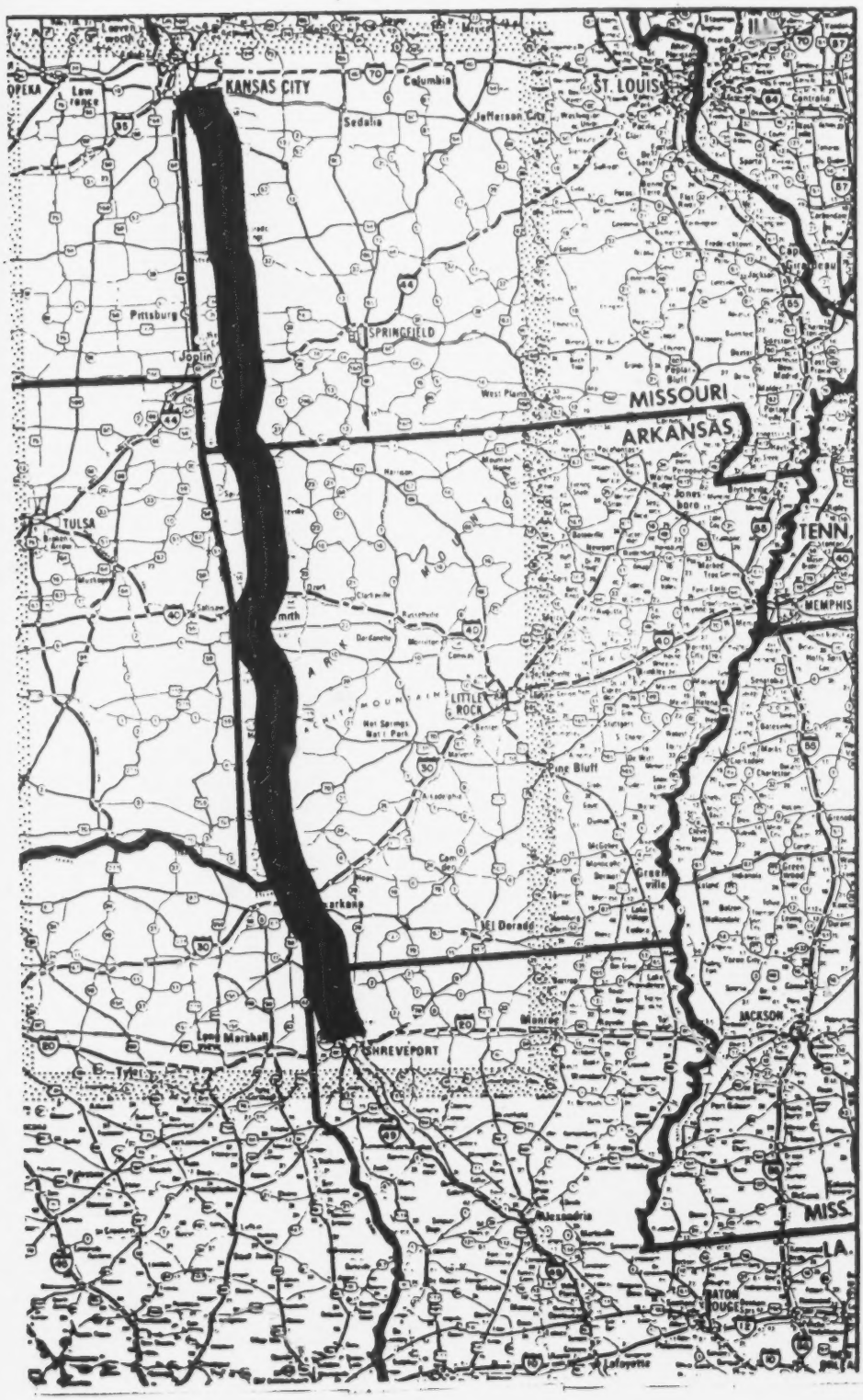


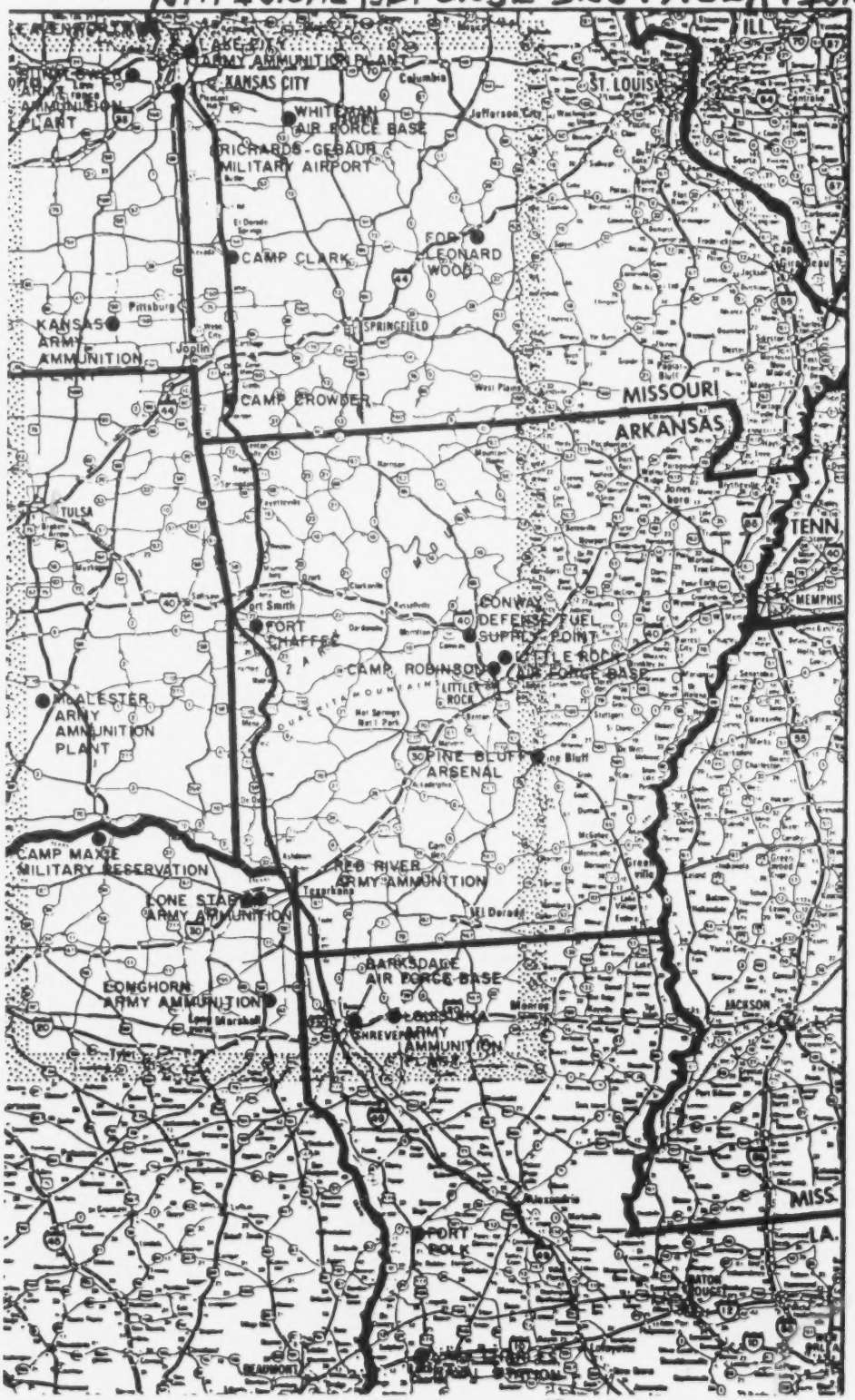
FIGURE 3

INTERSTATE GAP LOCATION

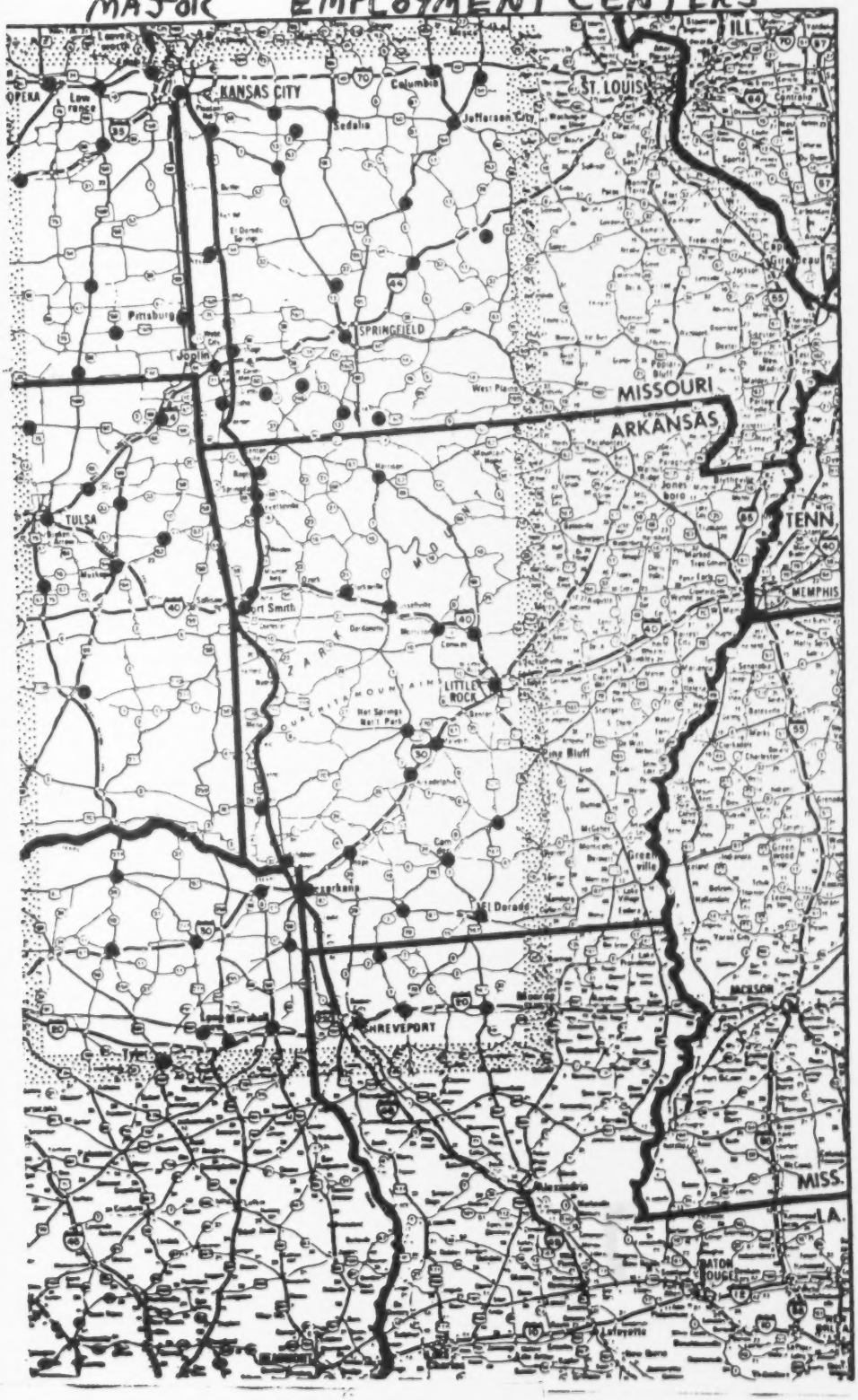
STUDY CORRIDOR LOCATION



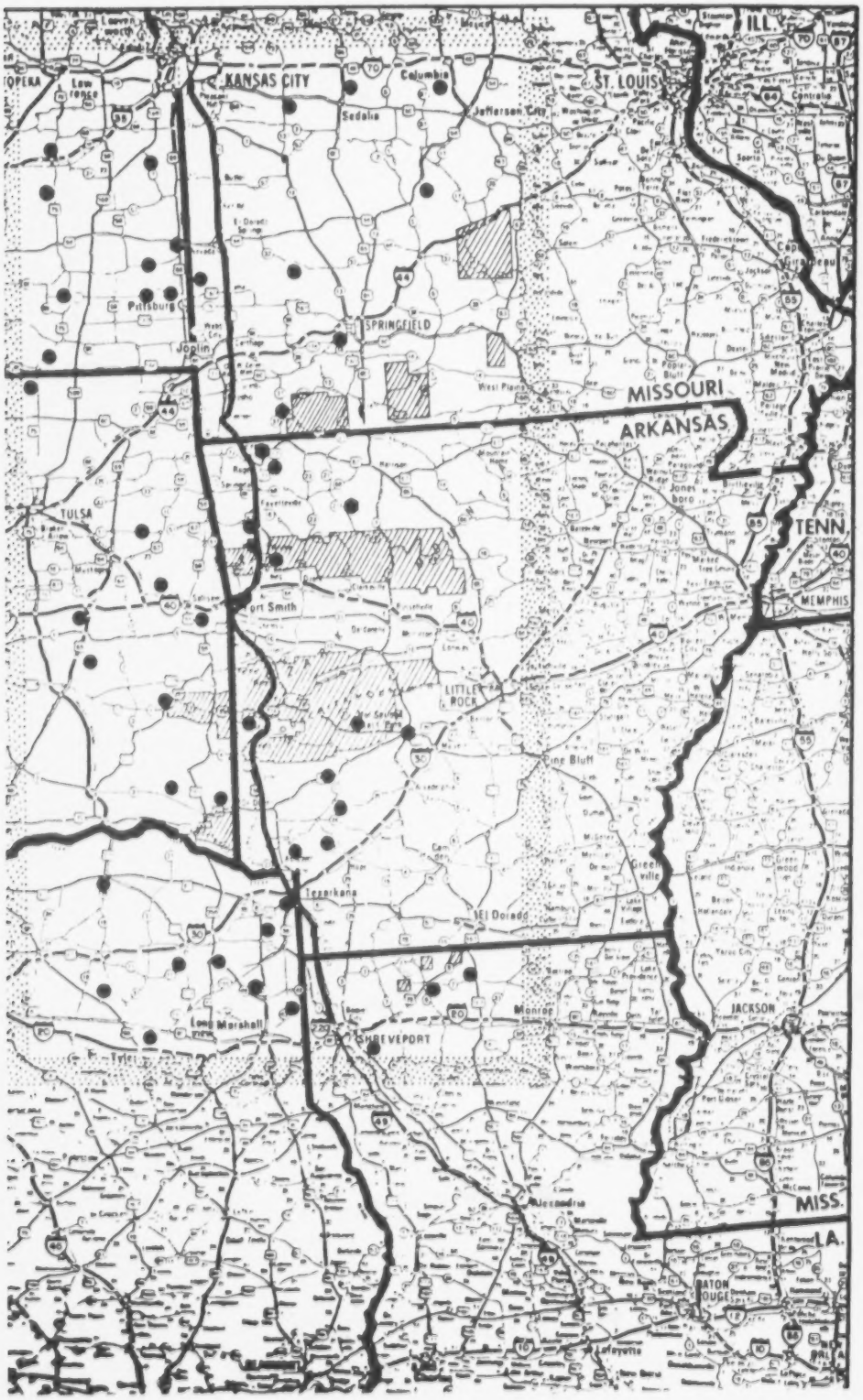
NATIONAL DEFENSE INSTALLATIONS



MAJOR EMPLOYMENT CENTERS



RECREATIONAL AREAS



Mr. MINETA. Let me at this time call on our very fine colleague from Arkansas, Congressman Bill Alexander, another powerful member of the powerful Appropriations Committee.

Mr. Alexander, go ahead and proceed in your own fashion. Have you submitted a statement to us?

Mr. ALEXANDER. Mr. Chairman, I have submitted a statement.

Mr. MINETA. It will be put into the record following your oral presentation.

Please proceed in your own fashion.

TESTIMONY OF HON. BILL ALEXANDER, A REPRESENTATIVE FROM ARKANSAS

Mr. ALEXANDER. Mr. Chairman, thank you for conducting these hearings. I think all of us were pleased last week to receive the Secretary of Transportation's plan for a national transportation policy. It was appreciated by all of us as we begin an important debate on America's infrastructure needs for the 21st Century.

I would hope that as the United States builds down its military/industrial complex in the post-Cold War era we would build up our public works investment in the nation's infrastructure, which is crumbling and falling down in part because of neglect over the past 20 years.

The problem that I have with the Administration's plan is, of course, that there are no specific suggestions on how to pay for highway improvements and other infrastructure investments. Instead that plan generally follows the President's budget proposal, which requests a 21 percent decrease overall in Federal aid to highways during the next five fiscal years.

For wealthy States or rich States that might be appropriate. I can't say, because I represent a poor State, Arkansas. We cannot afford to be a part of a national transportation system without Federal aid. We receive less than we contribute in Federal highway assistance now. Under the present low we pay more in taxes than we receive back in aid. Simply stated, our highways and roads and bridges are falling down. They are coming apart and falling down.

I am not here today to add to the rhetoric about the President's plan so much as I am to talk about specific needs that are immediate for us.

For example, there is a bridge over U.S. Highway 70 that spans the White River at De Valls Bluff, Arkansas. I request an authorization of $7.1 million to construct a replacement for this deteriorating structure that has been in place since the 1920s. A couple of years ago it was struck by a barge heading downstream on the river. The barge dislodged the span of the bridge that was raised in order to permit passage of the barge traffic. The bridge has not been replaced; it has only been repaired.

The head of the Highway Department in Arkansas has stated in a letter to me, and in 1988 testimony before this Subcommittee, that he is not satisfied with the safety of the bridge. He also says it is imperative that Highway 70 remain functional at all times in the region and that it serves, of course as an important link in the commerce of that region. He is very much concerned about its need to be replaced.

There are many other things that I can talk about that are of importance in my district, but I would just touch upon a couple of things that need assistance from a national transportation policy.

We have a growth center in Jonesboro, Arkansas, the largest city in my district, that is congested because of a lack of a transportation plan in that region. It is gridlocked because of that growth.

Northeast Arkansas and West Tennessee are linked economically, culturally, and demographically, and there is a natural common market between our two States and with Southwest Kentucky and Southeast Missouri. Those regions need to be linked with an interstate-like highway that has been talked about for years that would start at Jacksonville, Florida, and pass through Georgia, Alabama, and Tennessee, crossing the Mississippi River at a place near Osceola, Arkansas, and proceeding across the northern part of Arkansas to Kansas City—another important need that has gone unmet because of the lack of a transportation policy.

Mr. Chairman, I look forward to the work of this committee and to participating actively as you develop a national transportation policy because during the next decade it appears to me that you are going to be very busy providing for the decaying infrastructure and the new roads and bridges that are needed in America in order to plan and provide for the 21st Century.

I thank you very much for the opportunity to be here, and I will be pleased to answer any questions which you have.

Mr. MINETA. Very well. Thank you very much, Congressman Alexander.

You indicated that you concur with the people of De Valls Bluff area with their assessment that a replacement bridge is needed for the U.S. 70 bridge. Could you explain to the committee how the replacement of that bridge would enhance the economic benefits to the people of the De Valls Bluff area?

Mr. ALEXANDER. Well, De Valls Bluff—it is a choke point on the White River where people travel back and forth to engage in all forms of commerce, both locally and regionally. It is a main crossing in Arkansas between and among the various counties in the region for transporting the products that are produced there and the people who that work in and around that area.

In addition, it is one of only two major links between Little Rock and Memphis.

The bridge is falling down. It is almost 60 or 70 years old. It really needs to be replaced before someone is injured by it. We can't do without it. I guess we'd have to go back to crossing across by barges if we didn't have what we have there now.

Mr. MINETA. Thank you very much.

Mr. Duncan.

Mr. DUNCAN. No questions.

Mr. MINETA. Mr. Bosco.

Mr. BOSCO. No questions.

Mr. MINETA. Mr. Clement.

Mr. CLEMENT. No questions.

Mr. MINETA. Mr. Sangmeister.

Mr. SANGMEISTER. No questions.

Mr. MINETA. Mr. Payne.

Mr. PAYNE. No questions.

Mr. MINETA. Well, Mr. Alexander, thank you very, very much for your presentation.

Mr. ALEXANDER. Thank you very much.

[Mr. Alexander's prepared statement follows:]

TESTIMONY OF
HON. BILL ALEXANDER
ON
HIGHWAY REAUTHORIZATION, FISCAL YEARS 1992 AND BEYOND
BEFORE THE SUBCOMMITTEE ON SURFACE TRANSPORTATION
COMMITTEE ON PUBLIC WORKS
U. S. HOUSE OF REPRESENTATIVES
TUESDAY, MARCH 13, 1990
2167 RAYBURN HOUSE OFFICE BUILDING
10:00 A. M.

Thank you, Mr. Chairman and members of the Subcommittee. It's a pleasure for me to appear before you today to discuss some of the unmet highway needs of the First Congressional District of Arkansas, and how they relate to national problems that must be addressed in the next highway authorization bill.

Last Thursday, the Administration released its national transportation strategy. I commend the President, Secretary Skinner, and others who worked on it for beginning a critical national debate about America's infrastructure needs for the 21st Century.

The problem that I have with the Administration's plan is that it offers no specifics on how to pay for highway improvements, except for suggestions that user fees go up and that the bill be presented to state and local governments. It follows the path set forth in President Bush's budget, which proposes to cut real budget authority for federal-aid highways by 21 percent over the next five years.

For rich states, this might be prudent and appropriate in a time of tight Federal budgets. But poor states like Arkansas simply must have more Federal help to keep their roads from crumbling and their bridges from falling.

In rural America, our roads and bridges need maintenance and expansion; our tax base doesn't begin to cover our infrastructure needs; and yet, our people, who drive more and have less access to mass transit, pay more into the Highway Trust Fund than they get out of it.

Under the Administration's transportation plan, rural America remains between a rock and a hard place. Local governments will continue to have an inadequate tax base because they have inadequate highways; and they will continue to have inadequate highways because they have inadequate tax bases.

The Administration has made a good start. But someone must flesh out their outline, and keep in mind rural America's needs. Two hundred years ago, the Constitution gave the job to Congress.

As we enter the post-Cold War era, it is time we reexamined budget priorities and devoted more resources to investment in highway transportation. Beyond that, it is time we came up with a comprehensive, detailed, national public works strategy.

I've come here today not just to engage in rhetoric about the Administration's plan, but to talk about a specific project in my district -- a new bridge on U. S. 70 over the White River at DeValls Bluff, Arkansas.

I formally request that the Subcommittee recommend authorization of $7.1 million in contract authority for replacement of the existing bridge as a demonstration project in the 1991 highway authorization bill, or sooner if an appropriate legislative vehicle presents itself.

I am confident that, as I explain the project in detail, you will see that it is typical of unmet needs that exist in every Congressional District and probably every county across the nation.

Two years ago this month, Mr. Chairman, I appeared before this Subcommittee to ask for your help in constructing a new U. S. 70 bridge at DeValls Bluff. I'm still asking for your help.

When we last discussed DeValls Bluff, the existing bridge was out of commission. A barge had struck a pier, locking the bridge's lift span in the "up" position. The bridge was repaired in September, 1988, after eight months of disruption, at a cost of approximately $1 million to the State of Arkansas.

However, we knew then that repairing the bridge was a Band-Aid, not a cure. The bridge was built in 1922. Its bridge rating in 1988 was 62.6, or "functionally obsolete." It has been closed for extended periods twice since 1972.

In April, 1988, Mr. Maurice Smith, director of highways and transportation for the State of Arkansas, wrote me to re-state his request for Federal funding for the bridge replacement project. I ask permission to include the full text of his letter in the record. But, if I might, I would like to quote from key passages of the letter:

> "We project that the bridge will be open again in September, but there will be an uneasy feeling by the traveling public as they cross it. ~~I am~~ not at all satisfied with its safety . . .

"It is imperative that Highway 70 remain functional at all times in the event the bridge across the White River on I-40 has to be closed for some reason . . .

"We realize our normal Federal Aid Bridge Replacement Funds can be utilized to replace this bridge. However, the estimated $7.1 million required to replace the bridge and approaches would severely limit our present bridge replacement program, especially since the 1987 Federal Aid Highway Act has reduced our bridge replacement funds about $9.5 million per year. This, coupled with other federal restraints, has placed a burden on our ability to replace other important bridges throughout the state."

The DeValls Bluff bridge is enough of an economic burden to the people of Prairie County, Arkansas, and enough of a threat to the lives and property of the people who use it, that I am asking you for special help.

I would like to say that this situation is extraordinary. Unfortunately, I cannot truthfully do so. The DeValls Bluff bridge is only one of the nearly quarter-million highway bridges, 77,000 on the Federal-aid system alone, that is either "structurally deficient" or "functionally obsolete." The 77,000 figure represents 28 percent of all Federal-aid bridges, an increase of roughly 10,000 since 1982 alone.

There are some other highway needs in Arkansas' First District that I would like to mention. No plans have been developed, and no price tags calculated, to address these items. Therefore, I am not asking for specific assistance for them today, although I may do so at some point in the future.

These Arkansas needs are further examples of unmet national highway needs. As such, they illuminate the task before your subcommittee:

*The city of Jonesboro, Arkansas, is the largest city in the First Congressional District and the economic hub of a multi-county region. Roads and highways adjacent to the city's major commercial areas now carry more traffic than they were designed to handle. In the next highway bill, some of the money for gridlock relief must go to smaller cities.

*Northeast Arkansas and West Tennessee are economically, culturally, and demographically similar. They could form a natural "common market." But the Mississippi River separates the two regions as effectively as it did in frontier times. Local leaders on both sides of the river have been working to develop support for construction of a new Mississippi River bridge near Osceola, Arkansas. Similar needs must exist along the river from Minnesota to the Gulf. But these needs will go unmet until Congress, in partnership with the affected states, finds millions to build bridges.

*We all celebrate the near-completion of the Interstate Highway System after four decades of effort. However, there are some gaping holes in the system. One of the biggest is the area across the South from Jacksonville, Florida, through Arkansas to Kansas City, Missouri. This corridor runs through some of the counties in the rural South that still lack access to major four-lane highway arteries, and most need the economic boost that comes from having an Interstate highway.

In conclusion, Mr. Chairman, I urge the subcommittee to meet these national needs with a bold and aggressive highway improvement strategy. To do less is to seriously weaken our efforts at economic development.

Some say we have more will than wallet. I say, where there is will, there is a way.

Thank you very much.

38-253 O—91——5

ARKANSAS STATE HIGHWAY COMMISSION

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DIRECTOR OF HIGHWAYS AND TRANSPORTATION
DAN FLOWERS
ASSISTANT DIRECTOR OF HIGHWAYS AND TRANSPORTATION
CHARLES VENABLE
CHIEF ENGINEER

April 29, 1988

Honorable Bill Alexander
United States Representative
233 Cannon House Office Building
Washington, D. C. 20515

Dear Bill:

As you are aware, we awarded a contract on April 7, 1988, for repair to the Highway 70 bridge across the White River at DeValls Bluff at a cost of approximately $1.0 million.

Although the bridge will be repaired and opened to traffic, we are still concerned about the structural integrity of the bridge. The bridge was originally constructed in 1925 and has been closed twice since 1972.

Since the pier that was hit by the barge was knocked out of alignment, there is no guarantee that further shift to the pier will not occur. There appears, at this time, to be no structural damage to the pier; however, I am deeply concerned that because of the sudden rise and fall of the flow in the river, there might be serious consequences in the future. We project that the bridge will be open again in September, but there will be an uneasy feeling by the traveling public as they cross it. I am not at all satisfied with its safety.

It is imperative that Highway 70 remain functional at all times in the event the bridge across the White River on I-40 has to be closed for some reason. The closing of the bridge also creates severe economic problems for the area since it serves as the lifeline for the communities located on each side of the river.

We realize our normal Federal Aid Bridge Replacement funds can be utilized to replace this bridge. However, the estimated $7.1 million required to replace the bridge and approaches would severely limit our present bridge replacement program, especially since the 1987 Federal Aid Highway Act has reduced our bridge replacement funds about $9.5 million per year. This, coupled with other federal restraints, has

ARKANSAS STATE HIGHWAY COMMISSION
LITTLE ROCK, ARKANSAS

Honorable Bill Alexander
Washington, D. C.

April 29, 1988
Page 2

placed a burden on our ability to replace other important bridges throughout the state.

It is doubtful that the bridge will ever be structurally sound again. Anything you can do to acquire funds to replace the bridge over and above our normal allotment and obligation limit, will be greatly appreciated.

Sincerely,

Maurice Smith

Maurice Smith
Director of Highways
and Transportation

Mr. MINETA. Continuing our flow of members of the Appropriations Committee, let me welcome to our committee a former member, Congressman Frank Wolf of Northern Virginia.

Frank, your statement will be made a part of the record. Please proceed in your own fashion.

TESTIMONY OF HON. FRANK R. WOLF, A REPRESENTATIVE FROM VIRGINIA

Mr. WOLF. Thank you, Mr. Chairman. I appreciate this opportunity to testify.

Over the course of the hearings you will hear many statistics about our nation's transportation system, but they really don't tell the story, however, until they are put in real terms.

In the area I represent, Northern Virginia, the reality is a work day that begins for many before 5:00 a.m. and which doesn't end until nearly 7:00 p.m., all because of traffic congestion. Reality in my area is long hours spent in congestion on I-66, I-95, the Capital Beltway, and other highways—hours which could be spent with the family and productively at work.

The point is clear: transportation, and specifically traffic congestion, is a top issue in Northern Virginia and in many, many other urban and suburban areas around the United States.

The current Federal highway program does not adequately address the needs of urban and suburban areas of the country which are facing high levels of traffic congestion. Any new Federal highway program must address this issue. Legislation I have introduced, H.R. 961, the Gridlock Relief for Interstate Program, is cosponsored by a bipartisan group of 55 members of the House and 7 members of this subcommittee. The leading Democrat is Congressman Hoyer from Maryland. It would directly address this problem by allocating Federal funds to urban and suburban areas of the country to expand the capacity of congested highways.

Northern Virginia typifies the problems that are faced by many urban and suburban areas of the country and tens of millions of individuals each day.

In Northern Virginia, Interstates 66, 395, 495, and 95 are in near gridlock almost all mornings. The result is commuters cannot get to work.

Our legislation, the GRIP bill, would provide formula grants estimated at $53 million a year for Virginia, that would allow I-66 to be widened and bottlenecks on the Capital Beltway to be removed.

I use Virginia as an example, but the GRIP funds would be available to and could help all urban and suburban areas of the country. Los Angeles would benefit, San Francisco would benefit, as would New York, Chicago, Miami, Houston, Dayton, Cleveland, cities like Miami Beach, Jacksonville, Orlando and Tampa.

The formula we have developed would target funding at a rate of $2 billion a year to the most congested areas. Funds would be allocated according to a formula that considers the number of lane miles in an urban/suburban area as well as total vehicle miles travelled; that is, the more congested the area, the greater the opportunity to receive help.

Many cities, as well as a number of States, have endorsed our proposal. A copy is attached for the record. We have also been endorsed by the U.S. Conference of Mayors, the National Association of Regional Councils, the AAA, the American Road and Transportation Builders Association and many large cities—Newark, New Orleans, Spokane, Tampa, Miami, and many others.

I recognize that additional highway capacity is only part of the solution to urban/suburban traffic congestion. It is an important part, but we also must ensure that adequate mass transit facilities are available. For that reason, the GRIP bill, H.R. 961, specifies the funds could also be used to acquire rights of way for mass transit facilities and for land for park and ride programs.

The provisions of H.R. 961 are not sacrosanct. Some of the provisions of the formula—for example, or the scope of the highways covered—may need to be altered. I believe very strongly however, Mr. Chairman, that the new highway bill must include provisions which address the growing problems of urban and suburban traffic congestion.

H.R. 961 has focused attention on this problem and has generated discussion on the best way to attack it and it has received widespread support both in the Congress and around the country.

GRIP or similar provisions that would provide for expansion of existing highways are part of the solution to congestion problems. Another part of the solution is the construction of new highways.

In Northern Virginia, for example, we desperately need an outer bypass. A bypass highway which would cost an estimated $3 billion would divert as much as 33 to 50 percent of the north-southbound I-95 traffic that now travels through the Washington metropolitan area. Thousands of cars and trucks now travelling from Florida to New York or from North Carolina to Massachusetts would be diverted from the Capital Beltway, the Woodrow Wilson Bridge, I-95 and 395, and other highways, dramatically reducing traffic congestion in the area.

Many other areas of the country also have similar need for new highways. With limited local, State, and Federal funds available for the construction of highways, these roads will remain on the drawing boards and traffic congestions will continue to increase.

Because of the great need for new highways and the lack of any source sufficient to meet the price tag for these roads, I will be introducing legislation shortly that would allow Federal funds to be used with State and local and private funds to construct new toll highways. Current Federal law does not permit Federal funds to be used in the construction of new toll highways. This would be helpful to many highway programs.

The use of bond financing would allow all the necessary funds to be obtained at one time so that construction could begin early and be completed quickly. Most experts agree there is no faster way to begin a complete construction of important and badly-needed new highways than to use toll financing, and I believe it is appropriate that Federal funds be used in this process.

The use of Federal funds in the construction of toll highways is supported by the American Association of State Highway and Transportation Officials and other organizations, and has been suggested by the Administration.

My last suggestion, Mr. Chairman, concerns the Federal right-of-way revolving fund which makes interest-free loans repayable in two to ten years to States for the purchase of rights-of-way in advance of highway construction. The purpose of this program is to help States and localities avoid the impact of inflation of land prices in areas of rapid appreciation.

Last year we in Virginia and Fairfax County were able to obtain approval of such a loan which enabled us to purchase parcels of land for the Fairfax County Parkway. That loan will save Fairfax County and the State of Virginia tens of millions of dollars because the parcels of land to be purchased were appreciating at over 100 percent a year.

Because you are a former mayor, Mr. Chairman, I know you understand the problem of rapidly appreciating land prices and the detrimental effects they have on highway construction.

My suggestion for this program would increase the authorization from its current level of $300 million to $900 million and establish a graduated interest rate repayment schedule. For example, in years one through five the loan could remain interest free, and in years six through ten the interest rates could be increased by 1 percent a year to a maximum of 5 percent.

The purpose of this schedule is to encourage States to repay the loans as rapidly as possible. Interest fees collected could be used to cover administrative costs of operating the program, and any excess would be used to make additional loans.

I would also recommend that the program would be extended to cover the purchase of rights of way for mass transit corridors and station stops as well as for park and ride type parking lots. This will provide an additional incentive for mass transit ridership, ride sharing, and other transportation strategies.

Mr. Chairman, I have more to say, but let me just end by saying I thank you and the committee for this opportunity and encourage the committee to carefully examine these issues. I think in the new reauthorization bill it is absolutely important that there be an emphasis with regard to urban and suburban areas.

Thank you very much for this opportunity.

Mr. MINETA. Thank you very much, Congressman Wolf.

During the committee's consideration of legislative proposals for the post-interstate surface transportation program, urban congestion will be a key focus. Your bill, H.R. 961, authorizes, as I understand it, $2 billion per year over a four-year period for capacity expansion purposes in urban areas.

I'm wondering if your proposal for the acquisition of right-of-way for future construction of mass transit facilities would also consider the feasibility of the construction and operations of the mass transit facility along that urban interstate route?

Mr. WOLF. Yes, Mr. Chairman. If you wanted to use my district, for example, you could use it to acquire stations along the Dulles Access Road, or you could use it to acquire park and ride lots along the Dulles Access Road to tie into the highway program. That is the purpose of it.

Mr. MINETA. What about the mass transit facility, itself? Other than the amenities that go with the mass transit facility, would the

construction and operation of that also come out of this $2 billion pot?

Mr. WOLF. No. As of now, Mr. Chairman, unless the pot were larger, it would only be for land acquisition. Right now in the revolving fund there is only an authorization for $300 million. We propose that authorization be increased to $900 million. I think because the cost of constructing or operating the system may be very extensive $900 million may not be enough. You could do that if you were to authorize more, but basically it is the land acquisition costs which are escalating.

Mr. MINETA. Thank you very much, Mr. Wolf. And also thank you for being really a leader and innovative in terms of what is happening in that Northern Virginia area since I am one of the commuters that you spoke of earlier.

Mr. WOLF. Thank you, Mr. Chairman.

Mr. MINETA. Mr. Shuster?

Mr. SHUSTER. Thank you very much.

We certainly appreciate your testimony, once again, and your innovative ideas. Frank, where would you propose that the $2 billion come from? I see that it is out of the Highway Trust Fund, but where would you take it from? From the rural areas, or from——

Mr. WOLF. No, not necessarily. The $2 billion would be triggered in as the interstate is finished around the country. Once an interstate program is finished and there would be the excess money, many of the States are now donor States that are not getting very much in the urban and suburban areas. For instance, the delegation from Ohio has that problem.

So as the interstate is finished, the money would be redirected.

Mr. SHUSTER. What are we spending on interstate annually now? About $2 billion?

Mr. MINETA. About $3.15 billion.

Mr. SHUSTER. So you are suggesting that of the $3.5 billion a year that we are spending on interstate that $2 billion of that go to this urban congestion program.

Mr. WOLF. As the interstate is finished I think the money should be redirected. As the interstate is still being constructed, there ought to be at least $2 billion from other sources directed toward the urban and suburban areas.

Mr. SHUSTER. What about the problem, however, of maintaining the interstate? That is a very serious problem?

Mr. WOLF. That is very, very important, and clearly that would be—that is why I also made the recommendation, Mr. Shuster, of the use of tolls which would enable construction of the new highways, as you talked about earlier. I think clearly the maintenance of the interstate is very, very important. There are some that are falling apart. Fifty percent of our bridges are falling apart.

Mr. SHUSTER. I think that is a very thoughtful proposal, and I think, as part of a whole national system, we could well find ourselves directing some money in this way. I thank you very much.

Mr. WOLF. Thank you very much, Mr. Shuster.

Mr. MINETA. Mr. Clement?

Mr. CLEMENT. Yes. Congressman Wolf, some members of my staff I know live in your Congressional district, and I know it is a real hassle. To travel ten miles can take over an hour in commuting

time to get to work. What about the Metro rail? Has that proven to be satisfactory or has it been somewhat disappointing in solving the problem?

Mr. WOLF. Metro has been extremely successful. I believe it has the highest return rate at the fare box of any metro system in the country. It received the American Public Transit Association award last year for being one of the best-run systems in the country. It has been very, very successful.

We are working to finish it. We are at 89 miles. The full system will be 103 miles. Eventually, the hope is to develop a light rail system which will connect the West Falls Church stop, go down the median strip of the Dulles Access Road to Dulles Airport to have open-air stops at Wolf Trap, open air stops at Reston and Herndon going into the Dulles Terminal to connect both Dulles Airport and National Airport with mass transit.

It has been very, very successful.

Mr. CLEMENT. What about expanding the service out at Dulles Airport in order to alleviate much traffic and congestion?

Mr. WOLF. Well, Dulles has expanded quite dramatically. In 1981 Dulles had 2.1 million passengers. Partially through the leadership of Congressman Mineta and the Airports Authority, and other efforts, Dulles has now about 12.5 to 13 million passengers.

In 1981 there was only one flight a day going to New York. Now you can go literally to any place in the world from Dulles. So that is why we are hoping to have a light rail or mass transit system down the Dulles corridor which will connect the West Falls Church metro stop, basically connecting National and Dulles together and downtown Washington, all with light rail or mass transit.

Mr. CLEMENT. Thank you.

Mr. MINETA. Mr. McEwen.

Mr. MCEWEN. Thank you, Mr. Chairman.

I want to thank you, Mr. Wolf, for your testimony. Of course, all of us that are concerned about transportation needs miss you on this committee and are delighted that you are where you are on the Appropriations Subcommittee on Transportation, and also for your leadership in the entire question of transportation for our nation's capital. You are a responsible moderating influence to take the HOV lanes to three lanes and to open up the 14th Street Bridge that for 15 years was closed to traffic in the morning and backed up an additional ten miles. As you mentioned, there were hundreds of millions of man hours that were lost every day in time with their families and elsewhere, and your decision to put in the legislation to open that up has made a tremendous impact on that each morning.

And for all of these suggestions that you make because of your leadership and because of your respect and the commonsense, practical approach that you have had to transportation needs for so long, you will certainly not only receive a receptive ear, but many of us that want to help.

The outer bypass, if we were to start today, would perhaps be a decade off. We are late. It needs to be started. We need to go. I appreciate your leadership on it and pledge my support.

Thank you for your testimony.

Mr. WOLF. Thank you very much.

Mr. MINETA. Mr. Sangmeister.

Mr. SANGMEISTER. No questions.

Mr. MINETA. Mr. Duncan.

Mr. DUNCAN. I don't have any questions, but, like Congressman McEwen, I'll just say simply that, as a resident of Northern Virginia, I'm glad we have got Congressman Wolf fighting to improve the transportation system. I think the citizens of your area are very fortunate to have you represent them. Thank you very much.

Mr. WOLF. Thanks, Mr. Duncan.

Mr. MINETA. Mr. Payne.

Mr. PAYNE. Thank you very much, Mr. Chairman. I also would like to commend my colleague from Virginia for the fine job that he is doing for transportation not only in his district but for transportation all over our State, and to say that while I represent a very rural area of Virginia, the urban congestion problem is one that not only affects urban and suburban areas, but our rural areas, as well, indirectly and somewhat directly. So I think this is a very important issue and one that we need to pay a great deal of attention to as we go through the reauthorization process.

Thank you for the good work that you do, Frank.

Mr. WOLF. Thank you.

Mr. MINETA. Mr. Applegate.

Mr. APPLEGATE. I have no questions, Mr. Chairman.

Mr. MINETA. Mr. Visclosky.

Mr. VISCLOSKY. Mr. Chairman, I don't have any questions.

I just want to commend you, Mr. Wolf. I think you have been very thoughtful. I think you have been innovative in some of your ideas. Certainly, as far as your proposals pending before this subcommittee, they will receive my serious consideration. Thank you.

Mr. WOLF. Thank you very much.

Mr. MINETA. Thank you very much, Congressman Wolf.

Mr. WOLF. Thank you, Mr. Chairman.

Mr. MINETA. I appreciate your innovative ideas over a period of time.

[Mr. Wolf's prepared statement follows:]

STATEMENT OF CONGRESSMAN FRANK R. WOLF

Before the Surface Transportation Subcommittee
on
Reauthorization of the Federal Interstate Highway Program
March 13, 1990

Mr. Chairman, I appreciate the opportunity to testify before your subcommittee on what clearly is one of the most critical issues facing our country: our surface transportation system.

Over the course of these hearings you will hear many statistics about our nation's transportation system. These statistics don't begin to tell the story, however, until they are put into real terms.

In the area I represent, northern Virginia, reality is work days that begin before 5 a.m. and which don't end until nearly 7 p.m. -- all because of traffic congestion. Reality in my area is long hours spent in congestion on I-66, the Capital Beltway and other highways -- hours which could be spent with family or used productively at work.

I could go on and on, but the point is clear: transportation -- specifically traffic congestion -- is a top issue in northern Virginia and in many other urban and suburban areas of the country.

This highway reauthorization legislation is a unique opportunity and we as a nation need to respond to the challenge.

GRIDLOCK RELIEF FOR INTERSTATES PROGRAM

The current federal highway program does not adequately address the needs of urban and suburban areas of the country which are facing high levels of traffic congestion. Any new federal highway program must address this problem.

Legislation I have introduced, cosponsored by a bipartisan group of 55 members of the House, including seven members of this subcommittee, would directly address this problem by allocating federal funds to urban and suburban areas of the country to expand the capacity of congested highways.

Northern Virginia typifies the problems that are faced by many urban and suburban areas of the country and tens of millions of individuals each day. In northern Virginia, interstate highways such as I-66, I-395, I-495 and even I-95 near complete gridlock during peak periods. The result is that commuters can't get to work and commerce can't flow.

The GRIP legislation would provide formula grants, estimated at $53 million a year for Virginia, that would allow I-66 to be

widened and bottlenecks on the Capital Beltway to be removed. The funds could be used to widen or even double-deck the Wilson Bridge.

I use Virginia as an example, but GRIP funds would be available to and could help all urban and suburban areas of the country. Los Angeles would benefit from this proposal as would New York, Chicago, Miami, Houston and any other area of the country where traffic congestion has clogged interstate highways.

The formula we have developed would target funding, at a rate of $2 billion a year, to the most congested areas. Funds would be allocated according to a formula that considers the number of lane miles in an urban/suburban area as well total vehicle miles travelled.

Many cities as well as a number of states have endorsed our proposal. I have attached for the record, a list of organizations supporting GRIP.

I recognize that additional highway capacity is only part of the solution to urban/suburban traffic congestion. It is an important part but we also must ensure that adequate mass transit facilities are available. For that reason, the GRIP bill, H.R. 961, specifies that funds could also be used to acquire rights-of-way for mass transit facilities and for land for park-and-ride-type lots.

A balanced transportation network requires effective mass transit systems. We must provide an emphasis on mass transit and other transportation strategies that take cars off the road. In northern Virginia, for example, the Metro rail system carries hundreds of thousands of commuters each week. Without it, our region would be choked in traffic.

An efficient and effective transportation system is critical to preserving our nation's environmental quality. Traffic congestion has been documented as a major cause of increasing air pollution. The GRIP legislation, by reducing traffic congestion, could help lessen air pollution in our urban and suburban areas.

Noise pollution is another growing concern. GRIP funds can be used for highway noise abatement devices such as sound walls to help reduce noise pollution.

The provisions of H.R. 961 are not sacrosanct. Some provisions, the formula for example or the scope of highways covered, may need alteration. I believe very strongly, however, that the new highway bill must -- absolutely must -- include provisions which address the growing problem of urban/suburban traffic congestion. H.R. 961 has focused attention on this problem and has generated discussion on the best way to attack it and I believe it provides a useful framework for addressing the congestion problem.

FEDERAL ASSISTANCE FOR NEW TOLL HIGHWAYS

GRIP or similar provisions which provide for expansion of existing highways are part of the solution to congestion problems. Another part of the solution is the construction of new highways.

In northern Virginia, for example, we desperately need an outer bypass highway. A bypass highway, which would cost an estimated $3 billion, would divert as much as 33 percent of north/south bound I-95 traffic that now must travel through the Washington metropolitan area. Thousands of cars and trucks now travelling from Florida to New York or from North Carolina to Massachusetts would be diverted from the Capital Beltway, the Wilson Bridge, I-95 and I-395 and other area highways dramatically reducing traffic congestion in the region.

Many other areas of the country also have a great need for the construction of new highways. With limited local, state and federal funds available for their construction, however, these roads will remain on the drawing board and traffic congestion will continue to increase.

Because of the great need for new highways and the lack of any source sufficient to meet the price tag for these roads, I will be introducing legislation shortly that would allow federal funds to be used with state, local and private funds to construct new toll highways. Current federal law does not permit federal funds to be used in the construction of new toll highways.

Using the Washington Bypass example, once the governors of Virginia and Maryland choose an appropriate route for the bypass, available federal funds could be combined with state and local funds and bonds could be floated to begin construction of the road.

The use of bond financing would allow all of the necessary funds to be obtained at one time so that construction could begin early and be completed quickly. Most experts agree, there is no faster way to begin and complete construction of important and badly needed new highways than to use toll financing and I believe it is appropropriate that federal funds be used in the process.

The use of federal funds in the construction of toll highways is supported by the American Association of State Highway and Transportation Officials (AASHTO) and other organizations and has been suggested by the Administration in its national transportation strategy.

LAND ACQUISITION FUNDS

My last suggestion concerns the federal right-of-way revolving fund which makes interest-free loans, repayable in two to 10 years, to states for the purchase of rights-of-way in advance of highway construction. The purpose of this program is to help states and localities avoid the impact of inflation of land prices in areas of rapid appreciation.

Last year I was successful in obtaining approval for a loan from the revolving fund for the state of Virginia and Fairfax County to purchase parcels of land for the Fairfax County Parkway. That loan will save Fairfax County and the state of Virginia tens of millions of dollars because the parcels of land to be purchased were appreciating at over 100 percent a year.

Because you are a former mayor, Mr. Chairman, I know you understand the problem of rapidly appreciating land prices and the detrimental effect they have on highway construction.

The right-of-way revolving fund has been a very effective program with strong benefits to everyone involved, especially states and localities that could not otherwise afford to purchase the land necessary for highway construction.

My suggestion for this program would increase the authorization from its current level of $300 million to $900 million and would establish a graduated interest-rate repayment schedule. For example, in years one through five the loan could remain interest-free and in years six through 10 the interest rate could increase by 1 percent a year to a maximum of 5 percent.

The purpose of this schedule is to encourage states to repay the loans as rapidly as possible. Interest fees collected could be used to cover administrative costs of operating the program and any excess could be used to make additional loans.

I would also recommend that the program be extended to cover the purchase of rights-of-way for mass transit corridors and station stops as well as for park-and-ride-type parking lots. This will provide an additional incentive for mass transit ridership, ridesharing and other transportation strategies.

CONCLUSION

Mr. Chairman, I want to congratulate you for holding these hearings. This committee faces a difficult but important task that will affect the future of our nation as well as each of its citizens.

Our nation depends on a sound infrastructure as the foundation for competition in the world market. A clogged, deteriorating transportation system will make it difficult, if

not impossible, for the United States to effectively compete in an increasingly competitive global marketplace.

Gridlock relief on existing highways and mass transit alternatives are imperative as is construction of new roads. These are essential to maintaining our competitiveness.

They are also essential to maintaining the quality of life the people of our country have come to expect. A good transportation system means more time to spend with family and friends and more timc to be used productively at work or other undertakings.

I encourage the committee to carefully examine the proposals I have made here this morning. They will make a difference. They will help reduce congestion so that commuters can get to work faster and so that commerce can flow. I appreciate your attention and will be happy to respond to any questions you may have.

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GRIDLOCK RELIEF FOR INTERSTATES PROGRAM (GRIP)

H.R. 961

Summary: The Gridlock Relief for Interstates Program (GRIP) provides federal funding to be used to expand the capacity of interstate highways in urban and suburban areas of the country. GRIP authorizes $2 billion per year from the Federal Highway Trust Fund. These funds can also be used for sound abatement, park-and-ride-type lots, and acquisition of land for mass transit facilities.

Organizations Supporting GRIP:

Virginia Chamber of Commerce
Fairfax County Chamber of Commerce
Virginia Motor Vehicle Conference
Virginia Road and Transportation Builders
Greater Washington Board of Trade
Metropolitan Washington Council of Governments
The Washington Post
The Journal Newspapers

The U.S. Conference of Mayors
National Association of Regional Councils
National Council for Urban Economic Development
American Road and Transportation Builders Association
American Automobile Association (Potomac)
The Urban Land Institute
National Industrial Transportation League
State of Maryland
State of New Jersey
State of Hawaii
District of Columbia
State of Texas
Tri-County Regional Planning Commission (PA)
City ofJacksonville
Baltimore Regional Planning Council
Evansville Urban Transportation Study
West Michigan Shoreline Development Commission
City of Newark
City of New Orleans
City of Spokane
City of Tampa
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*Ben Cardin
Bernard Dwyer
Helen Bently
Jim Saxton
Daniel Akaka
Matthew Rinaldo
Herb Bateman
Elton Gallegly
*Ron Packard
*Ben Jones
Tom Bliley
Helen Bently
Dana Rohrabacher

Mr. MINETA. At this time I would like to call forward a very distinguished panel of our colleagues from the great State of Ohio: Congressman Louis Stokes, Congresswoman Mary Rose Oakar, Congressman Donald J. Pease, Congressman Michael DeWine. Congressman Clarence Miller and Congressman Dennis Eckart are not able to be here with us, but their statements will be made a part of the record.

[Mr. Clarence Miller's prepared statement follows:]

STATEMENT OF REPRESENTATIVE CLARENCE E. MILLER

Thank you, Chairman Mineta and Members of the House Surface Transportation Subcommittee. It is a distinct pleasure to offer my comments on the reauthorization of the important Surface Transportation Act. My remarks are intended to bring to your attention some of the problems we face in smaller communities and in the rural areas, as well as to express my support for the Ohio delegation's request for constructive changes in the highway minimum allocation program.

I wish to thank the Ohio delegation for their support in adding the Ironton-Russell Bridge on State Route 93 to the list of priority structures eligible for federal discretionary highway funding.

For a very large area such as the 10th Congressional District of Ohio, highways are our lifeline—we simply cannot survive, let alone compete in today's markets, without safe reliable roads and bridges.

I am concerned that as a nation our spending on public works (as a percent of GNP) has decreased from 2.3 percent in 1960 to less than 1.1 percent in 1985. This places the U.S. fifty-fifth in the world—far below our competitors—in rate of investment in vital infrastructure.

For every public dollar spent on an annual basis to build and maintain our network of roads, streets and bridges, the private sector currently spends $15 to move people and goods.

We know that appropriate public investment increases the productivity of that $15 to $1 private investment. Yet private sector capital investment increased by about 51 percent between 1975 and 1985, while public works investment fell by more than 6 percent over the same period.

This growing imbalance between public and private investment means that we are not getting as much value as we could from private capital investment. As a result, industry must substitute its own private capital and labor for inadequate public infrastructure. In other words, firms compensate by using more capital and labor to produce the same output.

This situation is exacerbated in donor states such as Ohio, which get the lowest possible return on their federal gas tax dollar. In appalachian areas such as my District, the private sector simply does not have extra private capital available to make up the difference when public investment in highways and bridges falls short.

Furthermore, because we get the lowest possible rate of return on our federal highway taxes, we are forced to contend with increasing state gas taxes.

Ohio has raised its state gas tax 6 times in the last 10 years, from 7 cents a gallon in 1980 to 18 cents a gallon in 1989. An additional increase of 2 cents a gallon goes into effect July 1 of this year. The impact of these increases is a tripling of the state gas tax—over and above the 1982 federal increase to 9 cents a gallon.

Ohio also has issued bonds for infrastructure repair, and been forced to establish a mechanism which allows collection of higher vehicle registration fees.

As a result, Ohio taxpayers bear an extraordinary double tax burden for highways and bridges. Ohio taxpayers continue to get the poorest possible return on their federal gas tax, and must contribute proportionately higher taxes at the state and local levels.

This double tax burden is especially hard on the Appalachian wage earner on small- and medium-sized businesses in my region of the State. Federal and state sales taxes on motor fuels are regressive. In areas such as southeast Ohio, it is not unusual for families to have to pay as much to keep a vehicle running as they pay for housing.

For these reasons, current highway funding distribution practices put low income and rural areas in donor states at a severe disadvantage:

We pay more in federal gas taxes and user fees;

We get less back from the Highway Trust Fund for our roads and bridges,

We must make up the difference in higher state and local taxes, and

We operate at a great disadvantage in attracting private investment and new employment.

This inequity amounts to billions of dollars. It puts donor states at a significant competitive disadvantage compared to non-donor states in attracting private sector investment, and making that investment productive. This inequity costs us jobs, income, and tax base.

For these reasons, current federal transportation funding policy accelerates the downward spiral of depressed areas, and makes it even more difficult for small and medium-sized businesses to survive and compete successfully.

I was surprised to discover that 18 other states now find themselves in the same situation as Ohio. More than half the U.S. agricultural production, more than half the U.S. manufacturing production, and more than half the service industries in the nation are located in donor states.

These businesses, and more than half the taxpayers in the nation, are located in states which—for all practical purposes—must endure a 15 percent loss on their Highway Trust Fund contributions.

To make matters worse, federal gas tax dollars are not being invested where they are most needed. More than 64 percent of the nation's most deficient rural highway mileage is in states which get the lowest rate of return on their federal gas taxes. More than 65 percent of the most deficient interstate mileage is located in these same states.

I am pleased that the Administration has proposed some changes to the program. However I am concerned about the recommendation for increasing the non-federal match requirement for road and bridge projects. I agree with the Council on Public Works Improvement that there must be reasonable limitations to the user fee principle. Many smaller communities lack the financial base necessary to finance infrastructure facilities. This is especially the case when new capital investment is required.

For these reasons I strongly support the Ohio delegation position that the Minimum Allocation program be raised from 85 percent to 90 percent and that discretionary funding be awarded to all states without penalty.

While a sound infrastructure does not absolutely guarantee future prosperity, there is no doubt that long-term economic development and growth cannot be attained without it. A sound highway system is the framework upon which the economic health of rural Ohio depends.

With this testimony, I am urging the Subcommittee to give serious consideration to the points noted by the Ohio delegation in general, and specifically, to those items in this legislation of special significance to Ohio's non-metropolitan areas.

Thank you for your consideration of my views.

[Mr. Eckart's prepared statement follows:]

TESTIMONY OF THE HONORABLE DENNIS E. ECKART
BEFORE THE SUBCOMMITTEE ON SURFACE TRANSPORTATION
MARCH 13, 1990

Chairman Mineta and Members of the Surface Transportation Subcommittee, it is an honor to appear here before you today with fellow members of the Ohio delegation.

I strongly support the delegation requests for an increase in the Minimum Allocation Program from 85 percent to 90 percent, and restoration of equal access for all states to discretionary transportation funds.

There are two major reasons for my support of this position, and my views on some of the other issues you face in preparing a Surface Transportation reauthorization bill.

First, my involvement in the development of clean air legislation has convinced me that urban traffic congestion poses one of the most severe threats to our environment. However, I am also convinced that we can solve a major portion of this problem without breaking the bank if federal highway and transit programs are redirected.

Before I share the basis for my optimism about reducing congestion, I feel compelled to point out that existing federal transportation funding practices helped create the current congestion problem.

Approximately 91 percent of all U.S. urban freeway delay occurs in only 37 urban areas. Twenty-two (22) of these 37 metropolitan areas--about 60 percent of all the areas having the worst traffic congestion and worst mobile source air pollution--are located in the 19 Minimum Allocation states. In fact, 6 of the top 10 most congested areas are in these donor states.

What is even more remarkable is that this trend--concentration of the severest traffic congestion and worst air quality in donor states--is expected to continue well into the next century.

This trend is likely to continue, even if many of the measures being considered in various clean air proposals are implemented.

This trend could possibly be reversed if funding formulas are revised so that federal aid is better directed to areas which genuinely have the greatest need for assistance.

Specifically, formulas need to be changed so that more federal funds go to urban and suburban areas. That is where most of the taxpayers, most of the vehicles, and most of mobile source pollution are located.

These funds should be distributed in a manner which allows and encourages the kind of flexibility necessary to significantly reduce traffic congestion. Within a given corridor, local and state officials should be able to develop solutions which involve a combination of traffic flow, transit, and highway capacity improvements.

U.S. DOT statistics indicate that urban freeways, which carry about 30 percent of all urban traffic, are particularly affected by increasing traffic congestion. Urban freeway travel is expected to grow by 49 percent in the next 15 years.

Urban freeway congestion annually results in over 2 billion vehicle-hours of delay, over 1.3 billion gallons of wasted fuel, and over $9 billion in increased user costs. These figures are predicted to grow to 6.9 billion vehicle hours of delay, 7.3 billion gallons of wasted fuel, and over $50 billion in costs by the year 2005. That is an increase of more than 400 percent in the next 15 years.

This is not a problem we are going to be able to "build" our way out of. In fact, for many congested freeways in the nation, the widening of roads is not a feasible alternative.

Let me explain why I remain optimistic that a redirection of federal highway investment can make a significant contribution to solving this problem. A study undertaken by the Federal Highway Administration in 1984 indicated that:

-- Significant and cost-effective reductions in traffic congestion are possible when a combination of low-cost geometric improvements, traffic surveillance and control, and roadway widening is implemented;

-- Adding demand reduction programs, such as transit and ridesharing, to this combination has great potential to enhance traffic flow at reasonable cost;

-- Combining widening, traffic surveillance and control measures, and low-cost geometric improvements with demand reduction techniques works best. Such a strategy has the potential to reduce recurring congested travel by 55 percent, reduce recurring delay by 67 percent, reduce incident delay by 63 percent, and reduce cost of congestion by 64 percent.

Although this study was done 6 years ago, I believe it provides some basis for hope in finding a cost-effective solution to mobile source pollution and the escalating national costs of traffic jams and gridlock.

But such solutions are possible only if sufficient federal funding is assigned to undertake the types of solutions described. For this reason, I urge this panel to consider increasing the amounts authorized for the federal urban program.

I also urge that formulas be corrected so that funding goes where it is most needed. Forcing donor states to endure another five years of underinvestment is not in the best interests of either the nation's economy or our environment.

Rural highway aid should be directed to areas experiencing the greatest traffic and safety problems. Current formulas do not always do this.

Another issue I suggest the panel consider, and the second reason for my support of the Ohio delegation position, is the need to revise federal policy related to construction of new Interstate interchanges.

Ohio has some of the longest stretches of Interstate mileage without access. I shall insert a copy of a map for the record to illustrate this fact.

As you will see from this map, the very limited access to the Ohio Turnpike, in turn, limits the productivity of many other Interstate Routes, including I-71,I-77 and I-90.

A number of outer ring suburban areas are all but prohibited from gaining access to Interstate Routes due to a federal policy which fails to recognize the vast amount of development which is occurring around major metropolitan areas.

The touchstone of effective transportation policy is based on land use. U.S. DOT policy must be reformulated to accommodate the reality of changing suburban landscapes and travel patterns.

To this day, because of such restrictive policy, and the incredibly long periods of time it takes to get an interchange designed and approved by U.S. DOT, one of the most heavily travelled north-south routes in my district (SR 615) is still not connected to Interstate Route 90.

I-90 is the only east-west Interstate Route linking the largest cities in Ohio's 11th Congressional District to Cleveland and Pennsylvania.

Representatives Pease, Kaptur, Gillmor and others can verify that this type of problem exists all over Ohio. It is undoubtedly a problem in other states also.

In addition, I am submitting for the record an article detailing the FHWA study on methods of solving traffic congestion problems. I think you will find it informative.

Thank you very much for the opportunity to testify today.

Mr. MINETA. At this time I would like to call on our colleague, Congressman Lou Stokes.

TESTIMONY OF HON. LOUIS STOKES, HON. MARY ROSE OAKAR, HON. DONALD J. PEASE, AND HON. MICHAEL DEWINE, REPRESENTATIVES FROM OHIO

Mr. STOKES. Thank you very much, Mr. Chairman and distinguished members of the Surface Transportation Subcommittee.

On behalf of the Ohio delegation, I want to thank you for giving us the privilege this morning of appearing before you.

The subject we will be discussing today, reauthorization of the Highway Surface Act, is one of the most serious issues facing my State and one of the most serious issues facing our nation.

Mr. Chairman, I want to start by congratulating you for the outstanding job you do as chairman of this committee. Our three fellow Ohioans on this committee speak very highly of both your leadership and the good work of this committee.

The members of the Ohio delegation have attempted to coordinate our statement so that the positions we present to you are consistent, unified, and comprehensive. We have undertaken an effort of many weeks to coordinate our statements with the views held by our local elected officials and the Ohio Department of Transportation. We have also worked extensively with our Governor, Richard Celeste, who is slated to appear before this committee next week.

Our statements are intended to be considered en bloc, and although each statement addresses a somewhat different aspect of transportation, there is agreement on our basic recommendations.

Mr. Chairman, I and other Members from Ohio appreciate the efforts that this subcommittee has made to try to change some of the outdated formulas used to distribute Federal highway aid. We appreciate your assistance in creating the minimum allocation program. Without this supplement to existing formulas, many of us could not have supported the nickel gas tax increase in 1982. However, I have several concerns regarding the way Federal highway aid is distributed.

Although the minimum allocation guarantee has been of great benefit to donor States, it still forces the same set of States which have carried the greatest burden for the national highway program to continue subsidizing other States. I am also particularly concerned about the impact of Federal highway programs on people with low incomes. The Federal gas tax and various other user fees which support Federal transportation programs are very regressive. These taxes and fees place an extraordinarily heavy burden on persons with low income. In addition, the regressive nature of these taxes have been amplified by erosion of the Federal commitment to repairing city and rural roads.

Neither the rural secondary nor the urban highway program was given any increase at all in authorized funding when the nickel gas tax increase was enacted. Yet, to participate in any meaningful way in today's society everyone needs access to either gas or public transportation.

Suburban sites accounted for 47 percent of all metropolitan job destinations in 1980. This percentage is expected to rise significantly by 1990.

Low-income inner-city residents must have increased access to suburban employment opportunity if we are to break the cycle of urban poverty. There simply are not enough jobs available paying more than minimum wage in city neighborhoods and downtown areas. Lower income households with a working parent or adult have very complicated home-to-job travel patterns which often include stops for day care, social services, medical care, and job training. Such multi-destination trips are exceedingly difficult, increasingly expensive, and very time consuming to undertake on even the best of public transportation services.

While public transit will always be a necessity, the low-income employed face dramatic costs for car ownership and pay a disproportionately large share of their income on auto-related user fees and gas taxes. Yet, Federal highway programs continue to direct the majority of their investment to interstate and primary system highways. In my view this policy works at cross purposes to many of the training, education, trade, and competitiveness initiatives Congress and the Administration have undertaken.

The studies performed by the General Accounting Office and other agencies confirm that some of the factors used in highway funding distribution formulas are not even closely related to today's highway system. Some factors used to distribute Federal highway funds have gone unchanged since 1916. Others have not changed for more than 40 years.

Formulas which emphasize land area and postal route mileage are especially unfair to urban areas and to low-income city residents.

Mr. Chairman, I understand the difficulty in revising formulas which distribute Federal aid—and especially when no new tax revenues are available to assure that all parties are held harmless by any changes. Nonetheless, I am compelled to recommend that we continue bringing some of the highway formulas up to date and to correct the inequities in distribution of a very regressive Federal tax.

Even if the next act substantially changes the categorical programs, the types of factors I have outlined should be used. If this is not possible I support the delegation request for increasing the minimum allocation program from 85 percent to 90 percent. Certainly equal access to discretionary funds without penalty should be a part of the next authorization bill.

I thank you, Mr. Chairman.

At this time I would like to yield to the distinguished member of our delegation from Cleveland, Mary Rose Oakar.

Ms. OAKAR. Thank you, Congressman Stokes.

As you know, Mr. Chairman and distinguished members of the committee, and the distinguished minority leader of the committee, the dean of the Ohio delegation and come before this committee in a bipartisan way on behalf of our State. I think that is very important to emphasize. We are proud of the Ohio members and other members of this committee.

I don't know of any committee that is more important than the Public Works Committee today. I do not see how we can become competitively active as a nation globally and domestically if our bridges and our roads are in terrible disrepair and if we need new construction, as well. So I really think you are the anchor issue of this generation in terms of our needs, and I know, Mr. Chairman, under your leadership we will see some changes. Our nation's economic future directly relates, in my judgment, to this committee.

Mr. Chairman and members, I want to say how grateful I am personally for the crafting of the innovative provision of Chairman Jim Howard and his cooperation with us relative to the 1982 Service Transportation Assistance Act. We were getting $0.61 for every $1 our State gave in, and now we get $0.85. That was a big change, and we are grateful for that.

We had never gotten discretionary funds except for one bridge at that time. We have gotten a few more, and we are grateful for that.

But the donor State status is more than a generation old, as Congressman Stokes has indicated—and we know that it is hard to change things around here, and we don't want to decrease any other State because I think the whole nation is in severe need relative to the problem—but Ohio does have the third-most need in the country.

I was struck, Mr. Chairman and my colleagues, by the testimony that proceeded me. It was very instructive because many of the members were asking you for new construction, and I think that is important. Our need is large, but it is especially great in the area of repair. We are on the cutting edge of the 23 percent of the nation's bridges that are structurally deficient. By the report in 1986, 19 percent were considered functionally obsolete. And, of course, Ohio has the third-most need.

As a matter of fact, the national concern shows that 55 percent of the nation's deficient bridges are in States receiving the least Federal funding for bridge repair based on their contributions.

I would like to submit for the record a list of ten bridges for the committee's consideration for discretionary funding, which is another part beyond the formula. But I want to just talk about Ohio's need. One bridge in every ten in our State is structurally deficient, one bridge in three is more than fifty years old, one in ten is more than ninety years old, and one in five should be replaced.

If you just took the five-county area surrounding Greater Cleveland, $1.6 billion would be needed to repair or rehabilitate or replace these bridges.

You might say, "What is your State doing about this?" I think this is significant. Our people in Ohio pay $0.20 a gallon for the State gasoline tax, and it is steadily increasing every year since 1980. So they pay that plus the $0.09 per gallon for Federal tax. So we really do contribute. Plus, we have license plate fees and bond issues, like my own city of Cleveland, that has been on the ballot.

Our State is really trying to do its share, but we need some help from the Federal Government, as well, because it truly is a national problem.

I ask unanimous consent to submit my entire statement for the record at this point because I want to abbreviate and give two solid recommendations, if I can.

Beyond the recommendation of the dean of our delegation that we increase the contribution—the Federal Government's contribution—to 90 percent, which is a modest increase, I would like to suggest two things.

I think that this committee should have a categorical program for bridge repair—a set-aside for bridge repair. We have seen the disasters in this country and States throughout the country. I don't have to tell you, Mr. Chairman, about disasters in States where the bridges collapsed. I think we are going to see many lives lost if we don't do something about this bridge repair. So I would like to see a separate category for that area. Certainly that would assist my State since we have the third-greatest need in the country, as well as other States.

You ask where we are going to get the money. Well, the trust fund. The Highway Trust Fund, as I understand it, collects $1 billion in interest, and I would just say to give us the interest. We will take the interest. Or take that interest and target it for those States that are not getting their fair share and have the greatest need.

It is not just my State I am talking about. I am really talking about other States and other areas and other communities, as well.

So I am committed to support this committee toward a safe and decent infrastructure in this country, and I commend the committee for giving it such high priority, and I commend the committee members who have the occasion to sit through these hearings because you hear all the horror stories and you are very conscientious in the work you do. I am here on behalf of my constituents in conjunction with my colleagues to say we support you. This is a very important priority and we support you.

I hope you will heed our call, as you have in the past. We will accept the challenge that hopefully our testimony has given you.

Thank you, Mr. Chairman and members of the committee.

Mr. MINETA. Thank you very much.

At this time I would like to call on our fine colleague from the powerful Ways and Means Committee, Congressman Don Pease.

Mr. PEASE. Thank you very much, Mr. Chairman and members of the committee. It is a pleasure for me to be here with my distinguished colleagues from Ohio to testify about the formula for distribution of Federal highway aid money.

I would like to talk for just a few minutes this morning with you about the formula and equity and the minimum allocation language.

You will recall that when the proposal to raise the Federal gas tax was enacted in 1982 a number of us in highway donor States—that is, States that have contributed far more in gas tax than we ever got back in highway apportionment—strongly urged that some guaranteed minimum return be incorporated into the legislation.

I must say the committee was very generous in responding to that request. As my colleague, Mary Rose Oakar—who was very, very active at that point in calling the attention of the committee

to that need—has already said, we used to get 61 percent, and the committee went with an 85 percent minimum allocation.

Many legislators assume, based on this guarantee and the amendments passed in 1987, that donor States get close to a fair share of their gas tax dollars back. Although we certainly do better as a percentage than we did before MA was enacted, we still lose about as many dollars to the Highway Trust Fund as we ever did. In fact, since 1982 the donor States have contributed more than $32 billion to the rest of the nation. As one of my local elected officials put it, "One of Ohio's major exports is cash."

Let me skip over some pages and say that at the time the minimum allocation guarantee was enacted none of us foresaw that there would come a day when it would directly affect more than half of all Americans. Unfortunately, that day has come. As our use of gasoline and highways has escalated, highway obligation ceilings have been decreasing. As a result, there are now 19 States in the minimum allocation program, and this number is expected to increase unless changes are made in how Federal highway funds are distributed.

At the time the minimum allocation program was enacted, none of us anticipated that this guarantee would act not as a floor, as was the intention, but as a ceiling on the amount of Federal funds that could be allocated to any State. The fact is that today more than half the deficient highways in this country and more than half of the deficient bridges in this country are, for all practical purposes, locked out of Federal discretionary funding.

Mr. Chairman, I am still skipping over to try to save you some time.

Without question, factors in formulas used to distribute Federal funding should be reexamined. Many are seriously out of date.

I and my fellow members of the Ohio delegation agree with the GAO, the National Association of State Highway and Transportation Officials, and many recognized experts in highway safety and finance: factors which reflect need, use, system expense, and condition should be incorporated into distribution formulas.

Short of that, as my colleague Mr. Stokes has said, and given the difficulty inherent in changing formulas when budgets are constrained by deficit problems, we are requesting that the minimum allocation program be increased from 85 percent to 90 percent, and that all States, including donor States, be allowed to accept discretionary funds without penalty.

Mr. Chairman, more than half of the roads and bridges in this country most in need of repair are ineligible for discretionary assistance because of existing law.

Mr. Chairman, I could go on, but you have my full testimony and you will be hearing from other members of the Ohio delegation. Let me just say again, as my colleagues have already said, that we come to you seeking greater equity in the highway fund allocation formula. We also come to you in gratitude for the consideration that you have shown to Ohio and other donor States in the past.

Number one, we appreciate your generosity in the past, and we hope that you will consider seriously these further changes which we are suggesting to you today.

Thank you very much.

Mr. MINETA. Thank you very much, Congressman Pease.

I now call on our fine colleague, Congressman DeWine.

Mr. DEWINE. Thank you very much, Mr. Chairman. It is good to be with my colleagues from Ohio, Mr. McEwen and Doug Applegate.

I appreciate the chance to be here to talk today about what we consider to be the inequity in the distribution of Federal highway funds under the current system.

Current Federal aid highway formulas fail to allocate funds to the areas which need them most. Under this system my State, Ohio, receives only 85 percent on the dollar on its contribution to the Federal Highway Trust Fund. In fact, Ohio is only one of nineteen donor States which receive the 85 percent statutory minimum of their Federal highway contributions.

Current apportionment formulas fail to support and advance our nationally-recognized trade and competitiveness goals. U.S. Government statistics indicate that 11 percent of all U.S. labor force hours are spent in some form of highway travel and that commercial vehicle travel is expected to increase by 30 percent in this decade, alone.

In addition, transportation costs, which constitute as much as 25 percent of product prices for some industries, play a major role in the ability of States to compete successfully in today's challenging global marketplace.

What all of this adds up to is that even marginal improvements in our transportation system can pay big dividends in terms of national productivity. Conversely, small inequities in Federal transportation investment have a significant negative impact on the ability of States to provide competitively-priced goods and services.

U.S. Department of Transportation statistics graphically demonstrate the cumulative effect of the inequities in current funding distribution formulas on donor States like the State of Ohio.

Ohio and the 18 other donor States contain 55 percent—more than half—of the nation's deficient bridges. The donor States contain 50 percent of total interstate system mileage, but have 65 percent of the deficient interstate mileage.

Ohio, itself, has only 3.5 percent of the total interstate system mileage, but 10.2 percent of the deficient interstate mileage.

The donor States contain 49 percent of all rural interstate mileage, but 64 percent of all deficient rural interstate miles. While an average of 15 percent of the rural interstate miles are deficient in the donor States, in non-donor States the average is only 8 percent.

Clearly, Ohio and the other donor States are footing a disproportionate share of the highway bill. Yet, it is these States that are actually most in need of assistance to maintain and restore neglected infrastructure. This is simply, in our opinion, not fair. Nor is it good public policy. This is particularly disturbing because donor States generate more than half of our gross national product and contain more than half the manufacturing, agricultural, and service base of the nation.

What this indicates is that current Federal highway investment policy is having a cumulative detrimental effect on the highway system of Ohio. This will only accelerate as structures reach the end of their design life and deteriorate. Moreover, because Ohio is

a major transportation artery, the negative effects of the funding formulas are compounded. Therefore, it is imperative that Federal highway funds be allocated in a fair and equitable manner.

Despite this need, Federal highway funds are distributed really without any consideration of the extent of the State's commercial and industrial base, its contribution to the gross national product, its contribution to U.S. export trade, or the need to maximize the efficiency of transportation. This policy directly hinders Ohio's ability to produce competitively-priced goods and services.

Ohio is a key player in U.S. efforts to increase the value of exports and keep the U.S. industrial base competitive internationally. If Ohio is to modernize its manufacturing base and increase technology-driven enterprise, it should at least have the benefit of a fair share of Federal highway aid. A competitive State must have adequate roads and bridges, truck access to port and rail terminals, and added capacity where needed in order to minimize delivery time and other transportation components of production.

For these reasons I join my colleagues from Ohio in urging this committee to increase the minimum allocation base from 85 percent to 90 percent.

If we are to modernize our economy to ensure that we can compete in the 21st century, then we must also modernize our highway distribution formulas.

Thank you very much, Mr. Chairman.

Mr. MINETA. Thank you very much, Mr. DeWine.

Mr. Pease, the three topics that you focus on in your statement—equity disparities in Federal transportation investment, keeping the U.S. competitive in world markets, and new highway capacity—tend to all gravitate toward a need for increased Federal funds for the nation's highways.

Mr. Stokes, I'd like to ask you, with regard to those topics that Mr. Pease has raised in his statement, I'm wondering, under the reauthorization legislation, would a modification of the minimum allocation apportionment which excludes discretionary funds provide the availability of the needed resources for the donor States to address their high-cost transportation projects?

Mr. PEASE. Mr. Chairman, If I might at least begin the answer, I think we have all suggested this morning that increasing the minimum allocation from 85 to 90 percent would be helpful, but that has not been our major recommendation. Our major recommendation has been for a recasting of the formula to take into account new and different factors like condition of the roads, the impact of traffic, the impact of population, and so on.

So we really hope that you will take a serious look at the formula, itself, but if that is too much for you to bite off this year, then, in terms of equity, we from the donor States think that 90 percent would be somewhat more fair to us than the 85 percent.

Mr. STOKES. Mr. Chairman, that is precisely my position. As I said in my formal statement, if you do not find that you can change the formula then, as an alternative, I would suggest moving from 85 to 90 percent as another option.

Mr. MINETA. Any other thoughts from the members of the panel?

Ms. OAKAR. Yes, sir.

Mr. MINETA. Ms. Oakar.

Ms. OAKAR. I would like to take a crack at it, Mr. Chairman.

If we were to get $1 for every $1 our people contribute, it would be about $85 million. So if you give us a 5 percent increase, one-third of that, that helps. It is a step in the right direction.

But I would ask the committee to give us special consideration for discretionary money—especially in view of the fact that we have the third-greatest need for repairs in the country.

I think there is a way to balance it out if you work it out, because I know you make recommendations for discretionary funds. That is why I submitted a list of the ten worst bridges in Ohio in terms of needs.

I know it is difficult.

Thank you.

Mr. MINETA. Thank you very much.

Mr. DeWine, do you have any additional comments you would like to make?

Mr. DEWINE. No, Mr. Chairman.

Mr. MINETA. If not I will call on Mr. Shuster.

Mr. SHUSTER. I certainly appreciate your testimony. I think you make a very strong case for looking at the formulas so that you get your fair share. I have a problem, however, with simply increasing the percent guarantee to every State from 85 to 90 for the reason that the whole concept behind the Federal aid system is to put the money where the needs are. If we simply increase this, we might as well eliminate the Federal program and let every State spend its own money.

I think your first suggestion is one that I find much more compelling.

Mr. PEASE. If I might respond, Mr. Shuster, I couldn't agree with you more. Our colleague, Frank Wolf, testified earlier and was telling me about a bill that he has in which would move Ohio up from 85 percent of what it contributes to 136 percent. That sounds like a wonderful change in the formula to me. So, clearly, increasing the 85 to 90 would not be our first choice. A more rational and up-to-date formula with some different factors would clearly be better.

Mr. SHUSTER. Thank you very much.

Ms. OAKAR. If I could respond, in my testimony—I think you had stepped out for a few minutes—I had asked the committee to consider a special, separate, categorical program for those areas in need of bridge repair, rehabilitation, or replacement. That might be a way to really target the problem.

Mr. SHUSTER. Of course, that is what the discretionary program is supposed to be. Apparently you are not getting your fair share of the program.

Ms. OAKAR. Well, you know, that's right. I would say that is very true because we really have such a critical need by way of comparison. That is why we thought we would give you the list if you could give us a little consideration.

Mr. SHUSTER. Thank you very much.

Mr. DEWINE. Mr. Chairman, I would like to add just one thing.

I think the summary from this panel would be that we do not think the current formula is correct, and it does not really reflect need adequately. We would be delighted if your committee would delve into this again. I know it is an awesome task once you start

into something like this, but we feel that Ohio certainly would benefit by a needs test with different criteria than is written into the current law. We think that the whole criteria is just out of date.

Mr. SHUSTER. If we can come up and define a national highway system that takes the place, in effect, of the interstate system, and if Ohio gets its fair share of participation in such a definition, then that would help solve the problem because, just as we provided the money for the interstate system not based on any formula but based on need, we would be providing money for a new national highway system based on need. So if Ohio were a big part of that, you would be getting your fair share.

Thank you.

Mr. MINETA. Mr. Clement.

Mr. CLEMENT. No questions.

Mr. MINETA. Mr. McEwen.

Mr. MCEWEN. Thank you, Mr. Chairman.

I want to express my gratitude to my colleagues for coming in and highlighting what is a very severe need. Also, I want to thank Congressman Pease for pointing out the major part that Ms. Oakar has played in establishing the 85 minimum first of all, which is only fairness, but then also to discover how the Federal Highway Administration has circumvented it, unwilling to accept the mandates of the Congress, and to not only have a minimum in the allocation, but then, where we qualify for special assistance—whether it be in bridges or whether it be in disaster or whether any other category—that they then come back and deduct it from what was established as a minimum, thus making it not a minimum at all.

Those of us that strongly supported Ms. Oakar's presentation back in the 1982 act are disappointed at its implementation and we hope that we can correct it in the new bill. I thank you for bringing it to our attention.

I thank not only our distinguished member of the Appropriations Committee, but Mr. DeWine, as well. I think you understand the committee is receptive. Mr. Applegate and I are grateful for your assistance. The need is great and the cause is meritorious.

I would close by making one last request, if I may, and that is that a combination of factors have come together to make it such that billions of dollars are kept in a cash drawer at OMB that are assigned, have been paid for, have been given on a daily basis every time one pumps gas into their car or whether they take a flight on an airplane with the understanding that our air transportation system will be kept safe and the latest ingredients will be given and the latest technology will be made available, and also that highways will be repaired, not at the point of destruction, but maintained at the point of safety.

There is a decision that has been made whereby our trust funds are not being used for that purpose. I have legislation, H.R. 286, which I would encourage you to join if you would see at all possible, because I think that it would correct what is a very, very severe need in our country. I thank you for that.

I have one final observation that Jackie Gillan in the Ohio office has been a great help to this committee, as well as has Virginia Ainsley and the Cleveland Area Growth Association, both of whom are vitally concerned that this correction be made.

Thank you, Mr. Chairman.

Mr. MINETA. Thank you, Mr. McEwen.

Mr. Sangmeister.

Mr. SANGMEISTER. No questions.

Mr. MINETA. Mr. Packard.

Mr. PACKARD. No questions.

Mr. MINETA. Mr. Hastert.

Mr. HASTERT. No questions.

Mr. MINETA. Mr. Clinger.

Mr. CLINGER. No questions.

Mr. MINETA. Mr. Applegate.

Mr. APPLEGATE. Thank you, Mr. Chairman.

I just want to follow up with what my good friend and colleague, Mr. McEwen, was saying, and also to comment the Ohio delegation for being here and showing the strong concern that they have. Nobody is any more aware of the needs than the four people that sit before us, and they have expressed it very succinctly. I appreciate it, and I know that the members do.

We have been talking about donor States, and I agree with so much of what you are saying. Donor States, of course, have given so much in the years past. We have helped to fund other programs throughout the United States, and yet we are being penalized, to a degree, because at one time we used to be one of the economic powerhouses, but we aren't today. Things have changed because industries have moved.

Now we are in need and we are looking out and saying, "Hey, come on back and help us. The cash has to start coming back."

Donor States, as Representative Pease has said, have given $32 billion more than they have received since 1982, which is an absolutely astounding figure.

Now, I know that they were talking about the fact that one of the priorities is not the increase in the minimum allocation; however, I intend, at some point, to offer an amendment to increase the minimum allocation from 85 to 90 percent.

As a matter of fact, as far as I am concerned I think it ought to be 110 percent, which it is my understanding the Pennsylvania receives perhaps as much as 110 percent. I don't see that there is any difference there when I take a look at the roads and the infrastructure needs.

But I think that a revision of the formula based upon needs would prove this out, and I think that the monies would come back to those areas which really need the bucks. We really need them.

You know, when industries are moving into an area, of course they look at a good tax base, they look at the education facilities, they look at attitudes of the people, but they also look at a good transportation system, and if you ain't got it they ain't coming. That is just exactly the way it is.

So Ohio has to be prepared. We have lost it, and now we are looking to have an equal opportunity to get it back. We have lost a great deal. And we can't get it and we are not going to be helped as far as the infrastructure needs—the reparation, the relocation, and the whole thing—if we are going to be looking at what Dan Rostenkowski has suggested as to lower the Federal deficit at $0.25 per gallon. That is ridiculous. I mean, if we use that to lower the defi-

cit, we are done. We are not going to be able to pass any more gas taxes in order to be able to help existing systems if we are going to use it to lower the Federal deficit.

Particularly, if Mr. Skinner is going to be successful—God help us if he is—but if, in the event that he is and he wants to push all of the responsibilities back onto the local areas so that the local areas then can raise their State taxes, and if we have a $0.25 on a national level, we are done. So we are not going to see anything. You can throw the whole thing out the window.

I think these are all very important and valid points. I think, also, that we are going to have to take a very serious look at taking the trust fund off of budget. As long as it is on budget we are in serious trouble, and we need to do that.

I think Ohio and some of the other—and let me say this: it isn't just Ohio. We are talking about Ohio, but if you take a look at some of the deficiencies that we have here with California and Texas where I see the total number of deficient bridges—55 percent of all the deficient bridges are in the minimum allocation States, but Texas has over 15 percent of the deficient bridges, and California is right up there. They have got about 6 percent, which is about equal to what Ohio has. This is a tremendous number.

Of course, in Ohio we have more because we have more bridges than any other State with the exception of one other State, which means that we have got a lot of them in there.

California and Texas really get hurt, too. Also, in the deficient interstate mileage Texas and California are right in there with Ohio. So we are talking—and let me say this, too, just to back our support up in what we need: 55 percent of the Members represent the 19 donor States. So we have got a lot of power and we should exercise that authority and make it work.

I just want to say that we have a lot of work to do here. We want to create the equity that is necessary, and we can do it with a revision of the formula, and we can do it with an increase in the minimum allocation to the donor States.

I thank you again for coming and making our case known. Thank you.

Mr. MINETA. Let me thank the panel very, very much for the presentation.

Earlier last year Congressman Applegate had us in Cambridge, Ohio. I had the opportunity to fly into Columbus and then to drive 60-some miles with our fine colleague and Mr. McEwen to Cambridge. Frankly, I was really surprised by the state of disrepair of I-70 in that stretch. So I can understand very much the kinds of concerns you are bringing to us today. I appreciate Mr. DeWine and Ms. Oakar and Mr. Pease and Mr. Stokes and the statements of your other colleagues from Ohio and the concerns that you bring to us.

Ms. OAKAR. Mr. Chairman.

Mr. MINETA. Ms. Oakar.

Ms. OAKAR. You didn't mention that you had come to Cleveland, although you have been there and we loved having you. Do you know that, as an example, our steel mill and industrial base is in the flats in Cleveland? Do you know the people couldn't get to work because several bridges were out for years? They had to do

all kinds of things to get workers to their jobs. This is what we are talking about with the industrial outlet of America not having access, let alone the rural areas. It is that critical. It really is.

I thank the Chairman. Come to Cleveland and you will really get an eyefull.

Thanks a lot.

Mr. MINETA. Very well. Thank you very much.

[Mr. Stokes' prepared statement follows:]

TESTIMONY OF

THE HONORABLE LOUIS STOKES

BEFORE THE PUBLIC WORKS AND TRANSPORTATION

SUBCOMMITTEE ON SURFACE TRANSPORTATION

MARCH 13, 1990

INTRODUCTORY STATEMENT

CHAIRMAN MINETA AND DISTINGUISHED MEMBERS OF THE SURFACE TRANSPORTATION SUBCOMMITTEE, ON BEHALF OF THE OHIO DELEGATION, I WOULD LIKE TO THANK YOU FOR GIVING US THE PRIVILEGE OF APPEARING BEFORE YOU TODAY. THE SUBJECT THAT WE WILL BE DISCUSSING TODAY -- REAUTHORIZATION OF THE HIGHWAY SURFACE ACT -- IS ONE OF THE MOST SERIOUS ISSUES FACING MY STATE, AND ONE OF THE MOST SERIOUS ISSUES FACING THIS NATION.

I WOULD LIKE TO START BY CONGRATULATING YOU, MR. MINETA, ON YOUR NEW POST AS CHAIRMAN OF THE SUBCOMMITTEE. MY THREE FELLOW OHIOANS ON YOUR PANEL HAVE EXPRESSED THEIR ADMIRATION FOR ALL YOUR GOOD WORK ON THE PUBLIC WORKS AND TRANSPORTATION COMMITTEE.

THE MEMBERS OF THE OHIO DELEGATION HAVE ATTEMPTED TO COORDINATE OUR STATEMENTS SO THAT THE POSITIONS WE PRESENT TO YOU ARE

CONSISTENT, UNIFIED, AND COMPREHENSIVE. WE HAVE UNDERTAKEN AN EFFORT OF MANY WEEKS TO COORDINATE OUR STATEMENTS WITH THE VIEWS HELD BY OUR LOCAL ELECTED OFFICIALS AND THE OHIO DEPARTMENT OF TRANSPORTATION. WE HAVE ALSO WORKED EXTENSIVELY WITH OUR GOVERNOR, RICHARD CELESTE, WHO IS SLATED TO APPEAR BEFORE YOU NEXT WEEK.

OUR STATEMENTS ARE INTENDED TO BE CONSIDERED IN BLOC. ALTHOUGH EACH STATEMENT ADDRESSES A SOMEWHAT DIFFERENT ASPECT OF TRANSPORTATION, THERE IS AGREEMENT ON OUR BASIC RECOMMENDATIONS.

FOR THOSE OF US WHO COULD NOT APPEAR IN PERSON BECAUSE OF CONFLICTING SCHEDULES, I REQUEST THAT THEIR WRITTEN STATEMENTS BE INCLUDED IN THE COMMITTEE RECORD AS IF READ.

WE TRUST THAT YOU WILL FIND OUR POSITION WORTHY OF CONSIDERATION, BASED ON ITS MERIT -- NOT ONLY FOR OHIO -- BUT FOR

MANY OTHER STATES, AND THE NATION AS A WHOLE. WE LOOK FORWARD TO WORKING WITH YOU THROUGHOUT THE MANY MONTHS IT TAKES TO ENACT SURFACE TRANSPORTATION LEGISLATION.

[Ms. Oakar's prepared statement follows:]

TESTIMONY OF

THE HONORABLE MARY ROSE OAKAR

TO THE SURFACE TRANSPORTATION SUBCOMMITTEE

MARCH 13, 1990

TESTIMONY OF
THE HONORABLE MARY ROSE OAKAR
March 13, 1990

MR. CHAIRMAN:

THANK YOU FOR THE OPPORTUNITY TO TESTIFY BEFORE YOU TODAY CONCERNING THE ISSUES OF EQUITY IN TRANSPORTATION FUNDING AND THE NEED FOR EXPANDING THE FEDERAL INVESTMENT IN BRIDGES.

AS I HAVE SAID ON MANY OCCASIONS, INCLUDING TESTIMONY BEFORE THIS SUBCOMMITTEE, OUR NATION'S ECONOMIC FUTURE IS DIRECTLY LINKED TO THE SOUNDNESS OF OUR TRANSPORTATION STRUCTURES. ALLOW ME TODAY TO FOCUS ON TWO ISSUES IN THIS REGARD;

1. INEQUITIES IN THE DISTRIBUTION OF TRANSPORTATION FUNDING AND;

2. THE STATE OF OUR NATION'S BRIDGES.

CONGRESS TOOK DECISIVE ACTION ON BOTH ISSUES IN 1982, WHEN WE PASSED THE SURFACE TRANSPORTATION ASSISTANCE ACT, MORE THAN DOUBLING THE GASOLINE TAX -- HENCE MAKING TWICE AS MANY RESOURCES AVAILABLE FOR TRANSPORTATION -- AND BY INCLUDING THE "MINIMUM ALLOCATION" (MA) PROVISION THAT GUARANTEES EACH STATE AT LEAST 85 PERCENT RETURN ON ITS FEDERAL HIGHWAY INVESTMENT. I AM PROUD TO HAVE WORKED WITH CHAIRMAN JIM HOWARD TO CRAFT THIS INNOVATIVE PROVISION THAT HAS MADE SUCH A POSITIVE DIFFERENCE IN OHIO AND OTHER STATES AFFECTED BY HIGHWAY DISTRIBUTION FORMULA INEQUITIES.

AS WE CONSIDER THE REAUTHORIZATION OF OUR NATION'S HIGHWAY PROGRAM, I WOULD ENCOURAGE THE SUBCOMMITTEE TO STUDY THE HIGH CORRELATION BETWEEN THE VOLUME OF TRANSPORTATION REPAIR NEEDS AND A STATE'S DONOR STATE STATUS WITH RESPECT TO THE HIGHWAY TRUST FUND AND OTHER FEDERAL PROGRAMS. YOU WILL FIND THAT MANY OLDER INDUSTRIAL STATES LIKE OHIO CONTINUE TO FALL INTO THE DONOR STATE CATEGORY, PERPETUATING GENERATION-OLD DISTRIBUTION FORMULAS THAT MAY NO LONGER SERVE THE BEST INTERESTS OF THE STATE OR THE COUNTRY. IF OUR NATION IS TO CONTINUE TO REMAIN COMPETITIVE, WE MUST INVEST OUR TRANSPORTATION RESOURCES WHERE THEY ARE SO DESPERATELY NEEDED -- AREAS THAT HAVE HISTORICALLY CONTRIBUTED MUCH MORE THAN THEY RECEIVED.

ACCORDING TO FHWA, 23% OF THE NATIONS'S BRIDGES WERE "STRUCTURALLY DEFICIENT" IN 1986; 19% WERE CONSIDERED "FUNCTIONALLY OBSOLETE". FHWA ESTIMATES THAT MORE THAN $50 BILLION IS NEEDED TO REPAIR, REHABILITATE, AND WHERE NECESSARY, REPLACE BRIDGES ACROSS THE NATION. MORE RECENT ANALYSIS INDICATE THIS $50 BILLION ESTIMATE MAY BE TOO LOW.

BASED ON THE INELIGIBILITY OF BRIDGES IN DONOR STATES FOR DISCRETIONARY FUNDING, MANY OF THE U.S. BRIDGE STRUCTURES MOST IN NEED OF REPAIR ARE NOT LIKELY TO BE FIXED WITHIN THIS DECADE.

THIS IS A PROBLEM OF NATIONAL CONCERN GIVEN THAT 55% OF THE NATION'S DEFICIENT BRIDGES ARE IN STATES RECEIVING THE LEAST FEDERAL FUNDING FOR BRIDGE REPAIR, BASED ON THEIR CONTRIBUTIONS,

AND WHICH HAVE TO SPREAD LIMITED STATE AND LOCAL RESOURCES THE FARTHEST.

FURTHER, I WOULD REQUEST THAT THE ATTACHED LIST OF TEN OHIO BRIDGES BE ADDED TO THE COMMITTEE'S LIST OF STRUCTURES ELIGIBLE FOR BR DISCRETIONARY FINANCING. ASSUMING THAT THE PENALTY FOR DISCRETIONARY FUNDING FOR DONOR STATES IS CORRECTED IN THE NEXT REAUTHORIZATION BILL, THESE STRUCTURES MEET THE CRITERIA FOR ADDITION TO THE BR DISCRETIONARY LIST. THESE BRIDGE PROJECTS HAVE BEEN IDENTIFIED THROUGH THE COOPERATIVE FEDERAL PROCESS CALLED FOR BY 23 U.S.C. 134, AND ARE SUPPORTED BY LOCAL AND STATE ELECTED OFFICIALS AND THE OHIO DEPARTMENT OF TRANSPORTATION. ALL PROJECTS ON THIS LIST ARE SUPPORTED BY ALL THE MEMBERS OF THE OHIO DELEGATION APPEARING HERE TODAY, AND BY GOVERNOR CELESTE.

UNFORTUNATELY, THE BRIDGE PROBLEM IN OHIO FAR EXCEEDS WHAT CAN BE REASONABLY SOLVED BY AVAILABLE FUNDS, EVEN WHEN BR DISCRETIONARY FUNDS ARE MADE AVAILABLE WITHOUT PENALTY. IN MY OWN FIVE-COUNTY REGION OF NORTHEAST OHIO, A THOROUGH ANALYSIS OF THE COMPLETE BRIDGE INSPECTION RECORDS HAS BEEN COMPLETED. THIS REPORT IS SUBMITTED FOR THE COMMITTEE RECORD. REPORT???

THIS ANALYSIS CONFIRMS THAT IN NORTHEAST OHIO:

- 1 BRIDGE IN EVERY 10 IS "STRUCTURALLY DEFICIENT";

- 1 BRIDGE IN 3 IS MORE THAN 50 YEARS OLD, AND 1 IN 10

IS MORE THAN 90 YEARS OLD;

- 1 BRIDGE IN 5 SHOULD BE REPLACED;

- $1.66 BILLION MUST BE SPENT TO REPAIR, REHABILITATE, OR REPLACE BRIDGES IN THE FIVE-COUNTY GREATER CLEVELAND AREA;

- URBAN SYSTEM BRIDGES ACCOUNT FOR ABOUT 20% OF THE BRIDGES ON THE OVERALL SYSTEM, BUT CONSTITUTE MORE THAN 36% OF OUR DEFICIENT BRIDGES.

IN RESPONSE TO THESE NEEDS, THE NORTHEAST OHIO AREA WILL SPEND MORE THAN 41% OF ALL ITS AVAILABLE FEDERAL AID OVER THE NEXT FIVE YEARS ON BRIDGES. WE HAVE SEVERAL STRUCTURES WHICH WILL COST IN EXCESS OF $50 MILLION TO RESTORE.

IN VIEW OF THE SIZE OF OUR BRIDGE NEEDS, AND THE EXTENT TO WHICH STATE AND LOCAL FUNDS ARE ALREADY BEING DIRECTED TO BRING THE MOST HEAVILY TRAVELED AND DEFICIENT STRUCTURES UP TO STANDARD, IT IS INCONCEIVABLE THAT THE ADMINISTRATION IS PROPOSING THAT THE FEDERAL FUNDING RATIO BE DECREASED.

DESPITE SIGNIFICANT INCREASES IN GASOLINE TAXES, LICENSE PLATE FEES, AND A BOND ISSUE, CITIES LIKE CLEVELAND, CINCINNATI, TOLEDO, AKRON, YOUNGSTOWN, DAYTON, CANTON, AND COLUMBUS HAVE A

VERY DIFFICULT TIME MATCHING FEDERAL FUNDS. IF FEDERAL MATCH REQUIREMENTS FOR HIGHWAYS AND BRIDGES ARE INCREASED, MANY U.S. CITIES WILL FACE A CRISIS IN TRANSPORTATION.

THE FEDERAL TRANSPORTATION PROGRAM WILL BECOME A DE FACTO DISENFRANCHISING OF THE NATION'S METROPOLITAN AREAS. AREAS WITH THE SEVEREST FINANCIAL PROBLEMS SIMPLY WILL NOT BE ABLE TO AFFORD FEDERAL TRANSPORTATION AID.

SUCH A POLICY WOULD HAVE DEVASTATING EFFECTS ON CITIES ALL OVER THIS NATION. I CAN UNDERSTAND WHY BUDGET CONCERNS MIGHT TEMPT THE ADMINISTRATION TO CONSIDER INCREASING THE MATCH REQUIREMENTS FOR HIGHWAY AND BRIDGE PROJECTS. UNFORTUNATELY, THE FACT REMAINS THAT IT IS OLDER, POORER CITIES THAT HAVE THE OLDEST BRIDGES AND THE LEAST MONEY TO FIX THEM.

I AM CERTAIN THAT WHEN STUDIES SIMILAR TO THAT UNDERTAKEN FOR NORTHEAST OHIO ARE CONDUCTED IN OTHER METROPOLITAN AREAS, THE RESULTS WILL BE SIMILARLY OVERWHELMING.

THE NATIONAL BRIDGE PROBLEM EXTENDS BEYOND URBAN AREAS INTO THE RURAL AREAS. IF FEDERAL AID IS LIMITED TO ONLY THOSE BRIDGES ON THE INTERSTATE SYSTEM -- OR ON A "SYSTEM OF NATIONAL SIGNIFICANCE" -- MOST OF THE DEFICIENT BRIDGES IN THE U.S. MAY NOT BE ELIGIBLE FOR FEDERAL AID.

IN NORTHEAST OHIO, 36% OF ALL "STRUCTURALLY DEFICIENT"

BRIDGES ARE NOT ON THE INTERSTATE SYSTEM, NOR ARE THEY LIKELY TO BE INCLUDED IN A "SYSTEM OF NATIONAL SIGNIFICANCE". YET THESE BRIDGES CARRY TENS OF THOUSANDS OF VEHICLES EACH DAY. THEY ARE AMONG THE OLDEST, MOST HEAVILY TRAVELED, AND LEAST SAFE STRUCTURES.

MANY OF THE BRIDGES ON THE INTERSTATE SYSTEM ARE NOW REACHING THE END OF THEIR USEFUL LIFE. THIS IS PARTICULARLY TRUE IN STATES WHICH TOOK THE INITIATIVE AND BUILT THEIR INTERSTATE ROUTES IN THE 1950'S. THESE STATES HAVE INTERSTATE BRIDGES WHICH ARE 30 TO 40 YEARS OLD. WITH HEAVIER TRUCKS, AND INCREASED COMMERCIAL TRAFFIC, THE SAFETY OF MANY OF THESE INTERSTATE BRIDGES IS IN JEOPARDY.

IN THE PAST, THE NATION'S ATTENTION HAS BEEN DIRECTED TO THE BRIDGE PROBLEM ONLY AFTER A CATASTROPHIC BRIDGE FAILURE RESULTS IN LOSS OF LIFE. RECENT FAILURES IN NEW YORK AND TENNESSEE, AND MOST RECENTLY THE TRAGIC COLLAPSE OF INTERSTATE 880 IN OAKLAND, CALIFORNIA, ARE THE MOST VISIBLE AND MEMORABLE REMINDERS THAT TIME IS RUNNING OUT FOR MANY U.S. BRIDGES.

FOR THESE REASONS, IT IS IMPERATIVE THAT THE NEXT SURFACE TRANSPORTATION ACT PRESERVE AND ENHANCE SPECIFIC FUNDING FOR BRIDGE REHABILITATION AND REPLACEMENT. WE MUST ALSO ENSURE THAT PREVENTIVE MAINTENANCE PROGRAMS ARE IN PLACE AND ENFORCED AS A CONDITION OF RECEIPT OF FEDERAL AID. THIS CAN BE ACCOMPLISHED ONLY BY APPLYING THE EXPERTISE AVAILABLE IN STATE DEPARTMENTS OF

TRANSPORTATION AND AT FHWA IN A STREAMLINED PROGRAM THAT ELIMINATES BUREAUCRATIC HINDRANCES AND UNNECESSARY DELAY.

FINALLY, THE U.S. DEPARTMENT OF TRANSPORTATION AND STATE TRANSPORTATION DEPARTMENTS MUST FIND WAYS TO HASTEN BRIDGE PROJECTS AND SPEED THE REVIEW OF BRIDGE REPAIR DESIGN PLANS. THE FEDERAL ROLE SHOULD NOT ONLY BE ONE OF REVIEWER AND REGULATOR, BUT ALSO ONE OF EXPEDITOR AND PROVIDER OF TECHNICAL ASSISTANCE. THIS RECOMMENDATION IS SUPPORTED BY THE PRIVATE SECTOR IN NORTHEAST OHIO, WHICH IS INVESTING ITS OWN RESOURCES IN HELP TO DEVELOP A FAST TRACK PROJECT REVIEW SYSTEM.

ALTHOUGH ANY SUBSTANTIVE INCREASE IN BRIDGE INSPECTION AND REPAIR DESIGN REVIEW WILL BE COSTLY, IT IS ESSENTIAL. LIVES ARE AT STAKE ON AMERICA'S BRIDGES.

AND OUR ECONOMIC LIFE MAY ALSO BE AT STAKE. WHEN A BRIDGE IS CLOSED, OR LOAD LIMITS IMPOSED, COMMERCIAL TRAFFIC MUST BE REROUTED AT GREAT EXPENSE. WITH TRANSPORTATION COSTS ACCOUNTING FOR 25% OF THE COST OF GOODS WE EXPORT, YOU CAN SEE THE URGENT NEED TO KEEP U.S. BRIDGES OPERATING EFFICIENTLY.

IN CLOSING, LET ME RECOMMEND THAT THE COMMITTEE CONSIDER ESTABLISHING A SEPARATE CATEGORICAL PROGRAM FOR BRIDGE REPAIR, REHABILITATION, AND REPLACEMENT. THE ENORMITY OF THE NATION'S BRIDGE PROBLEM, AND THE RISK INHERENT IN DELAYING URGENT BRIDGE REPAIRS, LEAD ME TO BELIEVE THAT A SEPARATE PROGRAM MAY BE APPROPRIATE.

THANK YOU.

DISCRETIONARY BRIDGE CANDIDATE LIST
AS ASSEMBLED BY OHIO'S
METROPOLITAN PLANNING ORGANIZATIONS
FEBRUARY, 1990

Akron

Name: North Main Street (High Level Bridge)
Crosses: Cuyahoga River
Location: Akron
System: FAUS
Work: Rehabilitation
Status: Under design; alternative rehabilitation options are being evaluated; programmed for 1991 construction.
Est'd Cost: Low to mid $9 million range
Project ID: P.I.D. 6958

Cincinnati

Name: 3rd Street Viaduct
Crosses: IR-471, Eggleston Avenue and Valley
Location: Cincinnati
System: Primary - US-50
Work: Replacement
Status: Pre-design; construction for approximately 1994-95.
Est'd Cost: $10 million
Project ID: N/A

Name: Ludlow Viaduct
Crosses: IR-75, CSX RR and NS RR, and Mill Creek
Location: Cincinnati
System: Primary over Interstate - US-127
Work: Replacement
Status: Under design; construction expected in 1991.
Est'd Cost: $10.025 million (Federal share is currently programmed with $5.64 million in "BR" and $2.115 million with "IR" funds)
Project ID: P.I.D. 4859 (Ham - US-127 - 5.19)

Cleveland/Lorain-Elyria

Name: Eagle Avenue Lift Bridge
Crosses: Cuyahoga River
Location: Cleveland
System: FAUS
Work: Replacement
Status: Alternative Analysis about to begin; construction expected after 1995.
Est'd Cost: $50 million
Project ID: P.I.D. 5413

Name: Columbus Road Lift Bridge
Crosses: Cuyahoga River
Location: Cleveland
System: FAUS
Work: Major Rehabilitation and Reconstruction
Status: Preliminary Engineering; construction programmed for 1992.
Est'd Cost: $13.0 million
Project ID: P.I.D. 5383

Name: Veterans Memorial (Detroit-Superior) Bridge
Crosses: Cuyahoga River and industrial land
Location: Cleveland
System: Primary
Work: Major Rehabilitation
Status: Preliminary Engineering; construction expected by 1993.
Est'd Cost: $13.7 million
Project ID: P.I.D. 5561

Ironton-Huntington

Name: Ironton - Russell Bridge
Crosses: Ohio River
Location: Ironton, Ohio - Russell, Kentucky
System: Primary - SR-93 (Ohio)
Work: Replacement
Status: Pre-feasibility.
Est'd Cost: $25 million
Project ID: N/A

Toledo

Name: unnamed
Crosses: Maumee River
Location: Toledo
System: Interstate (possible)
Work: New Bridge (to augment IR-280 Draw Bridge)
Status: Consultant selected to study alternatives.
Est'd Cost: $100 million
Project ID: N/A

Youngstown

Name: Center Street Bridge
Crosses: Industrial land
Location: Youngstown
System: FAUS
Work: Replacement with new structure just east of current bridge
Status: Preliminary Engineering; construction expected by 1996.
Est'd Cost: $18.1 million (total project); $11. 0million (bridge portion)
Project ID: (Mah-CH-313 - 0.43)

Name:	unnamed
Crosses:	Meander Reservior
Location:	IR-80, 0.97 miles east of Ohio Turnpike (IR-76)
System:	Interstate
Work:	Replacement of two 120' bridges with a partial causeway and shorter structures
Status:	Preliminary Engineering; construction programmed for 1994.
Est'd Cost:	$11.1 million
Project ID:	(Mah-IR-80 - 0.97)

No Large Bridge Projects

Columbus
Lima
Dayton

No Response

Canton
Mansfield
Wheeling-Bridgeport
Steubenville-Weirton
Parkersburg-Belpre
Newark-Heath
Springfield

[Mr. Pease's prepared statement follows:]

STATEMENT OF THE HONORABLE DON J. PEASE
MEMBER OF THE UNITED STATES HOUSE OF REPRESENTATIVES

before the
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
SURFACE TRANSPORTATION SUBCOMMITTEE
UNITED STATES HOUSE OF REPRESENTATIVES

concerning the
REAUTHORIZATION OF THE POST-INTERSTATE SURFACE TRANSPORTATION PROGRAMS

March 13, 1990

Thank you for the opportunity to testify before you today concerning the extremely important subject of reauthorizing the federal transportation program.

I will focus my remarks on three topics. First, the issue of equity. Second, the importance of correcting disparities in federal transportation investment to keeping the U. S. competitive in world markets. And finally, the need for new highway capacity---especially in states which have received the lowest legal amount of federal highway aid based upon their user contributions to the Highway Trust Fund.

EQUITY

You will recall that, when the proposal to raise the federal gas tax was enacted in 1982, a number of us in the highway donor states---that is, states that have contributed far more in gas tax than we ever got back in highway apportionments---insisted that some guaranteed minimum return be incorporated into the legislation. Many legislators assume that, based on this guarantee, and the amendments passed in 1987, the donor states get close to a fair share of their gas tax dollars back. Although we certainly do better as a percentage than we did before Minimum Allocation was enacted, we still lose about as many dollars to the Highway Trust Fund as we ever did.

In fact, since 1982, the donor states have contributed more than $32 billion to the rest of the nation. As one of my local elected officials put it, "One of Ohio's major exports is cash."

Many legislators also assume that---if a state gets close to a dollar of federal highway funds back for each dollar it contributes---it is getting its "fair share". In fact, this is not entirely correct.

The "dollar out for dollar in" concept of what's "fair" fails to count the rights of all states, including donor states, to any of the billions of dollars in interest earned by the Highway Trust Fund.

In fact, since 1982, more than $9.1 billion in interest has been paid to the Highway Trust Fund by the U. S. Treasury. I am sorry to say that none of those dollars in interest payments went toward fixing highways or bridges in some of our biggest and most heavily traveled states - states such as Ohio, California, and Texas.

And none of these interest dollars were spent to fix highways in some of our poorest states, states such as Mississippi, Arkansas, and Oklahoma.

In fact, taxpayers in each of these states, and many others---North Carolina, South Carolina, Indiana, Missouri, Wisconsin, Arizona, and others---got back less than 85 percent of their gas tax and user fee contributions, let alone any of the interest accrued by the Highway Trust Fund.

At the time the Minimum Allocation guarantee was enacted, none of us foresaw that there would come a day when it would directly affect more than half of all Americans. Unfortunately, that day has come. As our use of gasoline and highways has escalated, highway obligation ceilings have been decreasing. As a result there are now 19 states in the Minimum Allocation program. This number is expected to increase unless changes are made in how federal highway funds are distributed.

At the time the Minimum Allocation program was enacted, none of us anticipated that this guarantee would act not as a floor, as was the intention, but as a ceiling on the amount of federal funds that could be allocated to any state.

The fact is that, today, more than half the deficient highways in this country, and more than half the deficient bridges in this country, are---for all practical purposes---locked out of federal discretionary funding.

Donor states remain legally constrained as to the amount of federal highway funds they can receive, even in an emergency. They have a guaranteed loss---rather than a guaranteed minimum return---on their federal gas tax and highway user fee payments.

Surely, this is not in the best interest of the nation as a whole. It certainly is not in the best interest of the safety of the American public.

And it has serious implications for the U. S. economy and our ability to compete in world markets.

Without question, factors and formulas used to distribute federal funding should be reexamined. Many are seriously out of date. I, and other Members of the Ohio Delegation, agree with the GAO, the National Association of State Highway and Transportation officials, and many recognized experts in highway safety and finance: Factors which reflect need, use, system extent, and condition should be incorporated into distribution formulas.

This would result in formulas which more accurately reflect both need for federal funding assistance and equity of return in a user fee financed program.

Short of that, and given the difficulty inherent in changing formulas when budgets are constrained by deficit problems, we are requesting that the Minimum Allocation program be increased from 85 percent to 90 percent, and that all states, including donor states, be allowed to accept discretionary funds without penalty.

Discretionary and emergency funding should never be included in the calculation of Minimum Allocations to each state. Only the formula apportionments should be the basis for Minimum Allocation.

As the program operates now, any donor state which is eligible for or is selected to receive discretionary funds must give up the equivalent number of dollars in MA funds. No state is likely to do this, nor is any Secretary of Transportation likely to offer discretionary funds to a state which would not gain any net benefit from the award.

Mr. Chairman, more than half the roads and bridges in this country most in need of repair are ineligible for discretionary assistance because of existing law! This makes no sense.

Discretionary funding programs were enacted to help fix those roads and bridges most in need of repair and which could not be fixed otherwise because insufficient funds were available. But under existing law, states with the smallest legal amount of federal assistance based upon their gas tax contributions are locked out of the very discretionary programs designed to help when money is short and repair needs are most urgent.

Elimination of the pay back penalty in current law, so that all states have equal access to, and consideration for, discretionary funds is

mandatory if we are to develop a bill which the majority of Americans agree is fair.

COMPETITIVENESS AND CAPACITY

Current law also leads to discrimination in funding for new highway capacity. Donor states are forced by low levels of federal assistance to apply a much higher proportionate share of their state and local funds to repair existing highways and bridges. Very little money remains to undertake planning, design, and construction of any new highway capacity.

Yet donor states experience most of the nation's worst traffic congestion and gridlock. California and Texas are prime examples of donor states with major gridlock and congestion problems.

The U. S. Department of Commerce projects a 30 percent increase in commercial highway traffic in the next decade. This increase in commercial traffic is concentrated in donor states, where over half the gross national product is generated. In particular, this increase in truck traffic will be felt in the donor states' metropolitan areas.

But it takes at least five to ten years to design and build even a modest new highway link, or add lanes to a major highway. That's longer than it took to win World War II.

If it takes up to ten years to build new capacity, and commercial traffic increases by 30 percent in the next ten years, we are facing a decade of gridlock. It may be already too late to plan or build our way out. And donor states which have much of the nation's congestion problems have the least federal, state, and local funds available to undertake new construction.

This has remarkable implications for U. S. productivity. Let me share with you some of the reasons why donor states must have greater federal highway aid, and why it is in the national interest to provide it.

U. S. DOT indicates that in 1985, vehicles on U. S. freeways racked up one-half billion hours in delays. This is expected to rise to 3.9 billion hours---an increase of almost eight-fold---in fifteen years if no improvements are made to deal with congestion.

Peak hour congestion increased from 54 percent of urban interstate miles in 1982 to 65 percent of urban interstate miles in 1987. Approximately 24 percent of urban major non-interstate routes are routinely congested now.

The Director of the Los Angeles County Transportation Commission testified in 1987 that the cost of congestion in Los Angeles County was about 485,000 hours per day of wasted time. That converts by their estimates, to a minimum of about $507 million per year in lost time, and about 72 million gallons of gasoline.

Unfortunately, this scenario is played out every weekday all across the nation. For every dollar of export goods produced in the U. S., about 25 cents is spent on transportation. Public and private sectors must cooperate to keep transportation costs as low as possible. Yet urban traffic congestion may force an increase in transportation costs which immediately makes U. S. goods less price competitive world wide.

This is a particular concern for donor states. More than half the export goods produced in this country are produced in donor states. Yet,

- it is this group of states which remains the victim of systematic federal disinvestment in infrastructure,
- it is this group of states which experiences much of the gridlock and congestion in the U. S., and
- it is these states which have the least money, based on their contributions, to overcome the problem.

These are just a few examples of the need to increase federal investment in highways in donor states, and why such action will improve U. S. competitiveness.

Thank you.

Mr. MINETA. Let me call forward a fine panel made up of officials of the American Association of State Highway and Transportation Officials, known commonly as AASHTO: Kermit H. Justice, Secretary, Delaware Department of Transportation and President of AASHTO; Hal Rives, Commissioner, Georgia Department of Transportation and Vice President of AASHTO; Charles L. Miller, Director, Arizona Department of Transportation and Chairman of the Task Force on a Consensus Transportation Program of AASHTO; Robert K. Best, Director of the California Department of Transportation; and Richard J. Backes, Commissioner/Director of the North Dakota Department of Transportation. They are accompanied by their TV star, Francis B. Francois, the Executive Director of AASHTO.

Mr. President, we are pleased to have you here. If you would go ahead and proceed in your own fashion, your statements will all be made a part of the record.

TESTIMONY OF A PANEL CONSISTING OF KERMIT H. JUSTICE, SECRETARY, DELAWARE DEPARTMENT OF TRANSPORTATION AND PRESIDENT OF THE AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS [AASHTO], ACCOMPANIED BY HAL RIVES, COMMISSIONER, GEORGIA DEPARTMENT OF TRANSPORTATION AND VICE PRESIDENT, AASHTO; CHARLES L. MILLER, DIRECTOR, ARIZONA DEPARTMENT OF TRANSPORTATION AND CHAIRMAN OF THE TASK FORCE ON A CONSENSUS TRANSPORTATION PROGRAM OF AASHTO; ROBERT K. BEST, DIRECTOR OF THE CALIFORNIA DEPARTMENT OF TRANSPORTATION; RICHARD J. BACKES, COMMISSIONER/DIRECTOR OF THE NORTH DAKOTA DEPARTMENT OF TRANSPORTATION; AND FRANCIS B. FRANCOIS, EXECUTIVE DIRECTOR, AASHTO

Mr. JUSTICE. Thank you very much, Mr. Chairman. I sincerely appreciate this opportunity and you, sir, in your leadership in the world of transportation. And to you, Mr. Shuster, we sincerely appreciate your efforts and longstanding. And to the other members of the committee, we likewise commend you for all your efforts on behalf of transportation.

Mr. Chairman, for the record, I am Kermit H. Justice, President of AASHTO and Secretary of the Transportation Department of Delaware.

Let me again commend you and the subcommittee for establishing this set of hearings and beginning the process leading to a new Federal Surface Transportation Act.

Mr. Chairman, I have submitted my written testimony to you, and I request that it be accepted for the record, as you indicated you will. With your permission I would now like to offer a brief oral summary of my testimony.

Before I begin I guess I ought to introduce a few of the players here and apologize for the absence of some of our players who we hope will still join us.

With us is the Executive Director of our organization, whom I know you know well, Mr. Frank Francois.

We also have with us the Commissioner of Transportation from the State of North Dakota, Dick Backes, who will be speaking in behalf of a loosely-organized portion of our organization known as the Bread Basket Coalition, as well as a strong supporter of AASHTO in its efforts.

We also have with us the Director of Transportation for the State of California, who will be speaking for another group of wide-ranging—demographically and geographically—and interested members of our organization known as the Crescent Coalition, Mr. Bob Best from the State of California, also a strong supporter of AASHTO's efforts.

And the gentlemen to my right is the gentleman who served as the task force chairman for the Transportation 2020 effort that AASHTO put forth and you have copies of. Charlie Miller, who is the Director of Transportation for the State of Arizona, deserves a lot of credit for chairing that committee. They had a long task of almost three years in putting its work together.

And our Vice President, Mr. Hal Rives, is not yet with us. He has other needs within the complex today. I hope he will join us as soon as he possibly can. In any case, I would hope that his testimony would be made part of the record if he does not make it with us.

Mr. Chairman, you in your committee, and we as State transportation officials, have a once in a generation opportunity to set the course for America's transportation for decades to come. The kind of surface transportation system we provide to take America into the next century will make or break this nation's economy and will directly affect the lifestyle and the quality of life of all Americans

What kind of system should it be? AASHTO believes we must include both highways and public transportation since, in much of our nation, both modes are necessary to assure mobility as we move into the 1990s.

What are AASHTO's transportation goals for the new surface transportation bill? We have identified seven: preservation of the highway and public transportation systems we have already created, which, alone, will require substantial investments by all levels of government; congestion relief for our choked urban and suburban areas using a mix of highway and transit solutions; adequate funding based upon user and benefiter fees, with general funds continued for public transportation; a renewed national commitment to safety through research and new programs and applications; access to all the regions of this nation through a balanced, coordinated system; planning and research to develop new transportation technologies and apply them promptly; and economic growth and vitality through improved productivity, reduced costs, and improved international competitiveness.

For America's highways we must provide for system maintenance, bridge needs, interstate reconstruction, urban congestion relief, principal arterials to better serve the nation, and increased interstate capacity—and, of course, completion of the remaining interstate highway and interstate substitution projects is a top priority.

In transit we must improve public transit services to address urban congestion, enable the reconstruction and maintenance of our facilities, and provide mobility for the non-driving public.

Structurally, AASHTO believes that the highway and public transportation programs should each have two basic components. The first component is a categorical program, focused on meeting national transportation goals for highways. This should include a system of highways of national significance, including the interstate system and additional mileage selected from our principal arterials to form a new national highway system.

The second basic component is a flexible State and local program focused on specific national goals identified by Congress. Our State and local governments would be charged with annually preparing a plan to meet those goals, and Federal oversight would be maintained by approval of the annual plan and through annual progress reports. This program will provide the flexibility needed to address the unique needs found in communities across the nation, while assuming that Federal funds are spent to solve national issues identified by Congress. We believe that gives Congress full control, as it wishes.

What should be the Federal investment level? For highways, AASHTO recommends a Federal funding level of $17.6 billion in fiscal year 1992 increasing in increments to $25.9 billion in fiscal year 1995.

For public transportation we recommend a Federal capital funding level of $3.5 billion for fiscal year 1992, increasing to $5 billion in fiscal year 1995, accompanied by a continuation of operating assistance at the current level of about $800 million annually.

While on the subject of funding Mr. Chairman, let me address an issue raised by the Administration's national transportation policy.

While we applaud this initiative by President Bush and Secretary Skinner for the attention it has focused on the nation's transportation system, and while we agree with much of what is proposed, one specific area causes us grave concern. The proposal to shift a larger share of transportation financing responsibilities to the State and local governments.

AASHTO believes that all levels of government, not just State and local governments, need to accept part of the transportation funding responsibility. I want to repeat that. AASHTO believes that all levels of government, not just State and local governments, need to accept part of the transportation funding responsibility.

There is a clear Federal interest in assuring that the United States has a sound transportation system, and we think the Federal Government must continue to accept, at least its current percentage, share of our overall transportation costs. State and local governments are already sharing the lion's share of America's road costs—collectively over 75 percent.

The last increase in Federal fuel taxes was in 1982. Since 1982, State legislatures have approved a total of 92 State gas tax increases. One State has increased its gas tax four times, another eleven States three times, and nineteen States have had two gas tax increases. The average State gasoline tax has doubled from $0.08 in 1980 to over $0.16 per gallon in 1990. Clearly the States have been meeting their fair share of road funding. We think the Federal Government should also.

I might add that the gas tax only represents a portion of what the States put up. There are a lot of other taxes levied for transportation purposes.

With respect to AASHTO's recommended funding levels, Mr. Chairman, using the balance in the Highway Trust Fund, coupled with repeal of the gasohol tax exemption, should fund at least the first two years of our program without any Federal tax increase.

Mr. Chairman, my colleagues will address other issues of concern to the States, and then we would be pleased to answer any questions you may have.

In closing, Mr. Chairman and members of the subcommittee, AASHTO stands ready to assist you as you address the future of the nation's surface transportation system. We again commend you for calling these hearings and look forward to working with you to a conclusion.

Thank you, Sir.

Mr. Chairman, with your permission I would like to defer to Mr. Miller and hold the option open for Mr. Rives if he does join us.

Mr. MINETA. Absolutely.

Mr. MILLER. Thank you, Mr. Chairman and members of the committee.

I am Charles Miller, Director of the Arizona Department of Transportation. It was also my pleasure to have served as the chairman of the AASHTO Task Force on the Development of a Consensus Transportation Program, which we kind of evolved into a short title, Transportation 2020.

As one of the parts of AASHTO's testimony this afternoon, I would like to cover three basic topics: first, the composition of our task force and how we functioned since 1987; second, to review our consensus-building efforts that were organized by AASHTO; and, third, to provide a little bit of background information on the highway program recommendation of AASHTO.

As I think you know, the AASHTO policy committee agreed to form a task force in 1987 to work on a consensus transportation program. We began that work with the efforts toward highway programs and public transit. In 1988 we expanded our efforts to include rail, water, and aviation. And then later, in 1989, we expanded once again to include in our effort and our work products transportation research and technology transfer.

The task force was created by a broad representation from four regions of AASHTO, and included large, medium, and small States.

The overall concept of our task force's effort centered around three basic activities: one, was the gathering of information and data and the analysis of that data; second, to develop a set of alternatives from which we could choose recommendations; third, to try to build a consensus. We believe that AASHTO's effort has been the most comprehensive ever undertaken by our member departments in that regard.

In order to build consensus, AASHTO initiated two major activities. One was the creation of an Advisory Committee on Highway Policy very early on in our process. That particular activity was chaired by Lester Lamm of the Highway Users' Federation and ultimately involved over 100 public and private sector organizations in its work. That organization, together with our member depart-

ments, was responsible for carrying out some 65 forums held nationwide. They resulted in the publication of a report entitled "Beyond Gridlock." That report has been submitted to this committee.

In addition, they have recently completed their work in the publication of a report entitled, "Is Consensus Possible?" That report is being submitted, as well.

The second major effort of AASHTO in consensus building was the development of a group known as the Transportation Alternatives Group, which brought together some 12 separate organizations that are concerned about national transportation. AASHTO was a part of that organization.

Entitled TAG for short, the Transportation Alternatives Group published its alternative report entitled, "Future Federal Surface Transportation Program Policy Recommendations." Copies of that report have been provided to your committee.

Mr. Chairman, an examination of the TAG and Advisory Committee on Highway Policy final reports, as well as ours, indicates a significant consensus has been achieved on a number of key issues that are before and will be before this committee.

During the 65 public forums that were held by the AASHTO member departments and the Advisory Committee on Highway Policy there were two major themes that we heard. First and foremost was that there must be a national highway system. Secondly, that a greater flexibility would be needed in dealing with all of the other surface transportation issues and problems—a flexibility that would allow States and local governments to tailor solutions to their specific problems. We are not talking about block grants; rather, AASHTO believes that the use of Federal dollars on our highway system should serve broad Federal and national goals which the traditional block grant approach will not assure.

Our solution was to craft what we called the flexible and local highway program set forth in our report which we have submitted to you. Additionally, we also spoke briefly to the issue of our categorical highway program recommendation based around a highway system of national significance. Simply put in its description, we need a larger national highway system than the current interstate system.

We believe that with the completion of the interstate highway system rapidly approaching, the focus on the next highway bill should be on a system larger than the existing interstate system, but small enough to assure that the national objectives can be achieved. It is from this belief that our so-called "highway system of national significance" has emerged.

Mr. Chairman and members of the committee, this concludes AASHTO's three-part presentation. We will hold open the possibility that Mr. Rives will arrive and provide our final part.

We again commend you for beginning the process of leading the way to a new surface transportation bill and we offer our assistance wherever possible.

Thank you very much.

[The reports referred to by Mr. Miller were received for the record and are retained in the subcommittee file.]

Mr. MINETA. Thank you very much.

Mr. JUSTICE. Mr. Chairman, I guess I would offer that Director Best, with your concurrence, would be next.

Mr. MINETA. Very well.

Welcome to the committee, Mr. Best.

Mr. BEST. Mr. Chairman, it is a pleasure to be here. I represent today not only the State of California, but a group of States that has been referred to as the Crescent Coalition, which is a diverse group of States of different sizes, different geographic circumstances, and different local needs that tried to come together and work out a consistent formula that would serve a representative sample of States across the country.

I think what we have tried to do with States is to assist the committee by working through the AASHTO organization to identify and attempt to adopt a broad set of policies and principals that virtually all of the States could sign on to and support to give the committee a pretty clear idea of where the States, as a whole, were thinking.

We then, in effect, have a tier in that we have the Crescent Coalition and the Bread Basket Coalition, which are more precise and have recommendations that build off of the AASHTO presentation. And then, of course, individual States will have individual problems as time goes along.

I think it is clear that we see a lot of consensus generating on the broad principles. A number of the recommendations that AASHTO has made were reflected in the Secretary's presentation and principles. The five principles that the chairman has announced and has spoken to several times also are supported by the AASHTO recommendations. And so a lot of what is happening has already identified a high degree of consensus by principal players in this field.

What I would like to do is not go over the written testimony or the written statement for the coalition but highlight a few key points that I think are of concern to everybody.

First of all is the question of flexibility. As Mr. Miller stated, the concept of flexibility the States are advocating is not a traditional block grant program. It is not a turn-back program. We don't believe that in the transportation programs that the Federal Government should lose track of its role, its priorities, and its responsibilities.

As Mr. Bosco said a little bit earlier, it is important that the interest and concerns viewed from a national level are recognized, including the local problems as viewed from a national level. And so the flexible program concept that is being advocated is an extension of the combined road plan that has been in effect for a number of years. Now to allow greater flexibility in the use of dollars to mold the use of the Federal program to the particular needs of a given State.

We just don't have 50 States with 50 identical problems. So we need flexibility in those Federal programs so that where you have a higher priority need in one State and a lower priority elsewhere, you can adapt the Federal program to serve the Federal priorities in the greatest need area within that particular State. That is the concept that goes behind the flexible program, not a block or a turn-back kind of program.

It would be guided by Federal priorities, addressed to the Federal needs that Mr. Shuster was talking about earlier. But it would vary from State to State as how it was applied depending upon how those needs were represented within that State.

We are also advocating that kind of a program have an accountability program attached to it. We recommended that the States be required to have management programs—for example, pavement management, safety management, congestion management—programs designed around the Federal priorities. The States would be evaluated as to how well they were using those flexible dollars to complete those Federal priorities, as defined in those approved management programs.

So we are advocating a program here that is flexible in terms of its application, but is still Federally driven addressing Federal priorities, but recognizes the divergence of individual circumstances that exist in individual States.

The next point I would like to address briefly is the overall concept of funding. The hardest point to hold groups together, of course, is over who gets the dollars.

You have heard the representatives from Ohio make their very strong statement with regard to their concern of Ohio not getting enough dollars. Mr. Backes is very concerned that States that he represents will lose the percentage of dollars they are getting now under some of the funding formula provisions. It was a very hard-fought issue among the States at AASHTO that came up with a compromise proposal, that is in AASHTO, that represents both some preservation of the donor/donee status and some limitation of that status.

What we would like to emphasize from the Crescent Coalition is our concern that the funding formula not distort the transportation priorities. As Mr. Shuster said earlier, we believe it should be need driven and the Federal priorities and the Federal needs should drive the program and not a funding formula ending up driving the program. If, as a result of developing a funding formula that chases these transportation needs, we find individual States would result in contributing far too much than is reasonable, or other individual States would be receiving too little to maintain a reasonable program level. Then some adaptation of that formula would be necessary to protect and preserve the equity of the system. But basically it should be needs driven.

We have identified as the key factors, being not only the amount of miles that are on the system, but also the vehicle miles on the system, and then some representative of truck travel. The best surrogate that we have been able to come up with is diesel sales for a surrogate. But because trucks have such a heavy influence on our system's maintainability, we believe that is an important part of the formula.

In emphasizing the need for a flexible program and of flexible funding, let me give you an example of what happens in a major urban corridor. We might have an urban corridor that has a freeway on the highway system of national significance going through it. It may also have a couple of parallel local arterials that go right along with that. It may have a light rail system going through that also. And it may be under-served, inadequate with those facilities.

We have to address that question. How are we going to provide adequate movement of people and goods through there?

If we have a detailed categorical program, if we have funding allocations that are broken out with differing matching ratios, for example, the solution that will be chosen will be the one that draws the most funds. If we have a 90 percent matching ratio on the highway system of national significance but a 50 percent matching ratio on efforts to make other improvements in that same corridor, even though it may be a more efficient investment for us to upgrade that rail system and put some HOV lanes on those local arterials, along with timing the signals. We may get the same level of traffic service for a lot less money than trying to add a lane to the highway system of national significance freeway. We'll be driven towards that other alternative by the different matching ratios and inflexible programs and inflexible funding.

So what we are seeking here is that ability to come up with the best transportation solution in those corridors and not to have preallocated funds drive us away from the best transportation solution.

In closing I would like to mention that we in the Crescent Coalition are strong supporters for a concept of privatization. That doesn't mean turning our fine national system into a privately-run operation. It means increasing the opportunities for private investment in our national transportation system.

A number of States are experimenting with that. California passed a law this year to provide for totally privately-funded projects as long as they were parallel to an existing free route and would assist that free route. Those projects are to be awarded based upon the service level they provide—in other words, public benefits. Because of this, we think that there are a number of ways that we can see increasing private investment.

The development of transportation systems in the future is going to require us to combine the best of Federal funding, State funding, local funding, and private funding. The needs are far outstripping what we can do by any individual source.

Thank you, Mr. Chairman.

Mr. MINETA. Mr. Backes.

Mr. BACKES. Mr. Chairman and members of the committee, I am Richard Backes, the Commissioner/Director of the Department of Transportation of North Dakota.

It is an honor to appear before your subcommittee and express the views of rural Western States regarding the reauthorization of the Federal aid highway program.

First, I want to make a few comments. I want to thank the committee for the opportunity to appear with a balanced testimony of both rural and urban States and Mr. Best and the AASHTO organization. I think it is a credit to the committee to hear all of us.

The names of different coalitions have been bantered around—Crescent Coalition, generally believed to be representing urban interests; and the Bread Basket Coalition, generally considered to be representing rural interests. But the Bread Basket Coalition is kind of a moniker. That doesn't really belong there. We have no roster of members. We have no dues. We have no reports. We just have phone numbers of each other and a common interest. That is the

Bread Basket Coalition, Mr. Chairman, and I hope it continues that way. It has worked well.

Mr. Chairman, the Federal aid highway program has been one of the most successful, long-running, cooperative partnerships ever undertaken by the State and Federal agencies. Over the years the process has developed the safest and most efficient highway system in the world. It is a program that has been well managed and scandal free—and that is not always the case in such vast programs of the Federal Government.

As we enter the decade of the 1990s, we are approaching the end of another era in American history as our interstate system nears completion. The interstate system, along with its construction of the major connector system of roads and streets, has changed our lifestyles and improved our quality of life beyond one's greatest dreams of 25 or 50 years ago.

However, in spite of the success of the program we have heard some suggest that with completion of the interstate system there should be major, wholesale changes in the program. We disagree.

North Dakota and many rural Western States are concerned that if some of the proposals we have seen were implemented they would have a negative impact on our funding and ability to preserve the Federal aid system. Therefore, the rural Western States strongly support the continuation of the existing Federal aid highway program. With minor modifications the existing program will continue to provide our nation—not just some States—with the best highway system in the world.

There are basically two changes to the program that we support. First, we support an increased Federal funding level for the highway program. Second, we support increased flexibility for the States to transfer funds between categorical programs so that States have more authority in deciding how the Federal funds should be used.

On the other hand, we strongly oppose proposals to change funding formulas in a way that would reduce our funding, even if these proposals were combined with flexibility provisions.

We strongly oppose the Administration's initiative to reduce the Federal share and increase the State matching share on various programs. This proposal is devastating to rural areas, which are limited in their ability to generate additional revenue.

If State matching ratios are increased significantly, it may be impossible for rural States like North Dakota to raise the additional required funding.

In short, we support the existing highway program and believe that any changes that are necessary should be undertaken through evolution rather than revolution.

The rest of my comments will focus on why we support this position.

Transportation is not a rural or an urban issue, but rather a national issue. A citizen in rural America has the same inherent right to efficient transportation as does their urban counterpart. We realize that urban congestion and gridlock are major transportation problems that must be addressed, but we believe that rural needs are equally important. We must continue working to develop

a transportation system that meets the needs of rural and urban areas.

Federal aid highways in rural States like North Dakota serve major national interests. They serve as major connector routes for the cross-country movement of people and nationally significant commodities. The Federal aid highways in rural States serve to connect agriculture and other producers with national and international markets. The nation needs an integrated system of highways to be sure that agriculture products, forest products, minerals, and other commodities can be moved to market.

Mr. Chairman, we have such a system today because our predecessors recognized the need for a national highway system to move people cross-country and products to market. Therefore, we must maintain that donor/donee relationship for funding our transportation system if we are to have a truly national system.

The problem is not that some States are receiving too much, but that all States need additional revenue. That is the basic problem.

We are very concerned that some proposals we have seen would cut back funding for rural States. Rural America is not to be abandoned by its Federal partner now that the emphasis has shifted from the initial construction to preservation and rehabilitation.

The rural Western States agree with AASHTO and the Crescent Coalition that the first priority of the reauthorization of the Federal highway program must be to preserve the existing Federal aid system. A tremendous commitment of Federal, State, and local funds has been invested, and every effort should be made to protect and preserve that investment. At the same time, we must honor our commitment to fund the completion of the interstate system.

Reauthorization of the highway program in a way which maintains the basic program structure will help ensure the preservation of our Federal aid highway system. It is evident that funds which have been used for interstate construction are now desperately needed to preserve, rehabilitate, and reconstruct the interstate and other Federal aid highways.

The highway program is undergoing a transition from interstate construction to highway preservation. This does not mean that traditional funding principles should be abandoned.

The next highway bill should retain the current Federal/State sharing of transportation system preservation and development. We believe there remains a strong need for an ongoing Federal/State transportation program that continues or builds on the current program. The commitment should not be abandoned, and the Federal partnership should be strengthened, not weakened.

In addition, the existing categorical funding for urban highways, secondary roads, and bridges should be maintained. This is essential for addressing the needs of local jurisdictions and gaining their support and cooperation in this bill.

There are several proposals to change existing formulas for allocating Federal highway funds. Many of these proposals put more emphasis on vehicles miles of travel and less emphasis on lane miles as factors in allocating funds. This has a devastating effect on rural States that have large road networks and low traffic volumes.

There are fixed costs associated with maintaining a road, regardless of the traffic. Appropriation consideration of lane miles must be a major factor so that rural States are treated equitably.

The rural Western States are also concerned about the hold harmless provision that is included in several of the proposals for reauthorizing the highway program. In fact, the very need for a hold harmless provision shows the fatal flaw in some of the proposed formulas.

The hold harmless provision would guarantee that each State receive an amount at least equal to its 1991 authorization under the current program. However, proposals do not provide for hold harmless States to share equally in the growth of the program.

All States, including rural Western States, must receive an equitable share of any growth in any program.

The U.S. Department of Transportation has said that State and local governments should pay a larger proportion of highway transportation costs. This puts an excessive burden on States that do not have the ability to generate adequate revenue at the local level.

Increasing user fees in rural Western States like North Dakota does not generate a lot of revenue. The national Statewide average annual yield for a penny increase in the State motor fuel tax is about $26.1 million per penny. In North Dakota $0.01 generates about $4.1 million, or less than one-sixth the national average.

On the other hand, my friend, Mr. Best, from California generates over $130 million for each $0.01 of motor fuel tax. This is more than the North Dakota DOT spends annually on its entire State construction and maintenance program. It isn't that rural States are not trying to generate revenue on their own. In fact, residents of rural States pay some of the highest motor fuel taxes in the nation. North Dakota's tax is currently $0.17, South Dakota's is $0.18, Montana's is $0.20, and Nebraska is $0.22, compared to the national average of just over $0.15.

On a per capita basis, residents in rural States pay a great deal more in user fees. This is due to high motor fuel tax rates—but the fact that they often have to travel long distances to obtain basic services.

If America is to maintain its role in the world economy, the nation must commit financially to preserve and improve its transportation systems. Across America transportation needs exceed available revenue, and Western States are not exempt.

As I stated earlier, the problem is not that some States are receiving too much, but rather that no State is receiving enough.

The need for additional revenue is evident. Federal funding levels should be increased over the life of the next highway bill and all States should share equally in the growth of the program. The first priority should be to spend down the Highway Trust Fund balance, eliminate tax exemptions, and crack down on tax evasions as a means of providing additional revenue without increasing taxes. Only then should consideration be given to increasing user fees to provide an adequate, dependable, long-range program.

Rural and urban States agree that there would be benefits to increasing the amount of flexibility available to States in the current and any future program. The flexibility can take the form of allow-

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ing the transfer of revenue between funding categories or flexibility in design standards applied to Federal aid projects.

Flexibility within the program should not be confused with establishing a flexible highway program. There is no need to establish a flexible program to achieve flexibility. It can be achieved within the current program, and we should work toward that goal.

There has been increasing pressure to use dedicated highway funds to support other programs or reduce the Federal deficit. Federal transportation facilities through user fees has been very successful and every effort should be made to ensure that these funds are protected and used for the purpose for which they were collected.

In conclusion; the future challenge is to maintain and build upon our past achievements by continuing to assure a safe and efficient transportation system promoting economic growth. After completing the interstate system the nation must be committed to preserving our transportation system, both for the interests of the citizens and the nation, as a whole.

There is a need for a concerted and coordinated effort by all levels of government to renew our commitment to preserving and improving our transportation system. The kind of highway that will bind our nation together in the future will be the result of a national program supported by State government, local officials, and highway users.

There are many challenges ahead, but I feel we can meet these challenges by working together. We can meet these challenges only by renewing the Federal/State partnership that has worked so well in the past.

In summary, the rural Western States oppose dramatic or drastic changes in the current Federal aid highway program. Some changes are necessary and, in some cases, long overdue. However, let's make these needed changes through evolution rather than revolution.

Mr. Chairman, that concludes my comments. I would be happy to respond to any questions.

Mr. MINETA. Very well. Thank you very much Mr. Backes.

Let me greet to the panel Mr. Hal Rives of the great State of Georgia. Mr. Rives, I want to thank you for your hospitality when we were down there in Atlanta.

Your statement will be made a part of the record. Please go ahead and proceed in your own fashion.

Mr. RIVES. Thank you, sir. We were very pleased to be your host.

I apologize for being late. I had a transportation problem. [Laughter.]

I will follow up on what President Justice has stated, and I will expand upon some parts of it.

AASHTO has been engaged in the past three years in studying transportation programs to carry this nation into the 21st Century. An integral part of this study is the levels of funding necessary to care for the program that has been developed.

For highways we believe that program must be funded at $17.6 billion in fiscal year 1992, rising to $25.9 billion in fiscal year 1995.

For public transportation the funding levels should be $3.5 billion in 1992, rising to $5.0 billion in 1995, along with continuing the $800 million per year in operating subsidies.

Now, these numbers did not just come out of the air. These numbers came from statistical studies supplemented by data gathered from the States and local government by the professional engineers and planners in the member departments. The statistical data came from the highway performance monitoring system which was established by the Federal Highway Administration and is operated by the member departments.

This system collects information on traffic volume and on types of vehicles, as well as the conditions of statistically selected segments of all types of highways in each and every State. The needs coming out of a study of this data were checked and amplified by needs surveys within each State and its cities and counties. The needs were then reduced to dollars, with reasonable inflation rates for the next four years.

For the public transportation component we gathered data from our member departments, as well as from the Urban Mass Transportation Administration and the American Public Transit Association. We then related these needs to large, medium, and smaller urban areas, as well as rural areas.

Modal inter-links we need, Mr. Chairman, a fully integrated transportation system. Efficient highway link-ups with airports, seaports, and railway terminals are vital. This category must be given an important part in any new surface transportation authorization legislation. The more we can make our transportation systems act as one whole system, the separate and distinct parts of which are linked together so as to achieve an efficient and cost-effective method of moving people and goods, the more efficient the overall transportation system will be.

All of the established needs and costs thereof were reviewed by professionals with respect to our changing technology, including traffic management, operational innovations, new construction materials and techniques, and other such factors in arriving at the projected cost. These funding levels are soundly based and must be considered in the authorization legislation.

A few statistics as to growth from the past 20 years may help put things in perspective as respect to needed funding levels. The surface highway and road mileage is up 25 percent. Licensed drivers are up 55 percent. Motor vehicle registrations are up 95 percent. Vehicle miles of travel are up 105 percent. And total highway disbursements are up only 8 percent in constant dollars.

You will find that our 2020 effort places a renewed emphasis on research. Our 1970 and 1980 materials and techniques have served us well, but they must be advanced as we move on toward the year 2000. Research must play a prominent role in the new program, and we at AASHTO, in developing our program, have given it one.

Over the past years, only two-tenths of 1 percent of highway expenditures have been spent on research. This is in contrast to the fact that our most basic lower technology industries spend more than eight times that on research. We did not lose our interest in research during the past two decades. We have simply been very short of funds.

There are many areas to be researched. As you well know, the 1986 Act funded the strategic highway research program dealing with pavement structures. A portion of that is a long-term pavement performance monitoring component. We must continue this component for another 15 years so that we can gain the full knowledge of how selected pavement types from all over our nation are reacting to loads imposed upon them by current commerce and future commerce.

We must study and research the intelligent vehicle/intelligent highway systems. These type of system can not only lead to safer highways, but can also lead to highways that can carry more vehicles and more people within a given time frame in a much safer manner, as well. This type of research holds great promise for our future.

Every highway program needs to have its safety components. Progress has been made in highway safety, but more needs to be done. Yes, fatality rates are down, but if further improvements are not made because of increasing traffic volumes, the fatality numbers will continue to rise.

If trends continue, over 500,000 Americans will perish on the nation's highways during the next decade. Over $1.2 trillion will be lost in highway accidents. One in every nineteen children born in this decade will die, be permanently disabled, or suffer a life-threatening injury in a highway accident during his or her lifetime.

We are a mobile society, Mr. Chairman. I hear the phrase "freedom of mobility," a guide to our society of today. Certainly this is a great freedom. It is one that Americans do not want to give up. But it is also one which they must be able to exercise in safety and in comfort, and it must be paid for. It will not come for free.

Other issues to be addressed: the Highway Trust Fund. Over the years, AASHTO has repeatedly expressed its concern about the future of the Highway Trust Fund. I think you, me, and most Americans accept the rationale of the user fee concept for supporting transportation. Consistent with this, the Highway Trust Fund must be made permanent and the monies in the Highway Trust Fund must be used for the purpose for which they were collected, including the accumulated interest on the fund.

Finally with respect to the trust fund, the gasohol exemption from the Federal motor fuel tax must be ended—especially if, in the process of enacting clean air legislation, gasohol becomes mandated in some metropolitan areas.

As you well know, the gasohol exemptions were promulgated in order to make the use of gasohol more attractive. If gasohol is to be mandated—and it appears that it will be in some portions of the country—there is certainly no need for the gasohol exemption. The exemption was a marketing tool. You need no marketing tool when its use is mandated.

We also, of course, believe that every effort needs to be made to stop the erosion of the motor fuel tax collection by the activities of organized crime. This takes away from the highway users the use of some $1 billion to $2 billion per year of the taxes which were collected from them.

Toll roads: AASHTO firmly espouses the use of toll roads, bonds, and other innovative financial methods to build and maintain our transportation systems. Certainly the toll road pilot programs—and I happen to have a pilot project in my State—should be given complete approval by the Congress for use whenever a new reauthorization bill. Increased use of bonding should also be encouraged and not discouraged.

Environment: We, of course, must protect or environment. The members of AASHTO understand that. We also understand, however, that we need a growing and vibrant economy in order to pay the price of environmental protection. It does not come cheap.

You cannot have such an economy without a first-class transportation system. There are necessary trade-offs between protecting the environment and having that first-class transportation system. We fear that the people who write the environmental laws are not cognizant of this. We view with dismay some of the environmental legislation that is proceeding through the Congress, including the bill now before the Senate that is the result of negotiations between the Senate and the Administration.

We would urge that this committee carefully review such legislation, paying close attention to such items as sanctions, Environmental Protection Agency control of the highway program in nonattainment areas, and the expanded and mandated use of gasohol without the removal of the gasohol exemption.

I would also suggest that this committee carefully review the work of the President's Task Force on Wetland Preservation. This is also a very vital issue.

Mr. Chairman, that closes my statement. I will, of course, be glad to respond to any questions.

Mr. MINETA. Thank you very much, Mr. Rives.

Mr. Justice, under the AASHTO recommendations the 85 percent minimum allocation provision and a hold harmless provision are retained for the categorical highway program. How would AASHTO propose to apportion any increased Federal highway funding above the 1991 level?

Mr. JUSTICE. I guess I would offer that we would provide an opportunity for it to work with the Federal Highway Administration to draw those conclusions. At this point I think maybe I would like to let Charlie, who worked closely on the document, reflect some of the thinking of the membership so that we can provide some direction to you on that subject.

Mr. MINETA. Mr. Miller.

Mr. MILLER. Mr. Chairman, our task force nor our policy committee specified a specific formula for distribution of current or additional funding. We did, however, indicate that there are certain basic parameters that should be taken into account—lane miles, for example, vehicle miles traveled, the normal variables. But we did not get specific at this particular juncture with respect to a funding distribution formula.

Mr. JUSTICE. I guess I would offer we would be so elated that we would quickly grasp whatever was offered.

Mr. MINETA. Given the goals adopted by AASHTO, are the objectives for the public transportation component of the surface transportation legislation attainable with the relatively modest increase

in the Federal capital funding of $3.5 billion in fiscal year 1992 rising annually to level off at about $5 billion by fiscal year 1995?

Mr. MILLER. Mr. Chairman, that recommendation, as you know from our publication of our final report on new transportation concepts for a new century, was centered around what our earlier work had demonstrated from field analyses and needs analyses that came in from our member States indicating what the current level of service was and the expected level of service.

So, in answer to your question, to maintain the current level of service, that would be sufficient. If one assumes that some change were to come about where there would be increased demand—significant increased demand from what we currently experience—then obviously more funding or higher funding levels would be required.

Mr. JUSTICE. To expand on that, Mr. Chairman, we gathered our information as we developed these numbers on a needs basis from the member departments. So we have a reasonable degree of comfort that they have expanded on their needs to identify what we believe would be appropriate in the area of public transportation.

As Director Miller has indicated, obviously, changing conditions will require changing needs.

Mr. MINETA. Mr. Best, I understand that the Pathfinder project is one that is involving the intelligent vehicle highway system. Do I understand this is a program that is about to be undertaken or has been initiated in California? What is it? What is the status of it?

Mr. BEST. It is both, Mr. Chairman. It has been in planning for some time and it is now being undertaken and put in place. It is part of the demonstration program with regard to the intelligent vehicle/intelligent highway.

The entire program goes beyond that. It includes what we refer to as a "smart corridor." It involves also the attempt to integrate the local arterials, along with the major freeway that is involved, in addition to enhancing the capability of the vehicle to interact with the conditions on the roadway.

What we are trying to do here is not concentrate just on generating a smart vehicle, but when you look at the progress we hope to be able to make by the utilization of technology, you need to have a smart vehicle—in others words, one that can gain information and use information. You also need to have a smart roadway—in other words, one that can generate that information and provide information; and then the smart driver, who can synthesize it and use it.

Until we are successful in linking all of this together into a combination, we won't achieve what looks like a tremendous potential for increasing the capacity on some of our urban systems.

Mr. MINETA. Any idea as to how long it will be before we see the benefits of this project?

Mr. BEST. Well, we will see the benefits of this project very, very shortly, but the real question becomes how long it will be before we can see any significant benefit on our systems beyond just having a demonstration project that functions. What we are faced with out there, quite frankly, is that we have the know-how to do it now. We don't need major technological breakthroughs. The technology is out there. What we haven't had is the investment to modify the

technology—in other words, the applied research to modify that technology—and then the investment to actually get it into place so it can start functioning.

I believe that it is one of those areas where the United States, for example, is lagging behind significantly what is going on in Europe and Japan, and it is an area that we really do need to substantially increase our investment so that we not only can keep pace with technological development, but that we can begin to actually see systems benefits out there within the decade.

With what we know in California where we have been pushing this program for several years, we believe we could make major progress in the application of this and see true systems benefits within a decade if we could focus our research and funds into this kind of a program.

Mr. MINETA. Have you undertaken any project involving design projects to accommodate the needs of older drivers?

Mr. BEST. In terms of physical design of the facilities, themselves?

Mr. MINETA. Signing, lane markings, on things of this nature?

Mr. BEST. I'm not aware. We do take needs into the concept of designing of signs, but I can't think of any project in California—there may be in some of the other States—where we have specifically attempted to design a road to demonstrate that by special design characteristics we could increase or decrease the problem with older drivers.

Mr. MINETA. Mr. Shuster.

Mr. SHUSTER. Thank you, Mr. Chairman.

We certainly appreciate your testimony today, gentlemen.

As I understand it, AASHTO has been involved in the whole question of defining what a national highway system should be, or the highways of national significance. But, of course, that means that nothing happens until we sit down with a map and start drawing lines and showing precisely what and where those highways would be.

I would be interested in your comment on where we stand on doing that. Where do you stand on giving us your recommendation on exactly what the national highway system should be, and how many miles are involved in it?

Mr. JUSTICE. Let me begin, and I would then defer to Director Miller who has chaired the task force to be a good deal more specific.

One thing is very clear: the interstate system would have to be part of any highway system of national significance.

Mr. SHUSTER. Sure.

Mr. JUSTICE. You are probably going to wind up with a significant discussion on what is going to be the ultimate number. We, after many, many discussions, kind of concluded we were looking at a system approximating 143,000 miles. That is going to be open to much discussion because out of that some will fall that are currently qualifying in the primary system and the like that those affected will not be happy with. But you have to start somewhere.

We ultimately decided to work with the Federal Highway Administration closely on this subject, and then concluded that we ought not be moving too far until we see how far this goes.

Charlie, let me let you expand on that.

Mr. MILLER. Mr. Chairman, only to expand briefly, we demonstrated through our efforts thus far that we can, indeed, come close to sitting down with that map and drawing the lines. All of the States participated, along with the Federal Highway Administration, in kind of the first iteration of that kind of an effort in late 1989. We stopped short, as Mr. Justice indicated, in concluding that activity because it is obvious that we need to look at what the Administration's new transportation legislation proposal will be and how we will weave that around it.

Mr. SHUSTER. But when do you think this committee or I can see such a preliminary map?

Mr. MILLER. Congressman Shuster, I think that certainly within the next 18 months as the process evolves and what the next round of actual legislation is going to look like, then we will be able to get down to it and perhaps finalize that.

Mr. SHUSTER. I think it is extremely important, in terms of the timing here, that we have this so we can—we have a golden opportunity with the reauthorization bill that we will be dealing with next year. That is the time to do it. I would emphasize I think you will be able to see elephants flying up in the sky before this committee or this Congress lets anybody else draw such a map. We are very much anxious to see your recommendations and suggestions, but if a map is going to get drawn, ultimately it is going to be drawn by the Congress in consultation not only with AASHTO—and obviously the Administration would play a key role. I am getting concerned. We need to begin to see such a map so we can begin to deal with it if, in fact, we are going to do that.

I am quite excited about the possibility of doing that in this authorization. I think it can accomplish many, many things, including persuading some of our friends downtown that it is time for the Federal Government to get with it in terms of helping the States do some of the wonderful things that we all know need doing.

Mr. JUSTICE. Mr. Chairman and Mr. Shuster, just to respond to that, AASHTO, from its perspective, stands ready to work with you to a conclusion to your satisfaction. It is an issue that will be hotly debated wherever we go and with whomever we are working.

The Federal Highway Administration obviously needs to play a significant role in this. We believe that we, as transportation heads of the States, need to play a significant role. Far be it from me to argue with Congress on what its will is. And so if we are asked by Congress to get that job done, we'll get it done.

Mr. SHUSTER. The starting point is a map, fellows. [Laughter.]

I want a map.

Mr. RIVES. I think we ought to give you one, Mr. Shuster. When we started this we looked at the interstate system, and then there is a category of highways known as the principal arterials. We thought at first that a combination of the interstate system and the principal arterials might come close to defining such a system. However, as we looked deeper into the principal arterials, the total combination of the interstate system plus the principal arterials amounted to, as I recall, some 180,000 miles.

Mr. MILLER. That's correct.

Mr. RIVES. We also found out that there wasn't too much definition of the principal arterials, and States even more aggressive about principal arterials had a lot of mileage; other States that weren't aggressive had very little mileage on the principal arterial system.

So it became apparent to us that there would be no reasonable distribution of the mileage if we took that at first-brush easy way to do it. But it needs to be done. We agree.

Mr. BEST. Let me add, Mr. Shuster, that I think we definitely need a map. That is very understandable. But we also have to think about a different kind of a map than we have historically thought about in the sense that certainly in some of our urban areas if a map means a highway line we are not going to be able to address that transportation problem in that area on that highway line. We have to look at it in terms of balancing the movement.

So while we go through, for example, a corridor and identify the corridor, if we look at that as being a specific roadway within the corridor that is out of date for us now in many of the urban areas. We need to have that map both identify routes where routes are important and identify investment corridors where that is more important, particularly in the urban areas.

Mr. SHUSTER. Thank you.

Mr. MINETA. Mr. Bosco.

Mr. BOSCO. Thank you, Mr. Chairman.

I have listened with great interest to the panel and thank each of you for being here.

I am concerned as much with how we distribute the money in the next reauthorization as with how it is used—how efficiently it is used. I wonder if I could pick up on a point that Mr. Rives touched on.

Eight years ago I broke the ground for the Cloverdale Bypass in my district which is a major road project. Not another spade of soil has been broken on that project since the one that I took out of the ground.

We had a demonstration project in the last highway bill that was needed by the area, would have taken traffic off of our major freeway. Nothing has been done on that.

The Century Freeway—back when I was in the legislature we were getting started on that and all kinds of housing issues came up and environmental problems. One can only imagine what that has cost in terms of delay.

In the first two instances it wasn't the funding that was the problem; it was all kinds of groups and law suits and vernal pools and historical structures and virtually the entire panoply of everything you can imagine stopped these projects.

How much does this cost you all? Is this something we should consider in this reauthorization that when we go to build a project let's build it and not take five or ten years of delays on all these things? What percentage would you say of your highway money gets eaten away by delay and by excessive reporting and regulation and such things as that? I know you don't have a specific percent, but what could be your guess?

Mr. BACKES. Well, Mr. Congressman, I can't give you a specific figure, but I have been complaining about this. I am fairly new as

a highway administrator. I only came in a year ago. But the regulations concerning fish and wildlife, archaeological, historical, DBE, is simply over-running the department. We have got archaeologists on board which we didn't have a year ago. We have got biologists on board. We have got a big civil rights division and DBE division. I would have to guess that we are eating up—not counting time loss—from 10 to 25 percent of our budget to meet some of this stuff. That is a wild guess.

Mr. BOSCO. Mr. Best, I would be interested in your answer.

Mr. BEST. Well, speaking of budget, I would say project costs could easily run 25 percent in terms of delays that are encompassed in that. The problem—I think you have put your finger on it, Mr. Bosco—is what is happening is the difficulty in getting down and deciding what to do. Once we know what to do we can turn these projects out. I have got some recent examples of that because of our recent shake-out in California.

Down by Watsonville the Strew Slough Bridge that went out, we built two parallel bridges, each 300 feet long, to replace the Strew Slough Bridge that washed out. That took us less than three months to design from scratch and construct those two parallel bridges. Normally a project of that magnitude would have taken us five to six years. We wouldn't have used the expedited processes and everything at the end, but out of that five to six years, the first four and a half years would have been deciding exactly what kinds of bridges to put in and where to locate them and how to do that through the processes that are there.

We frequently find complaints now from local governments that will come to us and will say, "How soon can you get that done." We say we are studying it. They will say, "Really, in our community there is only one acceptable route. You simply can't have it." We say, "We understand that, but we have to study all of the alternatives, even when, in essence, you get a community coalition together and virtually everybody can agree to it."

Now, in some areas, like the Cloverdale Bypass, your community will split out as to where and exactly how it is going to be built and what sort of environmental consequences are there. But even when it is not split out and you are not facing potential law suit, going through the processes and the Federal review processes that go all the way back to Washington, DC, frequently can take many, many years, and it easily will cost you 25 percent in cost escalation during this period of time. In some projects, like the Century Freeway, for example, it was quite a bit more than 25 percent.

Mr. MINETA. Would my colleague yield on that point?

Mr. BOSCO. Yes.

Mr. MINETA. You cited a special example, First of all, was that a problem caused by the earthquake? So you had a 180-day period in which to get the work done and in which 100 percent is going to be paid for by the Federal Government. So if I were in that circumstance I would bust bones in order to get that thing done right away, too. [Laughter.]

Mr. BEST. That's right. The difference is, of course, that we didn't have to go through the full processes that we normally have to go through to develop alternatives because we are on an emergency basis. But it does demonstrate you can get major facilities in place

in very brief periods of time, which I think is the issue you were concerned about.

Mr. RIVES. Congressman, I think the worst cost and the worst effect of these delays more than money is the frustration, the lack of use of the facility by the people who need to use it in terms of delay time, in terms of injuries, in terms of accidents. Actually, if we had money running out of our ears it would be more costly, because right now if a project dies or a project is deferred I have plenty of projects that I can pull back and use that money. I use that money at today's inflation costs in terms of dollars to build a mile of road.

And then later on, as that project gets off center two years or three years, I'm building it at a higher cost, yes, but I have built some other projects that were scheduled for that time at a lower cost—at today's cost.

So in terms of finite dollars, in terms of cost per project, yes. But I think in terms of finite utilization of dollars, if you can manage your program so that you never let any money sit idle, the worst effect of these is the frustration of getting it done, getting it over those regulations, jumping through the hoops, waiting for a judge to set the trial date, and these types of things.

Mr. JUSTICE. Mr. Chairman, if I might?

Congressman Bosco, if you have gotten the impression that you hit a nerve, you are right. It is one that is very frustrating for us as public officials in the transportation world.

Congressman Shuster is well aware of one that went on in Southeastern Pennsylvania for over 25 years, where we ultimately, I think, over the next year or two, are finally going to get what is called the Blue Route up in the community that he and I are both familiar with.

It is not possible to measure the cost of that delay. The traffic has grown so much since that time and caused so much inconvenience to all the people that use it, it is almost unconscionable that acts like that can happen. But the fact is that the laws are in place that require us to go through that process.

I will offer that everything that has been said is accurate. I will expand on it by telling you that it is not just the frustration but it is a time loss, for to produce an environmental impact statement to the satisfaction of those that must review it and accept it and then stand the test of court, is in the three- and four-year time frame no matter what you do. It takes us, from the time we conceive a solution to a problem to the time we start the construction, seven and eight years—and sometimes much longer.

You wonder why the public is so frustrated with solutions coming in the transportation field. Well, it is because of those restrictions that are built into our system.

Now, I recognize that those people that built those restrictions in had good cause for what they are trying to do, but I sometimes question the rigidity with which they are applied.

A case in point is wetlands that we have all faced over recent history. I have started a project in my community that has been in the books now for about 15 years. We finally got it underway, built part of the project on both ends, got to the middle of the area that was tying me up, built a bridge across it because I felt I could do

that. We discover wetlands that weren't identified previously. The rules changed along the way.

I am told that I not only have to go back and start the process over with the new rules, but I have to then do exactly as Director Best has said and study the alternatives. Three of the four alternatives that I might use wouldn't use the bridge. Now, that is just not acceptable, but those are the kinds of issues we are faced with as public works officials.

I don't know the answer to the problem, but if you hit on a nerve you really touched on one this morning. It is difficult for all of us.

Mr. BOSCO. Well, it is interesting to me, Mr. Chairman, that we are talking about the possibility of requiring State and local governments to put up a bigger match, and I hear out here 20 to 25 percent of this money virtually being wasted in this process-oriented aspect. We wouldn't need the local government and the State to put up any match if we could save that 25 percent.

I would encourage our subcommittee, as we proceed, to focus on this very issue. Obviously we are never going to—nor would we want to—not consider some of the more important environmental and cultural aspects, but the nitpicking and the extreme to which this has gone I think is a disgrace, and not only a moral disgrace, but one that appears to be costing $20 billion to $25 billion in a bill of the size that we are contemplating.

Thank you.

Mr. MINETA. Mr. Payne.

Mr. PAYNE. Thank you very much, Mr. Chairman.

I would also like to thank all of you at AASHTO and Mr. Best with the Crescent Council and Mr. Backes for the testimony that you have provided. Clearly you have done months and months of work to come to the conclusions that you have come to, and it is extremely helpful to us as we look at reauthorization.

I would like to first say I would like to associate myself with Mr. Bosco's last remarks. I think that they were excellent.

Also, I would like to touch on another aspect that I think is very important in terms of the implementation—Mr. Rives touched on it in his testimony—having to do with research.

When I was in engineering school studying civil engineering in the late 1960s I know there was a lot of research being done by AASHTO and other groups. The AASHTO standards, of course, were extremely important, and that research work was very, very important.

It seems that now that we are doing so little of it—and I was not aware that we were doing so little of it—that we could invest more dollars in research and reap great rewards from it in terms of being able to build more affordable highways and secondly, in terms perhaps of solving other problems that we deal with in our society—recycling, for instance. There has been discussion about the recycling of glass and how that might become an aggregate that could be used in pavement design and so forth.

I think there are a number of things that could be done with more effort and more resources in research.

I have two questions for the panel, and I am also interested in what Mr. Shuster asked about earlier. Without the map—and I understand we won't have the map today, and certainly that is the

thing that we most need—but, to better conceptualize the plan, you mentioned in the categorical highway program that the new highway system of national significance would be larger than the present 44,629 miles of interstate, but smaller than the 303,698 miles of combined interstate and Federal aid primary systems.

Could you, for us, give us a little bit better handle on what that number might be so that we could better understand more precisely what is being proposed to us?

My second question then would be the percentage of funds that you might see going into this category versus the flexible category of State and local funds.

Mr. JUSTICE. If I may, I'll start, Mr. Chairman.

I guess we would offer that an appropriate highway system of national significance should be something in the 140,000 to 160,000 mile range. That is just a rough number. If you tied me down I would probably tell you we were looking at somewhere around 145,000.

However, knowing a little something about legislative bodies, if, in fact, that map is drawn over here it may look like a reapportionment map. If that is true, we might negotiate it upwards. I'm not sure where we might go. However, I understand the need and desire, and we will certainly try to fulfill that request.

But I think you can offer that it is something in the 140,000 to 160,000 mile range as the appropriate number where we ought to be.

The funding is spelled out very clearly in our proposal, so let me let the task force chairman talk about it. Charlie?

Mr. MILLER. Well, Mr. Chairman and Mr. Payne, we have gone about it in a manner that is not to this point driven by a specific target number of miles, if you will, but rather interconnectivity of the system beyond the interstate highway system and cleaning up, if you will, of the existing primary route mileage.

As Mr. Rives testified earlier, the appropriateness, if you will, in today's world of the existing primary mileage as you go from State to State varies significantly. A lot of States have a lot of miles on the system for a specific purpose; other States have been very restrictive in that regard. So there needs to be, without doubt, a realignment.

But also, more importantly than that, I think the significant thing is the ability to achieve a system on that map that can address those areas that have evolved and emerged since the existing interstate system was designed and laid out in the 1940s and 1950s. Society has significantly changed in its needs for movement of goods and services and people have changed significantly over the last 30 to 40 years since that system was conceived. That has to also be taken into consideration.

So rather than try to target on a specific number of miles, we have purposely tried to stay away from that. Obviously, we have tried in our first iteration at it to look at a specific window of miles. But I think we have to go at it from the connectivity of the system. Continuity across borders and between regions I think is extremely important, and that is what we are trying to do in our first phases of it.

Mr. PAYNE. Mr. Best.

Mr. BEST. Could I just add one thing in terms of what goes on? Quite frankly, one of the big concerns is that if you don't know what is going to drive the funding formula, States are very reluctant to start talking about what is in the system. If the funding formula is going to be based 55 percent on the number of miles in the system, you are going to have States justifying all kinds of miles. If it is going to be based more like 20 percent on the number of miles of systems, you have the States justifying another set of miles. That again falls back on the concern that I expressed earlier that we would like to make sure the funding formula doesn't distort the system—that the system is driven after need.

I think any State could provide you with a map quite quickly if it knew the parameters and if it wasn't afraid it was going to shoot itself in the foot by coming up with a good, honest, solid system that was driven by some key Federal priorities like interconnectivity of economic centers and inter-linking other systems and high capacity and so forth, and then find out that the number of miles is going to control, to a large extent, the amount of dollars that come out and it shoots itself in the foot by giving and honest system proposal.

So I think that is part of one of the reasons the States have been a little reluctant to rush forward with a map, because they aren't sure what is going to happen after the map is there with regard to the allocation of dollars.

Mr. PAYNE. And I guess that is the same thing that I am looking at and trying to understand, too, as we understand this plan—the relationship between the miles of road and the funding formula, and so forth. But if we can assume for a minute that roughly 150,000 miles or so are in this first category, what would that say about the division of funds? Is that then a 60/40, 70/30, 80/20?

Mr. MILLER. Mr. Chairman and Mr. Payne, our initial work in our task force in AASHTO assumed approximately a 50/50 split between what we called our categorical system, highway system of national significance, and the more rural and urban type facilities that would be eligible under what we entitled our flexible program.

Mr. PAYNE. And that was based on roughly 150,000 miles in the first category?

Mr. MILLER. Yes. But, Mr. Chairman and Mr. Payne, we did not attempt at this juncture to develop formula or tables that would distribute funding based upon miles.

Mr. PAYNE. But in order to come up with the 50/50 I guess you made some assumptions about how many miles would be in the first category?

Mr. MILLER. Well, Mr. Chairman and Mr. Payne, it was based upon the concept that we would be in a window of miles somewhere between 150,000 and 200,000 miles—some fairly broad window of miles.

Mr. PAYNE. And so since this is at the bottom end of that window, then the 50/50 pretty much might apply in this hypothetical situation which I am asking about?

Mr. MILLER. That is correct.

Mr. SHUSTER. Would the gentleman yield?

Mr. PAYNE. Yes.

Mr. SHUSTER. It would seem to me that the solution to the funding problem is to not do it by formula. Do it the way we did the interstate system, which is define what the needs are and then, having done that, provide the funding.

Mr. RIVES. If I could respond just a little bit more to Mr. Payne and then to you, Mr. Shuster, actually, recognizing that there would be differences between the States as to the needs for the highway system of national significance and the flexible program, we recommended that within each State you could transfer from one to the other up to 10 percent. If a State had more needs on this highway system of national significance, they would have the authority to move up 10 percent. If they had problems in the other area to fit their State conditions, they could move down 10 percent. That was simply an attempt to recognize the difference that you might find in the various States.

I have a very large urban area and the rest of my State is primarily rural. That condition can be completely different in a State where you are primarily urbanized and you need more money in your urban system.

So we have that 10 percent float up and down between the two as a part of our recommendation that ought to be looked at.

Mr. PAYNE. So when you say the 10 percent float, that means you could go from a 60/40 split to a 40/60 split?

Mr. RIVES. Yes, sir. You could go from 40/60 to 60/40 between the categories that help bridge the differences between these States.

Mr. PAYNE. Thank you very much.

Mr. RIVES. Mr. Shuster, with respect to that, I believe we would all shy away from it being based upon needs. As a State administrator who has been involved in the interstate highway system from its inception, we played a lot of games with needs in order to get our estimate and increase our allocation of interstate funds. It was always a battle between us and the Federal Highway Administration pushing the needs up, pushing the needs up, adding things to it, and them batting it down.

If you have a real liberal Federal highway administrator you had a lot of needs; if you had a real tight, hard-nosed Federal highway administrator you didn't have so much needs in that interstate cost estimate. There is a lot of subjectivity in that and it ought to be more based upon population.

Mr. Baucus said that you can't base it on use alone because there is an inherent cost in having that system there. The combination of lane miles, vehicle miles of travel, and some measure of the heavy truck usage where it has diesel fuel sales, something that is a measure of truck usage. There is a combination of all those three. How you are going to weigh them we do not know yet. But we would rather see it based upon those type of parameters than just needs.

Mr. JUSTICE. If I might, Mr. Chairman, I would like to expand a little bit and clarify something for Congressman Payne. I wouldn't want us to mislead anyone here.

The 50/50 split that we proposed with the 10 percent float either way is based on the numbers in our proposal—that is to say that

the $18 billion to $26 billion that we have offered as the needs of our funding level.

Mr. MINETA. Mr. Justice, I thought it was a 20 percent float. Or are you saying it is 10 percent up or 10 percent down, therefore it is a 20 percent differential?

Mr. JUSTICE. That is correct.

Mr. MINETA. Okay.

Mr. JUSTICE. It could be as much as a 60/40 either way, which creates a 20 percent level, but it is a 10 percent float.

But if funding levels—and you touched on this, which is why I respond. We are very interested and hopeful that something like this might happen. If funding levels were to be different than those numbers, we would want to take a look at this again. That is exactly how we would play.

Mr. MINETA. If you take a look at the Secretary's announced national transportation strategy where they want to reduce the total expenditure by trying to come up with a different match or a different mix of ratios to use the Federal funds to leverage State and local government funds. To what extent, does that bias you, a State transportation director, in terms of where you are going to be spending your money on highways and/or mass transit projects? Does it bias your decisions?

Mr. JUSTICE. It certainly does.

Mr. MINETA. Now how do we lay that template over the needs identified by Mr. Backes? We may be putting dollars in areas where the needs aren't, simply because we provide a higher Federal share.

Mr. JUSTICE. It has the potential of creating exactly that scenario.

Mr. BEST. Mr. Chairman, we would think if the matching ratios that are going to be reduced are going to vary from program to program it would—as a minimum, it should be applied on a program basis and not a project basis. In other words, if a State invested so much in a program, it would qualify for the Federal dollars. But when you do it on a project basis, project-by-project, it definitely biases you to select the project that has a higher match ratio or a higher level of Federal participation.

I think it was mentioned a little earlier that even the flexible program would be expected to be expended predominantly in support of the highway system of national significance. That is what gives you the capability if you are not going to add another lane to a freeway but you are going to upgrade an arterial and those arterials are not on the highway system of national significance, then you can expend those funds out of your flexible program that will benefit the highway system of national significance and perhaps do a better job than actually spending dollars on that particular route, itself.

That is, again, why they are seeking that concept of flexibility and be able to make the best choice of decision without regard to matching ratios and to emphasize, again, that the flexible program still is in support of the Federal program and the Federal system.

Mr. MILLER. Mr. Chairman, if I might, very quickly, that is exactly the reason that our proposal from AASHTO has indicated matching ratios should remain about 85 percent and 15 percent.

Mr. MINETA. Mr. Payne, do you want to continue? I appreciate your yielding.

Mr. PAYNE. No. That is fine, Mr. Chairman. Thank you very much.

Mr. MINETA. Well, let me try something here. Under the AASHTO recommended funding levels, $17.6 billion in fiscal year 1992 increasing to $25.9 billion in fiscal year 1995 for the Federal aid highway program, would this require an increase in the motor fuel user tax in order to maintain these levels of expenditure beyond fiscal year 1995?

Mr. JUSTICE. Mr. Chairman, the answer is pretty clear. I think I covered in my opening statement that there is sufficient money on the balances in the trust fund to cover the first two years at our recommended funding levels. We believe that to be accurate. However, beyond those two years it clearly needs additional revenues.

We stand strongly in support of it and are prepared to work with this committee to try and help achieve it.

Mr. BACKES. Mr. Chairman, I would just add that obviously the AASHTO proposals didn't have to go through OMB. [Laughter.]

Mr. MINETA. Very well said.

Okay. Thank you very, very much to all the panel members from AASHTO and the Crescent Coalition and the Bread Basket Coalition.

Mr. JUSTICE. Mr. Chairman, may I——

Mr. MINETA. Yes, Mr. Justice.

Mr. JUSTICE. Before we close I want to clear something up because we purposely structured this panel to allow for all those diverse views that you hear to be heard. But I want to make it clear that this is AASHTO sitting at the table. All of these members are supportive of and we stand as one to work with this committee in representing transportation and a better transportation system for this country.

Mr. MINETA. Again, thank you very, very much.

[Mr. Justice's prepared statement appears on page 336.]

[Mr. Rives' prepared statement appears on page 395.]

[Mr. Charles Miller's prepared statement appears on page 375.]

[Mr. Best's prepared statement appears on page 285.]

[Mr. Backes' prepared statement appears on page 266.]

[AASHTO documents retained in subcommittee file: "Keep America Moving; THE BOTTOM LINE. A Summary of Surface Transportation Investment Requirements 1988–2020." By Transportation 2020; "Highway Safety Strategic Plan 1991–2000"; "Keep America Moving; INNOVATION. A Strategy for Research, Development, and Technology Transfer." By Transportation 2020; and "New Transportation Concepts for a new Century." By Transportation 2020.]

Mr. MINETA. Recognizing that we have an airplane schedule to maintain here, I would like to call forward at this time for his presentation the chairman of the Highway Division of the Associated General Contractors of America, Richard N. Moseman.

Mr. Moseman, please come before the committee. We will go ahead and enter the whole statement in the record. If you would like to summarize and proceed in your own fashion, that would be fine.

TESTIMONY OF RICHARD N. MOSEMAN, CHAIRMAN, HIGHWAY DIVISION, ASSOCIATED GENERAL CONTRACTORS OF AMERICA, ACCOMPANIED BY DAVE LUKENS, DIRECTOR, HIGHWAY DIVISION

Mr. MOSEMAN. Thank you.

Mr. Chairman and members of the subcommittee, my name is Richard Moseman, the Highway Division Chairman of the Associated General Contractors of America. I am accompanied today by Dave Lukens, the Director of AGC's Highway Division.

AGC appreciates the opportunity to express its views on the major issues facing the nation in surface transportation. AGC applauds the subcommittee for scheduling these hearings and getting on with the important task of reauthorizing the nation's highway and mass transit programs.

Today I will briefly summarize AGC's written testimony on the major issues of the future legislation.

AGC believes the transportation infrastructure is at the very heart of what makes this country thrive and prosper. Unfortunately, some tend to take our transportation system for granted until the system starts to break down. There are already signs our highway system is breaking down: many portions of the interstate system are in need of repair and reconstruction, nearly 50 percent of the nation's bridges are structurally deficient or obsolete, and congestion on urban freeways is increasing at an alarming rate. AGC believes the problems are approaching crisis proportions.

In the past year we have seen a number of issues take the spotlight—clean air, the savings and loan crisis, and cleanup of the nation's atomic weapons plants, just to name a few. All are very important issues that the Administration and Congress are trying to address. AGC believes that the transportation infrastructure crisis should join those issues on the national agenda.

Even in the current budget environment, if we can find several hundred billion dollars to bail out the ailing savings and loan industry, then surely we can find the resources to address the nation's crumbling transportation system and actually use the transportation trust funds for their intended purposes.

The construction industry stands ready to work with the Congress, Department of Transportation, and the State highway officials to address the problem; however, the Federal Government must assume the necessary leadership role to promote adequate transportation capital investment by all levels of government to meet the demands of the future.

AASHTO has done an outstanding job of analyzing the future transportation needs of this country in developing a policy framework to address those needs. While they are in a much better position to discuss their findings, AGC would like to lend its endorsement to their policy recommendation which calls for a significant increase in Federal funding for highways.

AGC believes their recommendation reflects the judgment of transportation professionals that face the nation's transportation problems every day. AGC believes AASHTO's proposal provides a sound basis on which to begin discussions and build the future legislation.

The challenges facing the country in transportation are immense, but not insurmountable. The existing Federal programs are basically sound, providing a solid framework to address the challenges of the future; therefore, AGC believes there are a number of important concepts of the current program which are critical to the success in the future. These include the following:

User fees, trust fund concepts. AGC recommends that Congress continue the concept of user-fee financed trust fund to support the nation's Federal aid highway program.

Maintain the gas tax for transportation purposes. AGC strongly urges that the Congress continue to reject proposals to increase the gasoline tax for deficit reduction or non-transportation spending.

The open competitive bidding system. AGC strongly urges continuation of the time-tested open competitive bidding system with contracts publicly advertised, bids publicly received and read aloud, and contracts awarded to the lowest responsive and responsible bidder as the means of contracting for Federally-assisted highway construction.

While the current program has generally worked well, there are a number of areas which AGC believes need to be changed. They include:

Budgetary treatment of the transportation trust funds. AGC continues to endorse the House Public Works and Transportation Committee's initiatives to take the transportation trust funds out of the unified budget process and spend the trust fund balances for their intended purposes.

Special preference programs. AGC urges the Congress to sunset the current DBE program which results in a denial of subcontracts to many individuals because of their race, gender, or national origin. Instead, the Congress should explore a means of promoting the participation of disadvantaged business enterprises in the Federal aid highway program that will not be subject to Constitutional challenge.

In closing, AGC acknowledges that the Congress faces a tremendous challenge in balancing interest in the future legislation and stands ready to work with the Congress as it develops solutions to the nation's transportation infrastructure crisis.

The immediate challenge is to make transportation a top priority on the national agenda. Only then can a common political will be mustered to begin to address our critical transportation needs and ensure the future economic growth and competitiveness of the nation.

I thank you.

Mr. MINETA. Thank you very, very much, Mr. Moseman.

Under the Federal aid highway program, construction of each project should be performed by contract awarded through competitive bidding. However, the Federal Highway Administration has indicated a desire to explore alternatives to the standard competitive bidding process as part of an experimental program.

What effect would implementation of the negotiated contract award process have on the highway construction industry?

Mr. MOSEMAN. This thrust apparently has appeared because of some complaints over project quality, timeliness, and this type of thing. But we believe—and we have discussed it very thoroughly—

that improved plans and specifications, pre-qualification of contractors, pre-bid conferences, and adequate inspection can accomplish the shortcomings that some people perceive. But we think there is no substitute for the most construction for the dollar by going to competitive bid systems, and we certainly strongly support maintaining that same position.

Mr. MINETA. I agree with you that the evidence is clear that our deficient investment in the infrastructure is having a negative affect on the future of the nation's economy. Does AGC propose to increase user fees to support the AASHTO recommended highway spending levels of $17.6 billion in fiscal year 1992 that increases up to $25.9 billion in fiscal year 1995?

Mr. MOSEMAN. AGC supports increased highway funding. We don't stipulate where it will come from, but we anticipate it would be from user fees that—we definitely support this—could be used for transportation purposes. We also would support the release and expenditure of Highway Trust Funds now held back for budgetary consideration.

Mr. MINETA. Very well.

Mr. Shuster.

Mr. SHUSTER. Thank you, Mr. Chairman.

I really don't have any questions. I just very much appreciate your testimony. I think I know clearly where AGC stands.

Thank you.

Mr. MOSEMAN. Thank you. We appreciate all of the support all of you on the committee have given to the construction industry in the past.

Mr. MINETA. Again, I want to thank you very, very much, Mr. Moseman, for being before us. We will see you in San Francisco in a couple of weeks.

Mr. MOSEMAN. I thank you for the opportunity to appear and present our testimony.

Mr. MINETA. Thank you.

[Mr. Moseman's prepared statement appears on page 384.]

Mr. MINETA. At this time let me call on Lawrence D. Dahms, Executive Director, Metropolitan Transportation Commission, San Francisco Bay Area, and Vice Chairman, Steering Committee for Transportation Advocacy, National Association of Regional Councils.

Larry, your statement will be placed in the record. Please proceed in your own fashion.

TESTIMONY OF LAWRENCE D. DAHMS, EXECUTIVE DIRECTOR, METROPOLITAN TRANSPORTATION COMMISSION, SAN FRANCISCO BAY AREA, AND VICE CHAIRMAN, STEERING COMMITTEE FOR TRANSPORTATION ADVOCACY, NATIONAL ASSOCIATION OF REGIONAL COUNCILS

Mr. DAHMS. Thank you, Mr. Chairman and Mr. Shuster.

I am Larry Dahms, Executive Director of MTC, the MPO serving the San Francisco Bay Area. I appreciate the opportunity to appear before you today. My full statement has been presented to your committee for the record.

I speak on behalf of the National Association of Regional Councils' Transportation Advocacy Group. The Advocacy Group is a special organization of NARC. We have come together to advocate the interests of those regional councils that are designated as metropolitan planning organizations—MPOs.

Our immediate mission is to address the challenges and opportunities in reauthorizing the Federal Aid Highway and Transit Acts. In this regard, over the last three years we have examined the scope and nature of our transportation needs and the necessary Federal response to help the State and Federal Governments address those needs.

We did participate in the transportation alternatives group—TAG—that has been referred to earlier today by some of your other witnesses. There were 12 public and private interest groups involved, and some surprising progress made there. We were happy to be a part of that.

I would also like to relate the thrust of NARC's conclusions as part of a general response to the Administration's proposal by comparing our vision of the future in some sense to theirs and to the positions of some of the other public interest groups.

First, I think it is useful to applaud Secretary Skinner for his success and leadership in elevating transportation to the Administration's list of priorities. He certainly deserves credit for initiating the transportation policy process which produced a comprehensive statement of the entire transportation infrastructure.

While we, like others, may have quarrels with parts of that policy statement, we do find the cup is more than half full and something to build upon.

We generally share the Administration's views of the identification of our surface transportation problems, the connection between transportation investment and economic productivity, and the adverse economic consequences from further failure to address these transportation needs.

We do part company on two fundamental aspects of the vision for the future Federal aid highway and transit program, and that has to do with Federal financial responsibility or the level of that responsibility and the fixation on the so-called systems of national significance.

I think here it is important to look at that in terms of the definition and extent. It was interesting to hear your witnesses from the AASHTO panel—in particular, Mr. Best's comments relative to the corridors within urban areas, because in a sense it is getting to the point where there are nuances of difference, I think, in some of the things we are saying.

You were advised by the AASHTO panel that a problem with defining or putting the lines on the map had to do with whether the number of miles on the map would relate to the size of the allocation, and that was difficult, not knowing what that formula might be. I think in our case there is a second problem, and that is having those lines put on the map in urban areas in overly rigid ways and not giving us the flexibility sometimes to spend the money better on parallel arterials. The concept that Mr. Best described I think might be a way of bridging that problem.

Just two years ago, though—getting back to the resource question—the National Council on Public Works Improvement, as you know, concluded its transportation sector need and indicated that a doubling of the investment in our infrastructure is needed, and it called for a restoration of Federal Government financial participation to historic levels.

In 1988 the Federal Government contributed only a quarter of the total investment by governments in highways and transit, an historic low. And State and local governments have, in fact, been taking up the slack.

If I can take my own Bay Area as an example, the Federal Government contributes less than 20 percent of our transit budget of more than $1 billion annually. More than 80 percent does come from local sources—sales taxes, bridge tolls, local general funds.

On the State highway side—and I think we may be unique in the country on the State highway side in that more than half of our five-year program for the State highways—I'm talking about primary and interstate highways—are financed by local revenues. More than half.

The Administration's proposal to redefine the Federal financial responsibility by shifting more of the financial burden to State and local governments represents a further erosion from this responsibility.

Now, the intent, as I understand it, is to get local government to put up more resources. Maybe that is something that is required elsewhere in the country, but I must say that we are stretched, I believe, as far as we can stretch with local resources in our case. Therefore, we do have to ask Congress to move beyond this proposal and to spend down the balances in the transportation funding as a starting point. And then we urge Congress to go the next step and enact an increase in Federal motor vehicle fuel tax.

Turning from the resources to the substantive program and process proposals, here again we have share many of the concerns and ideas that were expressed in the Administration policy. We are in agreement relative to the need for greater flexibility. We are certainly in agreement with the acknowledgement that our transportation infrastructure has to be an integrated system. The recognition of the need for systems management techniques as a condition of funding highway and transit project approvals is certainly one that we support.

We appreciate also the recognition of the need to strengthen the planning and the programming prioritization role of MPOs to ensure integrated transportation systems, to coordinate land use in transportation investment decisions, to organize effective programs for attaining air quality goals, and other national objectives.

We share also the recognition that transportation is vital to the nation's economy. Our metropolitan regions are the economic building blocks of the nation's economy, and we believe the Federal Government has a fundamental role in preserving and sustaining their economic health.

But today the health of our metropolitan regions is increasingly threatened by congestion. The national transportation policy clearly recognizes congestion and rural access as national problems, but seems to diminish the Federal responsibility in addressing this fun-

damental national problem. Under the Administration's plan, Federal transportation resources would be focused on facilities of national significance—the interstate and its follow-on, according to the Secretary.

But if congestion is a national problem, it cannot just be solved by widening of interstates, by upgrading principal arterials to interstate standards, or by building bypasses.

Mr. Chairman, we believe that to deal with congestion we need a metropolitan system program that will focus resources on an integrated metropolitan transportation system, and we need to have the flexibility to employ a combination of strategies—highway strategies, transit options, HOV lanes, and more effective systems management techniques.

When we propose a metropolitan systems program we are not talking about a block grant, but rather a program to assure resources are directed to metropolitan areas for use on designated metropolitan systems.

Simply put, a non-interstate system can be as critical as an interstate. The transportation system must be integrated; therefore, the resources ought to flow where they can fulfill economic needs and potential rather than to an artificially-defined national network deemed to have special significance.

Here again it is interesting to note a comparison of our concept with that of the Crescent Coalition. In seeking a measure of accountability, they talked of four plans like a congestion management plan, pavement management plan, and so forth. Our view is that that accountability can be obtained by focusing all of these four ideas into one plan.

Mr. Chairman, Secretary Skinner used a very interesting and ironic anecdote as an opening to his presentation last Thursday. He told the story of a young Northern Virginia mother who commutes several hours per day mired in congestion on an urban interstate. In so doing he acknowledged that congestion is of national interest, and we are grateful for that.

Another point, however, is that the interstate system was not designed to serve our nation's commuters, as such. It was designed to serve inter-city travel. You can usually travel easily between metropolitan areas, thanks to the interstate. But once you get within the metropolitan area you have a problem.

An inadequate investment in urban transportation systems, coupled with an almost exclusive Federal focus on funding the interstate, has forced a reliance on that system within metropolitan areas.

So I end as I started: while there are, indeed, good aspects of the national transportation policy and of the seeming coming together of many of the interest groups, we believe there are still two steps that are critical, and one is to recognize the need to provide additional revenues and, secondly, to have a real strategy to solve the chronic problems of congestion and rural isolation.

So thank you, Mr. Chairman and members. I appreciate the opportunity to testify and would be happy to answer any questions.

Mr. MINETA. Thank you very much, Mr. Dahms, for a very fine statement.

I really agree with the statement that you make at the bottom of page three of your testimony that the interstate was not designed to serve our nation's commuters, but designed to serve inter-city travel. As you say, once you get to the metropolitan area you get the problem.

Under the proposal to establish a metro system to relieve urban congestion and provide rural access, would NARC support a pass-through of Federal funds to the local governments? And, if so, which local entity should be the recipient of those Federal funds?

Mr. DAHMS. I think, first, we have to—going back to the lines on a map question. The system of national significance, whatever it turns out to be, needs to have on the lines on the map that connect the metropolitan areas. Within the metropolitan areas we can have the corridor definitions, as was suggested to you earlier.

Ultimately, though, there has to be a plan that shows what is in those corridors. Are we widening the freeway? Are we improving an arterial? Are we building a busway? What are we doing? That is the metro system plan.

Once you have that, the ownership of the several facilities may vary. Cities may own arterials, counties may own arterials, transit districts may be involved in the rail program, and, of course, the States. The backbone will still be the State system.

I think that we should be able to have a transportation improvement program along the lines of the one that we have now except that the funds could be prioritized and spent by whoever owns the facility. So it would go back to the entity that is now responsible for the facility, but the plan would have to show which entity it goes back to.

Mr. MINETA. The subcommittee has received testimony that supports a commingling of transportation trust funds in order to provide flexibility to States and local governments to meet their transportation needs. Does NARC support an intermodal transportation trust fund approach as a means of achieving greater flexibility through employment of a combination of transportation strategies?

Mr. DAHMS. Yes, we do.

Mr. MINETA. Any thought as to how that might be structured? Or does that structure exist within law now?

Mr. DAHMS. I think to accomplish it we have to recognize that there are programs like the interstate that have to be sustained, and so that basic level of investment has to be taken care of on the highway side.

Similarly, on the transit side, the transit program has to be sustained, so a section 9 type formula is needed to continue to sustain the transit side.

But for capacity expansion there is a middle ground, and for that middle ground we ought to be able to invest in whatever is the most cost-effective investment. In order to do that, we do need a formula. There was a lot of talk earlier today about a formula. There needs to be a formula that provides a budget for the metropolitan system, and there needs to be a process for a consultation of the State and local governments in order to make decisions about how to best spend those monies.

I think you could readily build upon the Federal aid urban system formula as one example in order to be able to support such a decision process.

Mr. MINETA. But does that give you enough flexibility?

Mr. DAHMS. I think that——

Mr. MINETA. Let me ask not only about flexibility, but do the matching ratios skew the decisions for the transportation investments?

Mr. DAHMS. Very important point. The matching ratios, whether it is for the national system or for the metro system, should be the same. Again, if I look at the—I am pleased to see how some of these ideas are coming together because I read in the Crescent Coalition proposal the idea that the system of national significance should be fungible money with the metro system within metro areas. That is the same kind of proposal that we are making on behalf of NARC.

Mr. MINETA. If I were to ask Mr. Backes of the Bread Basket Coalition, which is more rurally oriented, now the same question, I'm not sure I would get the same response.

Mr. DAHMS. Well, I don't know what his response would be, but I think clearly we have to take care of the rural access needs, as well, and that is part of our program.

There are any number of discussions about how many categorical programs there should be. As far as NARC's proposal is concerned, there should be three basic ones, to which you may add some other things. But the three basic ones would be to sustain the interstate, to provide a metro system program, and to have a rural access program.

In dealing with the formulas for funding those three programs, hopefully the equity that has to be taken care of amongst rural and urban States and so forth can be taken care of.

Mr. MINETA. In addition to drawing down against the balances in the trust funds, has NARC any idea as to how much of an increase in the motor fuels tax it might consider supporting?

Mr. DAHMS. NARC has not picked on a specific number, but NARC does, as noted in our testimony, identify with the Council on Public Works Improvements estimate of a doubling of investment being necessary, and a doubling of investment could readily translate into as much as a $0.09 gas tax increase at the Federal level.

Mr. MINETA. Very well.

Mr. Shuster.

Mr. SHUSTER. No questions.

Mr. MINETA. Mr. Dahms, again, thank you very, very much for your very fine testimony. We appreciate it.

Mr. DAHMS. Thank you for the opportunity.

Mr. MINETA. We look forward to working with you.

[Mr. Dahms' prepared statement appears on page 318.]

Mr. MINETA. Now, we would like to call on Judy Wright, a member of the City Council in the City of Claremont, California, and Chair of the Transportation Commission of the Southern California Association of Governments—SCAG.

Judy is accompanied by Jim Gosnell, Director of Transportation Planning.

TESTIMONY OF JUDY WRIGHT, COUNCILMEMBER, CITY OF CLAREMONT AND CHAIR, TRANSPORTATION COMMISSION, SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS, ACCOMPANIED BY JIM GOSNELL, DIRECTOR OF TRANSPORTATION PLANNING

Ms. WRIGHT. Thank you, Mr. Chairman and Mr. Shuster. I am very pleased to be here today. For the past year I have chaired a committee of our six-county transportation staffs in developing a set of post-interstate principles. You have my longer testimony on the record, and it includes those interstate principles. I am going to summarize that testimony this afternoon.

SCAG is pleased to be here as you embark on this historical task of setting the national transportation legislative policy for the 21st century. SCAG, too, has been working, as I said, to establish regional transportation policy to take us into the 2000s.

In our regional mobility plan, which you also have a copy of, we have indicated a capital need in our region of over $40 billion in the next 20 years, and an equal amount of maintenance and operating costs.

The plan is aimed toward improving our mobility and improving the region's air quality. The cost, however, must be considered in the proper context of significant efforts to reduce the demand on the transportation system and to better balance land use and transportation decisions.

Based on the work we have done; the growth, mobility, and air quality plans that we have adopted in our regions; and the post-interstate principles we have developed, we would like to focus our comments on three issues this afternoon.

First, we believe that local government, acting through a strong regional process, is an effective mechanism for addressing metropolitan mobility issues. The MPO process should be reinforced. To strengthen that process, you should clearly delineate the decisions and accountability you are placing on MPOs. Principally, we believe that the MPO role would involve making decisions on priorities for the expenditure of flexible funds aimed at addressing urban congestion problems.

Second, Congress should direct its attention to metropolitan congestion as a significant national issue. We are very pleased to hear so many people speak to that today.

Congestion costs each of us in lost time and money, loss of productivity in the marketplace, and the loss of competitiveness in the fast-changing global economy.

An efficient and effective transportation system to move people and goods is in the nation's interest. To support this, we would suggest you recognize the metropolitan system in addition to national and rural systems and that funding be earmarked for that system. The funding, while earmarked, should be flexible so it could be applied to the best solutions for metropolitan areas.

For example, in our regional plans for Southern California, including the South Coast air quality plan, we feel much more emphasis needs to be placed on transit capacity and services than on highway improvements by a two to one margin as measured in capital costs.

Third, as you reauthorize the Surface Transportation Act you should work towards creating a level playing field so that Federal law, policy, or regulation does not give bias for one mode of transport over another. There should be common Federal matching requirements for transit and highway purposes. The single-occupant automobile needs to pay more of its true cost for the congestion and pollution it is causing.

Employers spend 57 times more on parking than on ride-sharing incentives. It is absurd for parking costs to be tax deductible to the employer and tax-free to the employee and transit passes over $15 to be taxed as regular income. H.R. 2265, sponsored by Congressman Matsui, would address a part of that issue.

You should look to local areas to come up with appropriate market incentives and pricing strategies to cause this level playing field to exist so that the individual can choose and pay for their mobility choices. Your act should encourage and allow for this to happen. We view market incentives an important tool, but we want to be clear that they should not replace the funding that you need to place on our services. They should augment existing public funding, not replace it.

Funding is a critical question. Despite significant local actions in raising funds, managing demand, and providing alternatives, there needs to be continued Federal financial support and involvement at least at the current levels, if not more. We do not, however, expect Federal funding to solve our problems and get us off the hook completely. Our plans must be and are based on significant local initiatives.

Federal policy must provide flexible money to facilitate our being able to make the best uses of available resources to stimulate those local initiatives and to promote intermodal planning and decision-making.

In our metropolitan areas we can no longer think about transportation as building facilities, alone. This is an important element, but not the only one. We have to think about mobility in a systems and comprehensive context.

Federal agencies must better coordinate their programs so that we do have complimentary objectives coming from Washington. Clean air and transportation is a good place to start. It is not just what and where to build projects, but how and when they are used and how to mitigate the impacts of those choices that must be made part of our decision-making.

Mr. Chairman, we would like to thank you for holding this hearing and for your support of transportation in our area and in the country. Thank you for letting us testify today.

Mr. MINETA. Thank you very much for your very fine testimony.

SCAG, of course, is the largest metropolitan planning organization in the United States. What provisions in urban policy provide for the construction of highways and mass transit projects that also provide the flexibility that is needed in Southern California to address the whole issue of congestion and air quality concerns?

Ms. WRIGHT. We think we have a good plan for the next 20 years that will allow us to build such a system if we can achieve the funding necessary. We have a rather ambitious rail program, as you know, that is on the way. We have a line opening in July. We

are now in the process of buying rights of way from the Southern Pacific and Santa Fe Railroad to have a commuter rail system. We are looking at market incentives as part of the Clean Air Act to allow us a measure that we can use for vehicle miles reduced. We are looking at systems management. Our plan includes demand management, systems management, and facilities, and we think, if funded, we can help to solve some of our congestion problems in California.

Mr. MINETA. From what I understand, SCAG has taken a number of innovative approaches such as assessing significant increases in parking fees and congestion charges on the freeways to encourage use of mass transportation alternatives. Now, what can we, at the Federal level, do to further build on the kinds of initiatives that you have undertaken?

Ms. WRIGHT. I think that the act, when reauthorized, can encourage these kinds of programs. We have also been working with Congressman Waxman on the Clean Air Act to include the congestion charges or user charges for the automobile as a measure to include in our region for air quality. I think any encouragement we can have from the Federal Government—we are not necessarily asking for prescriptive measures, although perhaps in looking at user charges you also may be looking at some of those programs.

Mr. GOSNELL. Mr. Chairman, I am Jim Gosnell. I think there are current restrictions on Federal roads on the ability to assess additional fees. You have begun to address that on certain toll road capabilities.

I am sure if we proceeded with congestion charges per se that we would probably have to look at the kind of restrictions currently on the books to change those so that we might proceed with that kind of approach.

Mr. MINETA. Isn't that one of the major arguments that was used originally against what is going to be on the ballot in California in June known as SCA 1 as related to the congestion management plan? Didn't that raise the ire of a significant part of our industrial or economic sector out there?

Mr. GOSNELL. Well, the congestion management plan question that was raised by a number of parts of the community was related to levels of service and if we would be able to maintain the level of service that was indicated in the law. If not, there was some concern that the law would preclude additional development from occurring.

There have been some amendments to the law, and I think those issues at least have been addressed for the time being. So there is still the support.

Ms. WRIGHT. Congressman, local government supports the congestion management plan as adopted by the legislature. I think it was the building community that was opposing it. I think a compromise has been reached.

But, to answer the question you asked before about whether local government could receive Federal funds that would help in congestion management, we see these congestion management areas as being proper areas to receive funds to help solve congestion problems in the area.

Mr. MINETA. Thank you very much, Ms. Wright and Mr. Gosnell, for your presence here today.

[Mr. Wright's prepared statement appears on page 421.]

Mr. MINETA. At this time let me call forward the Chairman of the American Road and Transportation Builders Association, Charles A. Machemehl, Jr., who is accompanied by Doctor T. Peter Ruane, the President and Chief Executive Officer of ARTBA. I see a dear friend of longstanding. I don't want to call him an old friend, but a friend of longstanding, Dan Hanson, who is accompanying you there, as well. I always like to acknowledge the presence of Dan Hanson.

Let me welcome you, Mr. Machemehl, and again thank you for your hospitality.

Your full statement will be made a part of the record. Please proceed in your own fashion.

TESTIMONY OF CHARLES A. MACHEMEHL, JR., CHAIRMAN, AMERICAN ROAD AND TRANSPORTATION BUILDERS ASSOCIATION, ACCOMPANIED BY T. PETER RUANE, PRESIDENT AND CEO, AMERICAN ROAD AND TRANSPORTATION BUILDERS ASSOCIATION, AND DAN HANSON

Mr. MACHEMEHL. Good afternoon, Mr. Chairman and members of the subcommittee. I am Charles A. Machemehl, Jr., the 1990 Chairman of the American Road and Transportation Builders Association. Professionally, I am the Vice President of Marketing and Business Development for Vulcan Materials Company, the world's largest aggregate supplier, based in Birmingham, Alabama.

I am accompanied today by Dr. T. Peter Ruane, ARTBA President and Chief Executive Officer.

As you know, ARTBA's 4,000 members nationwide hail both from the public and private sectors. We represent not only construction firms, but also State and local transportation officials, manufacturers of equipment, consulting engineers and design firms, material and safety device suppliers, and educators in the field of transportation planning and civil engineering.

On behalf of our membership, thank you for inviting us to provide our views on the structure and funding of a Federal-aid highway program for the future. As every member of this subcommittee is well aware, our Federal highway system, the backbone of the U.S. economy, is in serious trouble.

According to the U.S. Department of Transportation's 1989 report to Congress, more than 28 percent of the bridges on the Federal-aid system are either structurally deficient or functionally obsolete. The same report shows that more than 40 percent of the pavement on the Federal-aid system is in fair or poor condition.

DOT's 1989 report and the Federal Highway Administration's 1988 publication, America's Challenge for Highway Transportation in the 21st Century, both state unequivocally that meeting existing capital needs on the Federal-aid highway system, alone, will require a $40 billion per year investment—a rate of spending substantially in excess of the level of current obligations for the Federal aid highway program.

Meeting these quantified needs is one of the greatest financial challenges facing the nation. Of one thing we can be sure—failure to maintain an adequate national highway system will have a profound negative affect on our economy, the ability to meet national defense requirements, and the quality of life for every American.

Disinvestment has caused much of our current problem. Total public capital expenditures for highways and bridges has dropped from 1.4 percent of GNP in the early 1960s to about .5 percent today. During this same period, traffic on the system increased five-fold.

Inflation has also been a hidden factor. Between 1959 and 1988 the U.S. inflation rate, as measured by the CPI, rose just over 300 percent. The federal highway user fees, however, have increased only 100 percent over this period. Assuming a moderate future inflation rate of just 4 percent per year, the Federal gasoline user fee would have to increase to 26 cents-per-gallon by the year 2000 just to maintain its 1959 purchasing power.

The solution to our highway problem is obvious. We must begin investing in the future. Providing adequate resources is the key. We must spend the current cash balance in the highway account of the Highway Trust Fund, but that, alone, will not be enough.

The Byrd amendment ensures that the Federal highway program never operates at a deficit by requiring a minimum cash balance in the trust fund. Spending the current balance down to that point will provide between $5 billion to $8 billion, an amount that will not significantly increase the current program.

Apogee Research, a leading public works consulting firm based here in Washington, has developed a computer model for us which allows the review of possible program funding scenarios and their effect on the trust fund balance and program spend-out. We will share this information with the subcommittee and its staff as it is developed.

With the balance in the Highway Trust Fund not sufficient, we believe the highway program reauthorization bill should provide $40 billion per year for highway and bridge improvements beginning in 1992 and continuing for a minimum of five fiscal years. A Federal investment of this magnitude is totally consistent with the capital needs that have been identified by the U.S. Department of Transportation.

To authorize and carry out a program at this level we recommend that the Congress take the following concurrent actions:

One, ensure that all user fee revenue contributed to the Highway Trust Fund plus interest earned on that money is spent in a timely manner.

Two, increase the Federal highway user fees effective in fiscal year 1992 to raise that additional $25 billion per year that is necessary to support a $40 billion per year Federal-aid Highway program.

Three, remove the Federal aid highway program from the unified Federal budget to ensure that future user revenues are not impounded.

Four, forbid the imposition of artificial obligation ceilings on the expenditure of Federal highway funds.

Five, repeal the current 6 cent-per-gallon Federal tax exemption on gasohol sales that cause an estimated $500 million per year loss to the Highway Trust Fund.

Six, tighten Federal highway motor fuel collection procedures.

Highway users recognize the importance of well-maintained highways and bridges. They also realized that continued expenditures must be made in order to maintain system performance at an acceptable level. The unwillingness of the Federal Government to raise and spend sufficient funds to maintain system performance has resulted in program gridlock. Now is the time for bipartisan leadership in the transportation funding area.

Mr. Chairman, our detailed recommendations on how a $40 billion program would be put to work are found in the full statement that has been given to the subcommittee.

Before I close I would like to say that we commend President Bush and Transportation Secretary Skinner for elevating the national dialogue on transportation needs through the development and release last week of a proposed national transportation policy. We have reviewed this document and believe it represents a good first step. It contains many good ideas. But I would be less than candid if I did not say that we are concerned that the proposed policy does not adequately address program financing.

Mr. Chairman, America is literally at a crossroads. We can continue to ignore our serious and growing highway and bridge problems, or we can choose to make investment—about $40 billion per year—that is necessary to rebuild and expand our national highway network to meet future demands.

Good roads save lives, improve productivity, enhance competitiveness, and reduce pollution-causing, energy-wasting traffic congestion. In short, highways are an investment in the future. Together let's build a better America through transportation.

Thank you again for the opportunity to present our views. Peter Ruane and I stand ready to answer any questions that you or your subcommittee may have. Thank you.

Mr. MINETA. Thank you very much, Mr. Machemehl for that very comprehensive statement. Frankly, I want to take advantage of your offer of sharing the information that you are going to be developing through Apogee Research because I think that will be very, very important as we continue down this road of the authorization legislation.

Mr. MACHEMEHL. Yes, sir.

Mr. MINETA. Mr. Machemehl, in your testimony you have very clearly highlighted the need for investing adequate resources in the future of the Federal aid highway program. However, would the proposal for increasing the authorization levels to $40 billion per year, which would be supported by an increased Federal motor fuels tax, preempt the States and their ability to raise sufficient local revenues to match the Federal requirements?

Mr. MACHEMEHL. No, sir, I don't believe it would. We had a study done by—was it Apogee, Pete?

Mr. RUANE. Yes. Apogee Research.

Mr. MACHEMEHL. We have a study which shows the dollars necessary to match on a State-by-State basis. I have had the opportunity to talk to some States, and the ones I have talked with do not

seem to feel it is a problem. In fact, I would say just the opposite. I would think it would be a motivator to the States to go out and raise their user fee to match the Federal program. I look at this as something that needs leadership, and I think that is the leadership that you all can provide.

Mr. MINETA. What level of increased Federal highway user fees is ARTBA advocating in support of an annual $40 billion Federal program of highway improvement assistance?

Mr. MACHEMEHL. Sir, we believe it would take about 15 to 18 cents per gallon increase in the user fee to provide this program. That is what our research shows. Is that right, Pete?

Mr. RUANE. That is correct.

Mr. MINETA. At the conference that you sponsored on public/private ventures in transportation what new public and private initiatives were proposed for funding the nation's transportation needs? Since Secretary Skinner's national transportation strategy calls for an increased level of private sector involvement, what kinds of new ideas came from your conference?

Mr. MACHEMEHL. I would say the primary thrust of that conference was private financing for toll roads. While toll roads have a role, what you all need to keep in mind is that the toll roads we are talking about, although I think they are important and we should pursue it and ARTBA has taken the lead in that area, are not a substitute for the public transportation system. In cases where you think the public system might compete with you, you don't follow up on the toll road.

Vulcan Materials is working on one toll road as a group right now, and you have to be very sure that there is not a public system there that might compete with you.

My point is that they are going to supplement the public transportation system or the highway system, but they are not going to be able to be used instead of or in lieu of. I think that is a point that you all need to realize, because on the private side you have got to make sure when you build these roads that the tolls will pay for the road in a private system. That is an important point. It is complicated but important.

So the thrust of that conference was toll roads.

Pete, do you want to add to that?

Mr. RUANE. Yes.

Mr. Chairman, I would add that we do believe, as a result of that conference and studies we have done ourselves, that there are, as Secretary Skinner has identified in the policy statement, opportunities with bridges and with private ownership or leasing of airports. The proceedings of that conference will be available any day now. We will make available to the committee for your review as part of the considerations for the reauthorization those proceedings.

We believe that public/private ventures do have a role to play in the future transportation development needs of the nation. But again, as Mr. Machemehl indicated, it is an additive kind of situation rather than a replacement of Federal financing.

Mr. MINETA. Is the Tri-borough Bridge Authority considered a model along this line?

Mr. RUANE. I would hate to put a label or a model on any one, but there are a number overseas as well, in Europe that do provide insight that we could use here in the United States. There are some toll road projects in California that are emerging that might also provide some insight that we could use.

Mr. MINETA. One of the problems that I see is that in the past we have done a good job in terms of capital improvement but we haven't done enough in terms of maintenance programs. Somehow it seems to me if we are going to put out these kinds of massive capital improvements that we should not let these things deteriorate over a period of time. Also, there ought to be some kind of a built-in management program.

I see that in the Tri-borough Bridge Authority, Robert Moses not only made sure that there was adequate funding, but that there was also a maintenance program.

When I look at New York City and look at the Williamsburg Bridge and when I look at San Francisco and look at the Golden Gate Bridge, they were built about the same time. The Williamsburg Bridge is in a state of disrepair, and the Golden Gate Bridge is in good shape. Even considering all New York bridges, you take a look at the City of New York bridges and then you take a look at the Tri-borough Bridge Authority bridges, you see there is a big contrast. I think it is because there are adequate funding sources to make sure that maintenance is an integral part of what they were doing.

Mr. MACHEMEHL. Yes, sir. Mr. Chairman, two other points on those toll roads. When you go across State lines that needs to be addressed in the bill that you all are working with. We are working on one right now where we are trying to cross State lines. It is a tremendous problem to work with two State legislatures to get this thing done.

The other thing is that there needs to be some type of tax consideration on a lot of these projects because at the very front end there is a problem of the capital investment. So there are several issues in the toll roads concept that need to be addressed, and probably in the legislation that you all are working on right now.

Mr. RUANE. Mr. Chairman, if I might add, we are holding a second conference in the fall on the West Coast on public/private ventures. Additionaly, ARTBA has recently formed a new Advisory Council of experts in this field from throughout the United States and overseas. We should have additional insight that we will provide in ample time for this committee to consider as part of the reauthorization process.

Mr. MINETA. In your recommendation for funding, you are very specific as to the Federal aid highway program areas. If you can explain how, ARTBA derived the proposed allocation? For example, ARTBA has recommended an annual level of $500 million for the emergency relief program. The Administration would probably argue that an annual $500 million emergency relief program is not justifiable based on past disasters. I am wondering if you could enlighten us on that.

Mr. MACHEMEHL. Do you want to take that one, Pete?

Mr. RUANE. We are not predicting any additional earthquakes or hurricanes to justify this allocation. More flexibility for the Depart-

ment of Transportation is needed so that resources are readily available and Congress don't have to go to any special appropriations post facto the disaster. That is the primary reason for enlarging the allocation in that specific area. With respect to the overall allocation, the ARTBA numbers are based on the needs of the various federal categories as discussed by FHWA in its 1987 conditions and performance report.

Mr. MINETA. Thank you very much.

Mr. Shuster.

Mr. SHUSTER. Thank you, Mr. Chairman.

I appreciate your testimony, gentlemen.

You say in your testimony that one of the things that you recommend is that we assure that the latest in pavement design technology is utilized in this effort to maximize the return on investment. How serious a problem is this? What is happening out there that causes you to say this?

Mr. MACHEMEHL. Right now there are two kinds of pavements basically, as you well know—rigid pavement and flexible pavement. The biggest problem with flexible pavement is the rutting. It is a serious problem. I think the researchers in the asphalt industry have a handle on it, but I think that is what is happening.

On the rigid pavement side, the research needs to be accomplished on how you get the concrete pavement down fast. In the areas where you really need the rigid pavement you need to develop methods of getting the material down quickly so traffic can get back on it.

Whereas you can put the flexible pavement down—asphalt pavement—quickly, you really need, in the high traffic areas, the concrete pavement. Research I think what we talking about is probably more than basic research. We are talking about applied research.

As you get into this, you are going to find out that the $150 million SHRP program was probably just a start of what is really needed in the way of research, and that is why we recommend our figure as high as we have got it. There are several things that we need to do. They are not flashy. It is not like putting a man on the moon, but it is certainly important if we are going to maintain this biggest investment that we have probably got in this country—our Federal-aid Highway System.

Mr. SHUSTER. Thank you very much, Mr. Chairman.

Mr. MINETA. Maybe if we don't have the highways we will never get to the man on the moon.

Mr. MACHEMEHL. Yes, sir. I think that is right.

Mr. MINETA. Well, let me thank you again very, very much for your very thorough testimony. I look forward to getting help from you on the research that you develop through Apogee Research Company.

Mr. MACHEMEHL. Thank you.

Mr. RUANE. Thank you, Mr. Chairman and Mr. Shuster.

Mr. MINETA. Thank you very, very much Doctor Ruane and Mr. Machemehl.

[Mr. Machemehl's prepared statement appears on page 353.]

Mr. MINETA. I would now like to call on Alan Smith, the Chairman of the Highway Users' Federation and Executive Vice Presi-

dent of General Motors Corporation, accompanied by the President of the Highway Users' Federation, our good friend Les Lamm.

Mr. Smith, it is nice to have you here with us. I appreciate again the fact that you have a transportation scheduling problem, as well, in your accommodating our schedule here today. Your full testimony will be made a part of the record. Go ahead and proceed in your own fashion, sir.

TESTIMONY OF ALAN SMITH, EXECUTIVE VICE PRESIDENT, GENERAL MOTORS CORP., CHAIRMAN, HIGHWAY USERS' FEDERATION, ACCOMPANIED BY LESTER P. LAMM, PRESIDENT, HIGHWAY USERS FEDERATION

Mr. SMITH. Thank you. We are glad to be here.

Mr. Chairman and members of the subcommittee, thank you for the opportunity to appear here today.

My name is Alan Smith. I am Executive Vice President of General Motors Corporation and Chairman of the Highway Users Federation for Safety and Mobility. With me today is Les Lamm, President of the Federation, who has appeared before you frequently.

We greatly appreciate the subcommittee's early attention to this most important issue of surface transportation reauthorization.

You have received copies of our complete testimony. To conserve time, I will cover the highlights here.

The Highway Users Federation is a national coalition of businesses, industries, and associations working to improve the safety and efficiency of America's highway transportation system. Our private sector membership speaks for more than 30 million commercial and private users of the nation's highway system. We represent those who pay State and Federal highway user fees. Our major concern is whether the travelling public is receiving full value for the taxes we pay.

Mr. Chairman, I like to think that the Federation's constituency is not only organized groups and businesses, but also the average, hard-working American driver who depends on his car or truck to get to work and the store, drive the kids to school, and go on vacation. These highway users invest in good roads through payment of fuel taxes and other highway user fees, and they expect safe and efficient systems.

GM has been a supporter of the Highway Users Federation and its predecessor organizations since their founding in 1932. My participation with the Federation started in 1981.

Our participation in the Highway Users Federation is only one example of GM's long interest in the transportation and highway system. Our exhibit at the 1939 New York World's Fair, Futurama, demonstrated our perception of the highway system of the future. Our visionary model was a precursor to the interstate highway system, and suggested ideas now included in current transportation technology.

GM is now looking to the future as a leader in the development of intelligent vehicle and highway systems, so-called "smart cars." A publication highlighting some of our IV/HS activities is included with our statement.

As the world's largest supplier of vehicles, and also one of the largest shippers, GM takes a keen interest in the nation's transportation system. An efficient, effective transportation system is vital to the production and distribution of our vehicles and service parts.

GM has 141 facilities in the U.S. that ship or receive component parts, raw materials, and/or finished vehicles. Of these, 29 are car and truck assembly plants. We are the largest customer of many U.S. motor carriers, spending nearly $2 billion annually. Good access to safe, well-maintained highways is vital to our success in a competitive market.

Approximately 240 trucks are required to support the daily activity of a typical assembly plant—material and supplies inbound, finished vehicles outbound. Taken in total, approximately 7,000 trucks provide daily support to our 29 assembly plants. We estimate an additional 7,000 trucks are involved daily when GM's manufacturing and stamping plants are considered. Trucks carrying GM materials and products operate in all 50 States in an average day. The percentage of our transportation dollars spent in the U.S. for motor carrier service has increased from 45 percent in 1979 to 56 percent last year.

Much of this increase dependence on highway transportation is a result of efforts to remain competitive. We try to ship components just-in-time to meet very precise production schedules.

One goal of just-in-time is to minimize inventory. Making smaller, more frequent shipments permits us to control and reduce in-plant inventory. Likewise, in-transit inventory can be minimized by reducing the time shipments are in transit.

Motor carrier transportation is generally faster than rail, so business that was traditionally thought to be rail-captive is now handled over the highway. Speed, consistency, and reliability are all factors in this transition. If the trend of the last few years continues, we can expect even greater reliance on the highway network in future years.

Virtually all American manufacturers are making the same shift to just-in-time scheduling and are becoming more dependent on highway service.

In 1987, highway freight and passenger transportation expenditures accounted for 15 percent of GNP. This represented $814 billion, a clear statement of the importance of the highway system to the total U.S. economy.

Of course, GM's interest in the highway program goes beyond the efficiency of the system in supporting the manufacturing process. It is equally important to us that the driving experience for our customers be as safe and efficient as possible to provide markets for the vehicles we build. We still believe strongly in the statement of former GM Chairman Albert Bradley. He said, "We may think we sell cars and trucks, but what we are really selling is mobility. Our cars and trucks must be well-designed and well-built, but if they cannot be used efficiently and enjoyably, they will be of no more value than a canoe in the desert."

The committee has received copies of a recent Highway Users Federation brochure which describes the nine-point highway program of the Federation. This proposal reflects the concerns expressed by the people in 65 public forums held by the Federation,

and we believe presents a logical highway plan for the post-interstate era.

The nine points of this program are as follows:

One, protect the interstate system. Interstate highways carry more than 22 percent of all travel, though they consist of about 1 percent of the nation's road system. The physical and operational condition of the interstate system must be kept to a very high level through an ongoing program of restoration, rehabilitation, resurfacing, and reconstruction. There should be an annual Federal aid commitment of $4 billion for these activities.

Second, create a national arterial system. Another 3 to 4 percent of the nation's highway system carries another 30 percent of vehicle travel. A program is needed to upgrade these priority routes with safer designs, controlled access, and additional lanes where needed, and bypasses and arterial roadways in growth areas. The Federation recommends an annual Federal aid budget of $6 billion for this program.

Third, restore metropolitan mobility. The Federation proposes a five-fold increase in the Federal commitment to helping people get around town through a metropolitan mobility program for areas with populations over 50,000. This would be a different type of program, reducing red tape by allowing State and local authorities more flexibility to spend the funds on any surface transportation capital investment. The Federation recommends annual Federal funding of $4 billion for these efforts from the Highway Trust Fund, coupled with $3 billion per year from general funds for high-cost transit programs such as subway systems.

Fourth, connect rural America. Local governments cannot provide for our rural mobility needs alone. Major Federal assistance is needed to keep rural roads and bridges safe and serviceable. The Federation recommends the establishment of a flexible, rural, small-city program to support highway or public transportation improvements in rural areas and cities with populations below 50,000. Federal aid funding for this should be $2 billion annually—more than triple the size of today's secondary program.

Fifth, keep bridges safe. The Federation proposes a State-managed bridge program which would use Federal aid funds to ensure that all highway bridges receive proper inspection, maintenance, and rehabilitation or replacement regardless of what system they might be on. Annual Federal aid funding for this effort would be $2.5 billion.

Sixth, improve traffic safety. While each of the elements of our proposed highway program would bring additional safety benefits, additional Federal funding is justified to eliminate roadside hazards; improve signs, signals, and markings; and to support non-engineering activities such as safety belt and child safety system use, alcohol and drugged driving countermeasures, driver education, traffic law enforcement, and the regulation of commercial vehicles. We believe these programs should be financed at about twice today's levels.

Speaking of safety belt use, we support the Administration's goal of increasing belt use from the current level of just under 50 percent to 70 percent by 1992.

Seventh, research and development. Research can provide major dividends in the form of better highway operations and safety. We realize it is not possible in all cases to address traffic congestion through the addition of more lanes and highways. We will have to augment traffic capacity through the use of new technologies which allow the road system to be used more efficiently and make it safer for all drivers.

The Federation recommends a specific ten-year public/private development intelligent vehicle-highway program dedicated to putting smart cars on smart roads. Such a program will provide drivers with electronic aids to warn of hazards, give locations and provide destination headings in all weather and traffic conditions. The focus of this program should include the research and development of new technologies, but should also place as much emphasis on the implementation of current technology wherever possible. We recommend an annual Federal budget of $100 million per year for the smart car/smart road program, to be matched by the commitments of private industry in a ten-year program. Other FHWA research activities should also be expanded.

Eighth, develop scenic and public lands roads. Tourism is a major source of income for many States. The nation needs a coordinated program of scenic roadways to enhance tourism. The Federation recommends $300 million in annual Federal funding for Federal lands access efforts. The new scenic roads program should be eligible for all regular Federal aid programs rather than having a program of specific funding.

Ninth, assure better planning. The $22.9 billion in total Federal expenditures recommended under the Federation program demands more and better coordination of transportation and private development decisions to assure that both support community goals. This is a process which has failed too often in the past. State and local planning should be strengthened by this proposal, and Federal aid transportation projects would have to conform to an established, long-range plan meeting specific, locally-set development goals and priorities. This effort would be funded by an increased percentage of Federal highway and transit program funds.

While recommending higher expenditures for highways in order to meet existing and future highway needs, the Federation is not suggesting a change in the historical proportions of Federal, State, and local funding—that is, roughly 25 percent from Federal, 50 percent from State governments, and 25 percent from local governments.

We believe our recommended programs and funding levels can be supported through 1995 without any additional Federal highway user taxes. Our program would require that current funds available in the Highway Trust Fund be fully utilized; elimination of the excise tax exemption for gasohol—almost $500 million in 1989; making full use of the interest earnings of the trust fund—more than $1 billion annually; and drawing the balance of the Highway Trust Fund down over the reauthorization period to a reasonable level of $2 billion to $3 billion.

We believe any proposals to increase Federal highway user taxes should be deferred until the present excessive trust fund balances

are drawn down and the funds productively used for their intended purposes.

State and local governments can use this four-year window to reexamine and adjust their user fees if necessary to fund their portion of an expanded program.

We were most pleased by the recent White House release of the national transportation policy, an event that all of us in the transportation community had been eagerly awaiting. Secretary Skinner is to be commended for completing this process and helping to move transportation to a higher position on the nation's policy agenda.

The findings of the DOT's public outreach effort confirm much of what the Federation and others found through the Transportation 2020 process in 1987 and 1988. A more-detailed reaction is contained in the enclosed Federation summary to its membership.

We specifically commend the Administration for recognizing the need to invest in America's transportation system and for the promise to fully use the funds that people have paid in transportation user charges for investments in transportation.

Our private sector members completely support the concept of greater public/private cooperation for a more effective future highway program. We will do our part to make this work.

The Federation welcomes the opportunity to serve as an interface between public and private interests in developing an even stronger cooperative approach for the future national highway program. For example, the Federation, in conjunction with General Motors and the Department of Transportation, is sponsoring a leadership conference this May on the implementation of intelligent vehicle-highway systems. This event, to be held in Orlando, Florida, will bring together the business and government policy makers who will actually put such technology into production and use. Rather than focusing on the technical aspects of IV/HS systems, this conference is intended to develop a systematic plan for the implementation of existing technologies and those which will become available in the future. We hope this event will provide a model for future cooperative efforts to address other major issues facing the highway program.

We offer you the full cooperation and resources of the Highway Users Federation in the coming months. We are actively working to heighten the nation's awareness of highway needs at many levels, from individual drivers to the officers of corporate America. We know that all Americans are dependent on safe and reliable transportation for our health and welfare and our growing economy.

Mr. Chairman, we appreciate this opportunity to review the Federation's highway program proposal with you. Mr. Lamm and I would be pleased to answer any questions you might have.

Thank you.

Mr. MINETA. Thank you very much, Mr. Smith, for your very thorough and complete statement.

Based upon the research effort that General Motors is undertaking and conducting on the whole issue of intelligent vehicles and intelligent highway systems have you had any kind of indication of the significant benefits to be derived from that program when or in

terms of it being applied—toward solving our congestion and highway safety problems?

Mr. SMITH. We have studies. I guess I would say we have paper studies more than anything else. The actual putting this into place has really just begun. We have an experiment going on in California in the Los Angeles/Santa Monica corridor to utilize better communication and information about congestion to route traffic over alternative roads. We have the project that we are going to kick off in Orlando in the very near future.

But certainly everything that we have—I think you have our brochure there—suggests that there are substantial benefits available.

Mr. MINETA. This is to really improve the flow of traffic?

Mr. SMITH. Right. I guess it involves two things. So far it mainly revolves around better information—information about congestion so that you could take alternative routes. Better information about where you are going is part of it. That is going to be part of the Orlando experiment so that, for instance, a tourist who arrives in Orlando and wants to go to Disney World or to Sea World can do that in an efficient way without jamming up the roads, going four different places and being in the wrong place. It is a more efficient way to move people across time and space. That is part of it.

The California project has parallel roads in a 12-mile corridor and provides information as to which roads are open or the least congested so that you can move traffic through with the least resistance.

Beyond that it goes on to questions of safety on the road. It goes into warning. For instance, down the road somewhere are electronics that would alert the driver that he or she is approaching the edge of the road. It could control traffic. Somewhere out in the future it might provide the most efficient headway between vehicles. Those things are more, as I said, out in the future.

What is here right now and very much available is better communication techniques, navigation, information on road conditions, information on destinations and how to get there.

Mr. MINETA. Just out of curiosity, does that use a global positioning satellite—GPS? What does that utilize?

Mr. SMITH. There are two techniques. There is one that involves that. That is kind of in the future, just coming on now. And there is another process that has been available longer which just takes a local area and, in effect, positions the car on a local electronic map and you just move across that map. That is a more cumbersome process, and I think what comes in the future is going to be the satellite positioning.

Mr. MINETA. Does it help me to get from here to 123 Main Street?

Mr. SMITH. Yes. It can. Some day it will.

Mr. MINETA. Last week the Administration announced its new transportation strategy, as you indicated. In that document it talks about spending down the trust fund balances over time in a "fiscally reasonable way." Does the Highway Users' Federation interpret the Administration's statement to support drawing the Highway Trust Fund balance for a program funding level of $22.9 million per year?

Mr. SMITH. Les, do you want to answer that?

Mr. LAMM. The figures we have, Mr. Chairman, would show that the $22.9 billion, which includes $3 billion general fund for transit, could be supported out of the expected trust fund balance beginning in fiscal year 1992. It could be supported either through 1994 or 1995, and we would defer to the actual figures out of either Treasury Department or DOT who manage the trust fund.

Mr. MINETA. In order to address the shortfall of Federal funds for the nation's transportation needs, there must be greater public and private sector cooperation. What effect would the use of Federal funds for the construction of toll facilities have on the manufacturing industry that is greatly dependent on the nation's transportation system for the shipment of component parts, raw materials, and finished vehicles?

Mr. SMITH. Well, we would expect a continuing process of building of non-toll facilities—roads and bridges that are built through the current processes, to provide the backbone and the majority of the mileage that would be needed to ship our goods.

We view the use of toll roads in specialized situations.

Mr. MINETA. Is the Federation's position that the requirements for matching funds on highway projects should vary depending on the type of highway project being funded under the program?

Mr. LAMM. We would fairly closely stick to the current Federal/State matching ratio, Mr. Chairman. We would like to give some kind of priority in the form of a somewhat larger Federal share for controlled-access highways. We believe that is the highway project that carries traffic most efficiently and most safely, and we think it would be a logical Federal initiative to show that kind of benefit by giving a small-scale increase in matching share.

Mr. MINETA. Mr. Shuster.

Mr. SHUSTER. Thank you very much.

Gentlemen, we certainly appreciate your being here. Any time Les Lamm comes back to this committee it is a pleasant event because for many years Les, of course, has been one of the stalwarts upon whom we have relied very substantially.

For 17 years I was in the electronic computer industry before I lost my mind and ran for Congress, so I am particularly interested in your intelligent vehicle highway system. I wonder, looking into the foreseeable future, roughly what kind of a percentage gain do you think is going to be achieved in congested urban areas? What would we buy ourselves if we had these scopes and screens in our automobiles?

Mr. SMITH. Have you got your crystal ball, Les? Is it all polished up?

Mr. LAMM. Mr. Shuster, thank you for your previous comments. It has always been a pleasure to work with this subcommittee and your very able staff.

My reaction to that comment is that no one knows at this stage. I would go back 15 years to the early 1970s when the Bureau of Public Roads was the world leader in this technology. As a result of a decision that was made in the Congress, in the Appropriation Committee, we lost our leadership. A particular research project that involved applying computer technology to put into motor vehicles was crossed out in the appropriation process. The members felt

that it was just not thinkable that at any time in the future something cumbersome like an electronic computer would be seen in a motor vehicle. Look around today. My own vehicle has at least 27 different functions that are computed on-board now. So technology changes tremendously.

I just use that to indicate it is very tough to estimate. I have seen figures that would show that out of the four or five different major tracks that we are looking at in the way of research for IV/HS technology, just the driver information alone might, over time, provide as much as a 10 percent annual increase or increment in the ability to move around town. That would, in effect, gain us perhaps two years of normal traffic growth.

Mr. SHUSTER. Let me ask then another crystal ball question—equally difficult question. What do you think such a system in a vehicle is going to cost once you are into the mass production and you have got several million vehicles out there with the system in it? What is it going to add to the cost of the car?

Mr. LAMM. That is hard to say, too, because you are dealing with a whole range of research projects, some of which might be available in the next five years, and others might not come on line until the year 2030.

Again, if 20 years ago we tried to predict what the cost of a computer being on board would be, you would say that would never happen. We would never be able to afford it. But technology has brought down the average cost of computers so much that we can now afford it.

In my own estimation, I don't look for anything in the order of even 10 to 15 percent add-on to the cost of a vehicle. Vehicles are being sold right now in other countries around the world—not here, but in other countries—where some of this technology is available as an added extra for individual purchasers. I have heard that people are buying thousands of them in other countries. So it is certainly not beyond the realm of affordability.

Mr. SHUSTER. Thank you very much.

Mr. Smith.

Mr. SMITH. I think one thing to keep in mind, along the same line as Les just responded, we have put computers on cars. We have that capability now. We certainly have communication capabilities on cars. We have radios, more and more there are telephones available, and the price is going down. We know how to have a technology where there is a screen in the car that shows real time action. All of that is available. All of it is coming together so that we can combine functions. I think the competitive marketplace will drive down the price.

So I am very much in agreement with Les that the incremental amount of cost to the car will be substantially less than the advantage that would be there.

Mr. SHUSTER. Thank you very much.

Thank you, Mr. Chairman.

Mr. MINETA. Again, Mr. Smith, thank you very much for your role in leadership with the Federation. And, of course, as Congressman Shuster said, we always welcome the advice and recommendation of Mr. Lamm.

Mr. LAMM. Thank you.

Mr. MINETA. Thank you very, very much for your presence here today.

Mr. SMITH. Thank you.

[Mr. Smith's prepared statement appears on page 405.]

Mr. MINETA. I would like to now call on Mr. Jim Anderson, Chairman of the Infrastructure Task Force, Associated Builders and Contractors.

Mr. Anderson, your statement will be made a part of the record, so please go ahead and summarize and proceed in your own fashion.

TESTIMONY OF JIM ANDERSON, CHAIRMAN, INFRASTRUCTURE TASK FORCE, ASSOCIATED BUILDERS AND CONTRACTORS

Mr. ANDERSON. Thank you very much. My name is Jim Anderson. I am the president of Anderson Brothers Construction Company located in Braynard, Minnesota, working throughout Minnesota and North and South Dakota with our operations.

Being a building contractor and a builder of highways, I can assure you that the funds that you are allocating towards those efforts are getting you a good bargain.

As chairman of the Associated Builders and Contractors' Infrastructure Task Force, I appreciate this opportunity to appear before the Subcommittee on Surface Transportation.

Associated Builders and Contractors, ABC, is a national association of over 18,000 contractors, subcontractors, material suppliers, and related firms from all specialties in the construction industry. On behalf of ABC I commend the chairman for commencing the reauthorization process. ABC shares the subcommittee's commitment to reauthorization of the Federal highway program, and we look forward to working with you to define the post-interstate era.

I have submitted, as you said, my full testimony for the record, but in the interest of your time I will capsulize and just highlight a few points.

As documented by the release of the Administration's national transportation policy, Secretary Skinner stated that the policy document is not the conclusion of the project but the beginning of a new era on an ongoing process. I certainly agree with that.

With the benefits of DOT's efforts and every report preceding it, we must now act to meet the many challenges documented before us.

The deteriorating condition of our public infrastructure is best summarized in the report from the National Council on Public Works Improvements which states, "America's infrastructure is barely adequate to fulfill current requirements, and insufficient to meet the demands of future economic growth and development." The private sector must join all levels of government in an effort to reverse this trend of under-investment.

There is a correlation between infrastructure investment and the nation's economy. Private sector productivity rose and fell in cycles corresponding to rise and falls in investment in highways, bridges, and other public works. This relationship must not be ignored.

Capital improvements to maintain and expand our transportation infrastructure are productive investments. Increasing the effi-

ciency and productivity of public capital investments enables private sector activities to be more productive, and therefore more competitive in the world marketplace.

ABC does not expect the Federal Government to have the financial resources to single-handedly address the nation's transportation needs; however, the benefit of Federal leadership and a forward-looking national blueprint to direct the post-interstate era—these needs can be met through a well-coordinated effort involving all levels of government and the private sector.

Together we must now lay the groundwork required to meet tomorrow's transportation needs. ABC supports direct Federal involvement in roads of national significance. Also, the number of Federal program categories should be reduced and the State and local governments given greater flexibility to set priorities and address their unique transportation needs.

As demands on roads change, localities must have the flexibility to respond. Greater emphasis should be placed on maintenance, resource management, and ways to improve the capacity of the existing facilities.

ABC strongly supports removing the Federal Highway Trust Fund from the unified budget. Also, ABC strongly supports H.R. 41, sponsored by the leadership of this committee, which states that Federal excise taxes on gasoline and diesel fuel shall not be increased to reduce the deficit.

Although ABC supports deficit reduction, we believe deficit reduction can and should be achieved through equitable spending restraints, not by diverting trust fund revenues or by raising dedicated user fees for non-transportation purposes.

Furthermore, the Federal gas tax increase for deficit reduction would undermine the States' ability to raise State revenue for transportation. At a time when States may be asked to absorb a greater share of the cost burden, any move to restrict their ability to address critical needs is bad public policy.

Clean air legislation pending before Congress could adversely impact the future viability of trust fund financing. I urge the leadership of this subcommittee and the full committee to voice objections to any oxygenated fuel programs that mandate the use of ethanol and therefore directly threatens the revenues to the Highway Trust Fund.

Adoption of an aggressive oxygenated fuel program, combined with the current $0.06 cent gasohol exemption—which ABC opposes—will directly undermine the level of user fee revenues reaching the trust fund. In fact, the Federal Highway Administration estimates that implementation of the oxygenated fuel programs contained in the Senate Clean Air Bill, S. 1630, could cost the Highway Trust Fund $1.1 billion annually.

To improve the Federal Government's ability to address our nation's immediate and long-term transportation infrastructure needs, ABC urges the Congress to adopt meaningful Davis-Bacon reform. As endorsed by the Bush Administration and included in the President's fiscal year 1991 budget proposal, true Davis-Bacon reform, which raises the Davis-Bacon threshold to $250,000, would enable highway user revenues to finance additional infrastructure improvements.

According to the Congressional Budget Office, adoption of true Davis-Bacon reform would produce a five-year cumulative saving of $3.5 billion in budget authority.

Before I conclude my remarks I would like to reiterate ABC's commitment to the Federal highway program. Enactment of a responsible and forward-looking reauthorization bill will help to assure that the transportation infrastructure is safe and sufficient to sustain continued economic growth.

On behalf of the Associated Builders and Contractors, I thank the entire Subcommittee on Surface Transportation for the opportunity to appear here today and welcome any questions you may have.

Mr. MINETA. Thank you very much, Mr. Anderson.

ABC has focused a large portion of its financial membership and staff resources on the issue of craft and supervisory training. I am wondering if disadvantages businesses have participated in the training programs offered by ABC?

Mr. ANDERSON. The training programs are available to all DBE or disadvantaged businesses that you allude to. I am not sure of the statistics of how many have participated in those so far. I can get back to you with that information.

Mr. MINETA. I think also if you could include in there, if there has been participation by the disadvantaged business, what ABC's experience has been for improving the competitiveness of those disadvantaged businesses. I would appreciate that.

Mr. ANDERSON. Yes, sir.

[The supplied information follows:]

March 29, 1990

The Honorable Norman Mineta, Chairman
Subcommittee on Surface Transportation
2165 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

This letter is in response to the question you raised following Jim Anderson's testimony of March 13, 1990, before the Subcommittee on Surface Transportation. As you will recall, in his written statement on behalf of Associated Builders and Contractors (ABC), Mr. Anderson stated that minority set-aside programs were a short-sighted response to a problem requiring a long term solution. As an alternative, ABC endorses managerial and craft training as the appropriate long term investment, to provide disadvantaged firms and their employees with the skills necessary to successfully compete on the basis of merit -- in an open and competitive environment.

Pursuant to your inquiry regarding minority participation in ABC-sponsored training programs, I have been advised that such statistics are not available on a national basis. Although the training materials and curriculum are devised and distributed by ABC's national office, the administration of the individual apprenticeship training programs and task-training modules are handled by either the sponsoring chapter (79) or in many cases, the individual member company.

However, in an attempt to be responsive to your inquiry, I contacted two ABC chapters in California, our Golden Gate and San Diego chapters, and was provided the following information:

ABC Golden Gate Chapter - January - March 1990 training session

Minority Participation - 15.8%

Ethnic Identity	% of Total
Asian/Pacific Islander	2.1%
Black	3.3%
Hispanic	8.8%
Subtotal	14.2%
Women	1.5%
TOTAL	15.8%

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ABC San Diego Chapter - State Apprenticeship Council approved, Electrical Apprenticeship program

Minority Participation - 29.8%

Ethnic Identity	% of Total
Black	5.3%
Hispanic	10.6%
Asian	3.2%
American Indian	4.2%
Subtotal	23.4%
Women	6.4%
TOTAL	29.8%

As for the benefits of training to the contractor and the individual employee, ABC believes that free and open competition provides the best opportunity for entrepreneurs and employees to learn the skills necessary to operate their own businesses successfully. The federal government can foster greater growth and participation of minority firms -- in all sectors of the economy -- by offering greater incentives for federal contractors to provide training for their employees. Rather than rewarding mediocrity, the federal government can provide incentives to ensure that opportunities are given to employees of contractors through education and training.

Successful contracting is an evolutionary process in which it takes many years to progress from apprentice to journeyman to supervisor and finally to self-employment. The knowledge, experience and confidence gained are essential when the time comes to embark on establishing a business. Although the government can mandate instant DBE businesses and create environments for their survival on public works projects, the government cannot mandate the ability to compete in the open market against firms with the experience and qualifications previously mentioned.

Set-aside programs may succeed in providing DBE firms with instant work; however, training will provide the skills and expertise required to do quality work, on time and on budget. The latter will better insure the firms' viability and the employees career advancement as a consequence of the training.

Chairman Mineta, I regret not having been able to provide you with a more immediate response to your question. I am enclosing some additional literature regarding ABC's Wheels of Learning program. ABC has truly pioneered task-training and we are confident our members and their employees are well served by our commitment to recruitment and training.

Sincerely,

Charles E. Hawkins III, CAE
Vice President
Government Affairs

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  - ② *Project Supervision*, for honing the skills of new and veteran field managers
  - ③ *Project Management*, for improving management skills of both new and veteran project managers
- *Personnel Management: A Guide for Developing an Employee Handbook* (second edition)
- *Mechanical Contractors Business Management Manual*, contains bulletins, sample contracts, business forms
- *Marketing Construction Services*, how-to guide with an executive summary on audio cassette
- *Understanding and Operating a Service Business*, a comprehensive manual for training, management specifics, and reference

Safety Services

- *Hazard Communication*, a compliance kit, includes employee training video, employer audio cassette, manuals
- *Model Safety Program for the Construction Industry — A Basic Approach*, a how-to manual
- *Construction Site Safety Program*, tells how to manage a jobsite safety program
- *Drug Abuse and the Workplace*, instructs employers on detecting and dealing with the problem
- *Implementation of a Substance Abuse Prevention Program: A Manager's Guide*
- *Job Safety Analysis Series*, 24 booklets describing safe use of various tools and tasks on the job-site
- *Tool Box Talks*, an illustrated resource booklet for safety meetings; covers dozens of topics

Craft Training

- The *Wheels of Learning* curricula, a competency-based, task-oriented training program. Approved by the U.S. Dept. of Labor, the *Wheels of Learning* covers 16 construction trades. Available by the complete manual or single task module. Trades covered in the series are:
  - Introduction to Construction
  - Carpentry
  - Drywall
  - Electrical
  - Glazier
  - HVAC
  - Instrumentation
  - Metal Building Assembler
  - Ironworker
  - Masonry
  - Millwright
  - Painting
  - Pipefitter
  - Plumbing
  - Sheet Metal
  - Welding
- *Train the Trainer*, a 10 hour course for new and experienced craft trainers, complete with student and instructor's manuals

Video Tapes

- *People Increase Profits...Building a Cost Effective Construction Team*, a 4 hour teleconference
- *Staying Alive...Profits and Productivity Through Safety*, a 4 hour teleconference
- *Employee Safety Orientation Program*, filmed on construction sites, available in both English and Spanish
- *Hazard Communication Employee Training*, a 25 minute video (part of the complete compliance kit listed under Safety Services)
- *Arbitration of a Construction Dispute*, a step-by-step guide to the arbitration process in the construction industry. 17 minutes.
- *Mediation of a Construction Dispute*, 35 minute video showing how a mediator can bring conflicting parties to a mutually acceptable agreement

PROGRAMS

- *Construction Management Academies*: Developed by ABC in conjunction with Clemson University in South Carolina, the Academies offer three supervisory level, week-long training programs on site at Clemson. Taught by experienced instructors, the academies combine 60-plus hours of classroom lectures, case studies and student participation.
  - Supervisors Academy, an intensive six day school for experienced supervisors
  - Project Managers Academy, an intensive seven day school for experienced project managers
  - Safety Academy, an intensive six day school for safety coordinators and key field technicians

Additional educational and training resources from Associated Builders and Contractors are detailed in the ABC Member Services Catalog. For a *free* catalog contact the ABC National Ordering Department:

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Washington DC 20005

Phone: (202) 637-8800, extension 200

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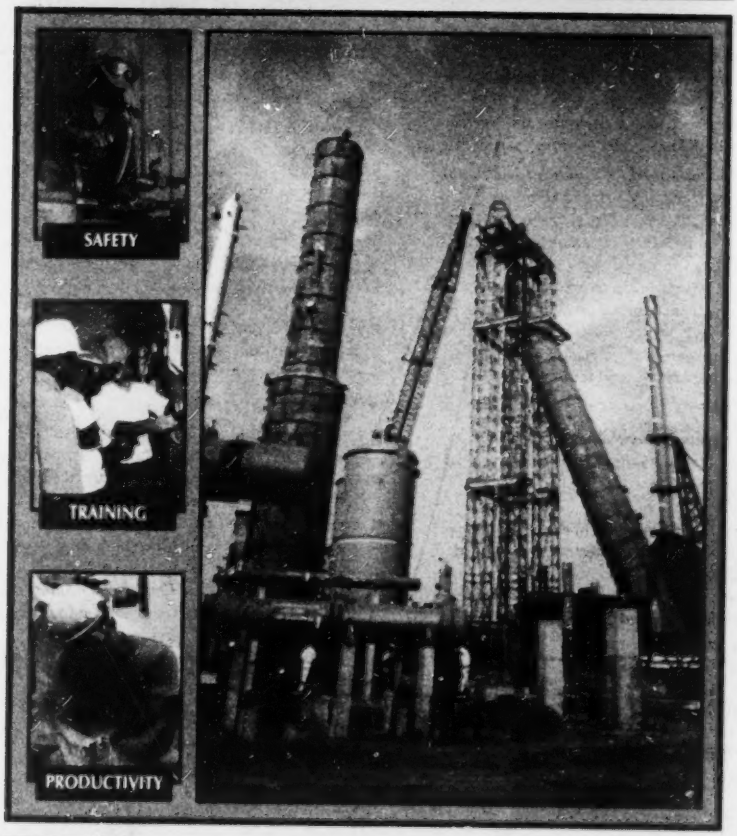

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The construction industry will face a multitude of challenges in the 1990s. Certainly high on its list will be the task of recruiting and training the workforce required to meet the needs of the nation's construction users. Associated Builders and Contractors—ABC—is keenly aware of this challenge and is tacking it like a linebacker meets a halfback head-on.

Recognizing no one group or segment of the industry can solve this problem, ABC and several other major industry organizations are now spearheading the Construction Industry Workforce Foundation, a national coalition of construction associations, business and labor groups. The group's mission is "to provide an adequate supply of qualified workers in the industry." The coalition has joined forces to collectively tackle such issues as image, recruitment, productivity and training.

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ABC, A RECOGNIZED LEADER

ABC, its 78 local chapters, and more than 18,000 members have long recognized the vital need of providing highly skilled labor for the construction industry. In the past 10 years, the association has become a recognized leader in the industry for its achievements in training, safety, management education and productivity. The key to that success has been the willingness of ABC members to commit the time, effort and resources needed to train craftsmen who can provide quality construction at a competitive price. And they are doing just that.

These efforts have not gone unnoticed by the business community. Its own organization, The Business Roundtable, has recognized ABC for its "outstanding contributions to construction industry cost effectiveness." Moreover, the Roundtable named ABC as the first recipient of its prestigious Construction Industry Safety Excellence Award, which is given to the industry association with the most comprehensive and effective safety program.

Again at the forefront, ABC was the first organization in the construction industry to publicly recognize and address drug abuse in the workplace. The association developed and implemented a highly effective program to combat this national crisis—an effort recognized by *ENR* magazine.

MERIT SHOP CONSTRUCTION

Merit shop contractors are, indeed, building America. Recent statistics show that approximately 75 percent of the nation's construction is being built merit shop. The extensive list of clients is a "who's who" of Fortune 500 companies—International Telephone

ABC

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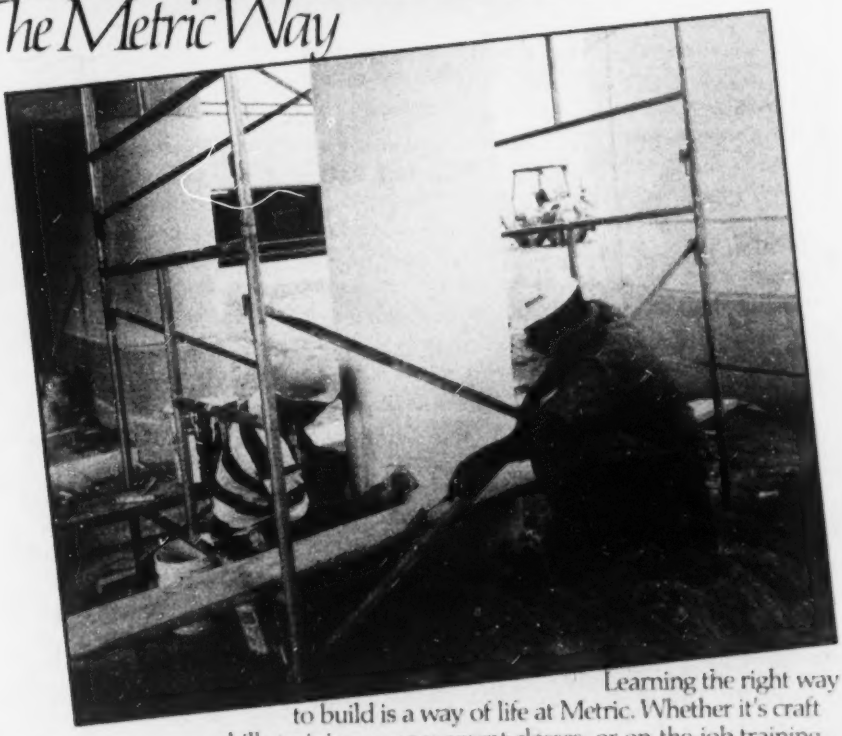

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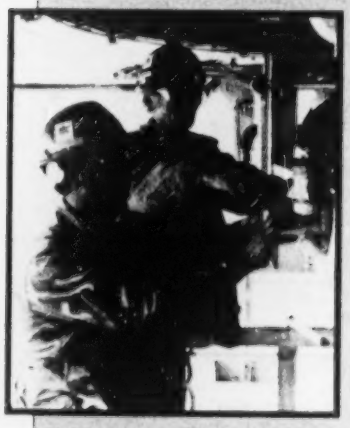
and Telegraph, Mobil Oil, Citicorp Credit Services, Marriott, Dow Chemical, Exxon, Wal-Mart Stores, Union Carbide, Monsanto, Standard Oil, General Electric and many others. And once they build the merit shop way, they come back again and again.



ABC apprentices nationwide are learning the skills necessary to become highly productive workers.

It should be pointed out that merit shop construction is neither open shop nor closed shop. Instead, it represents the best of construction—a unique blend of fine craftsmanship, the most productive management techniques and the most competitive bidding and pricing strategies in the industry. At the heart of the merit shop philosophy is one basic principle—contracts should be awarded on the basis of qualification, performance, capacity and price—regardless of whether a contractor's employees belong to a union or not. Thus, in the merit shop workplace, open shop and closed shop contractors compete as equals in the bidding process. It's a concept that is the cornerstone of the American free enterprise system. It's a concept that works.

CRAFT TRAINING

By the late 1970s, ABC recognized the need for structured training to keep pace with the rapid growth of the merit shop. The association launched an education program unique in craft training: *Wheels of Learning*.

A competency-based, task-oriented, modular training program, *Wheels* can be used in several ways to best suit a contractor's specific needs. It can be taught as a formal apprenticeship program over an extended period at the local level; it is also ideal for self study. Moreover, its practical and flexible "earn as you learn" approach enables contractors to use individual modules for in-house, task-training programs. Or, in cross training, modules may be combined with others from different crafts to provide multiskilled craftsmen. Approved by the U.S. Department of Labor and state training boards, *Wheels of Learning* meets or exceeds all local and national classroom requirements for apprenticeship training programs.

Typically, training in a formal classroom situation takes two to five years. For example, Electrical is taught in nearly 600 hours of instruction over a four-year period. Each year is "packaged" as a separate unit, and a year's curriculum is divided into a series of instructional units called modules. And most importantly, all the material can be adapted to suit each contractor's specific construction needs.

Freeport, Texas, contractor Louis Jones, vice president of Freeport Constructors Inc., has high praise for the program. "*Wheels of Learning* is the best training out there," he says. "Our students move up through the ranks faster and take on responsibility sooner because they're well trained and productive."

That's the key to *Wheels* — productivity — whether it's taught in the classroom or on the jobsite. Students advance according to their abilities and demonstrated skills. Then, actual, productive work is assigned to them when they have successfully completed a level of training.

The entire *Wheels of Learning* program consists of more than 25,000 pages in 114 separate manuals. And at least every five years, each program is revised by leading construction industry experts. The Electrical program, for example, is updated every three years to ensure that training

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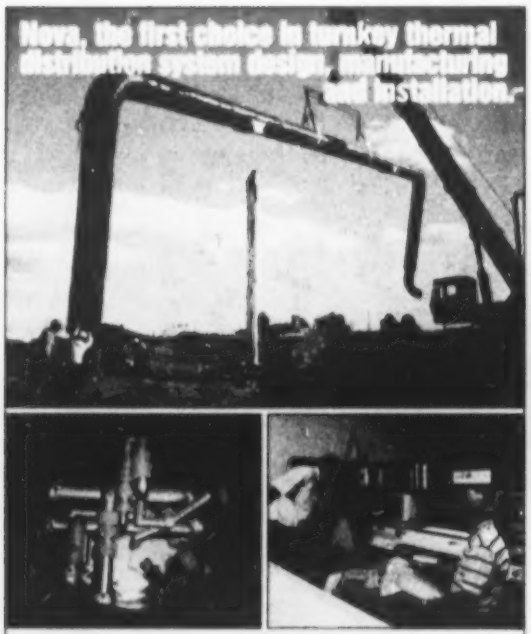

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"That's the best part about the *Wheels* program," says Wayne Belanger, education director of ABC's Wisconsin Chapter. "It keeps pace with a rapidly changing technology."

Students at ABC's classroom advance according to their abilities and demonstrated skills.

Because contractors depend on a skilled workforce, Belanger also notes that they "get very involved with training, and that's a real plus." Today in Wisconsin, more than 150 companies are using *Wheels* training programs.

For contractors wanting to boost jobsite productivity immediately, *Wheels* again offers the perfect solution. Because the program is divided into individual skill modules, one task can be learned and mastered — and put to use on the jobsite. The modular concept has proved to be an excellent method of delivering training when new or upgraded skills are needed quickly.

ABC also strongly believes that employee skill, dedication and effort deserve special recognition. Each year, the association sponsors a "Craft Olympics" at its national convention. Follow-

ABC

ing local competitions, the best apprentices in individual crafts from across the country gather to compete on the national level. Not only are individual craftsmen recognized for their outstanding skills, but their local chapters and employers share the spotlight for their dedication to training the best of the best. It's a highly cooperative team effort that fosters pride in craftsmanship and in the merit shop.

USER FUNDING

ABC developed *Wheels of Learning* through private contributions from ABC contractors, the business community and nonprofit foundations. Contributions are increasing significantly from the business community — the users of merit shop construction services.

Take the Gulf Coast region, for example, where between $5 billion and $10 billion of work is expected in the next few years. Contributions to ABC educational programs are made in various ways. Many companies are making a cents-per-man-hour contribution toward craft training for all open shop construction or maintenance work. Since 1980, Dow Chemical alone has contributed almost $1 million to ABC's Texas Gulf Coast Chapter. In Louisiana, ABC's Baton Rouge-Pelican Chapter, assisted by user funding, has trained more than 6000 skilled merit shop craftsmen. Texaco donated a 47-foot tower and an exchanger to ABC's Southeast Chapter of Texas. The chapter's 23,000-square-foot educational facility now houses offices, 20 classrooms, a training shop and a welding school.

ROUNDTABLE LAUDS ABC SAFETY PROGRAM, COST EFFECTIVENESS

The Business Roundtable, an association of 200 chief executive officers of major American corporations, honored ABC as the first recipient of its "Construction Industry Safety Excellence" award. At the presentation ceremony, John Bookout, president and chief executive officer of Shell Oil Co., called the award "a clear signal that owners are very concerned about safety and are determined to see significant safety improvements."

The Roundtable's Safety Excellence Awards Program was established to supplement existing industry safety efforts, encourage reductions in the estimated $6 billion annual cost of jobsite accidents, and make construction a safer occupation.

The presentation award was more than a recognition of past achievement. It was a challenge to further improve the safety and health of present and future construction workers. By accepting the award, ABC accepted the Roundtable's challenge. The award included a $50,000 grant, which ABC is using to develop specific targeted programs to further improve jobsite safety.

Moreover, ABC was recognized nationally for its efforts to improve cost effectiveness. In making the presentation, John F. Rasmussen, chairman of the Construction Industry Cost Effectiveness Project Task Force, said ABC "has diligently promoted the CICE program," and "the overall and specific achievements of ABC represent an outstanding contribution toward a more cost effective construction industry."

ABC's Wheels of Learning is dedicated into individual self-modules, enabling students to quickly learn and master one task.

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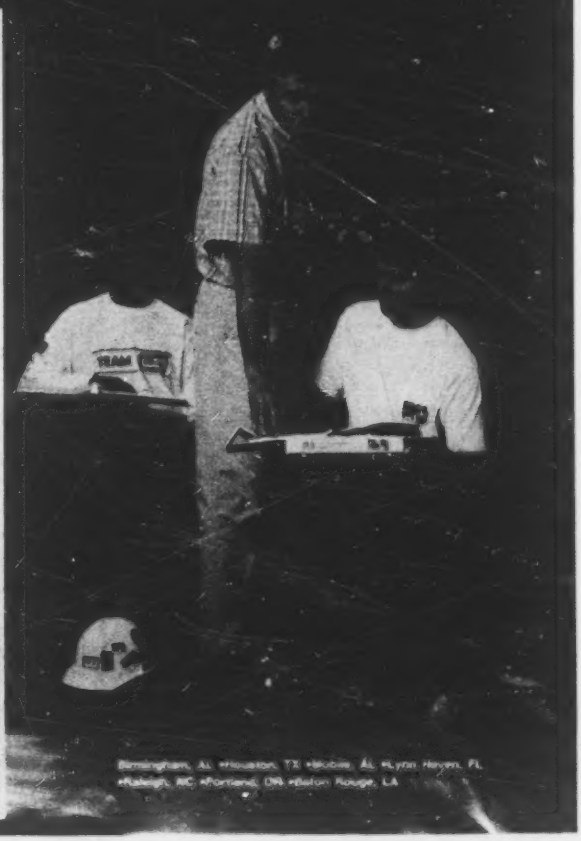

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Construction users such as Dow, Shell Oil Company and Du Pont recognize their responsibility to fund training and regularly donate to the foundation—for the exclusive development of training curricula. In 1988, owners contributed more than $125,000 to the foundation and over $1 million to local chapter training efforts.

Jack Turner, executive vice president of the Merit Shop Foundation, explains that "most contributors are industrial, capital-intensive firms whose interests lie in a strong merit shop industry. Their grants ensure a strong training curricula that emphasizes productivity and quality."

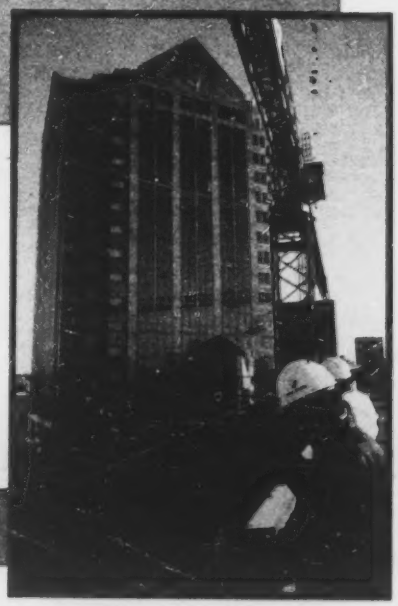
THE MERIT SHOP FOUNDATION

In addition to ABC-sponsored programs such as *Wheels of Learning*, ABC also has a separate educational arm, the Merit Shop Foundation, founded in 1971. Here again, construction users have contributed generously to support the foundation's educational activities, which include:

- craft, management and safety training
- construction research grant programs
- construction education scholarships
- an annual job fair for construction graduates

SAFETY FIRST

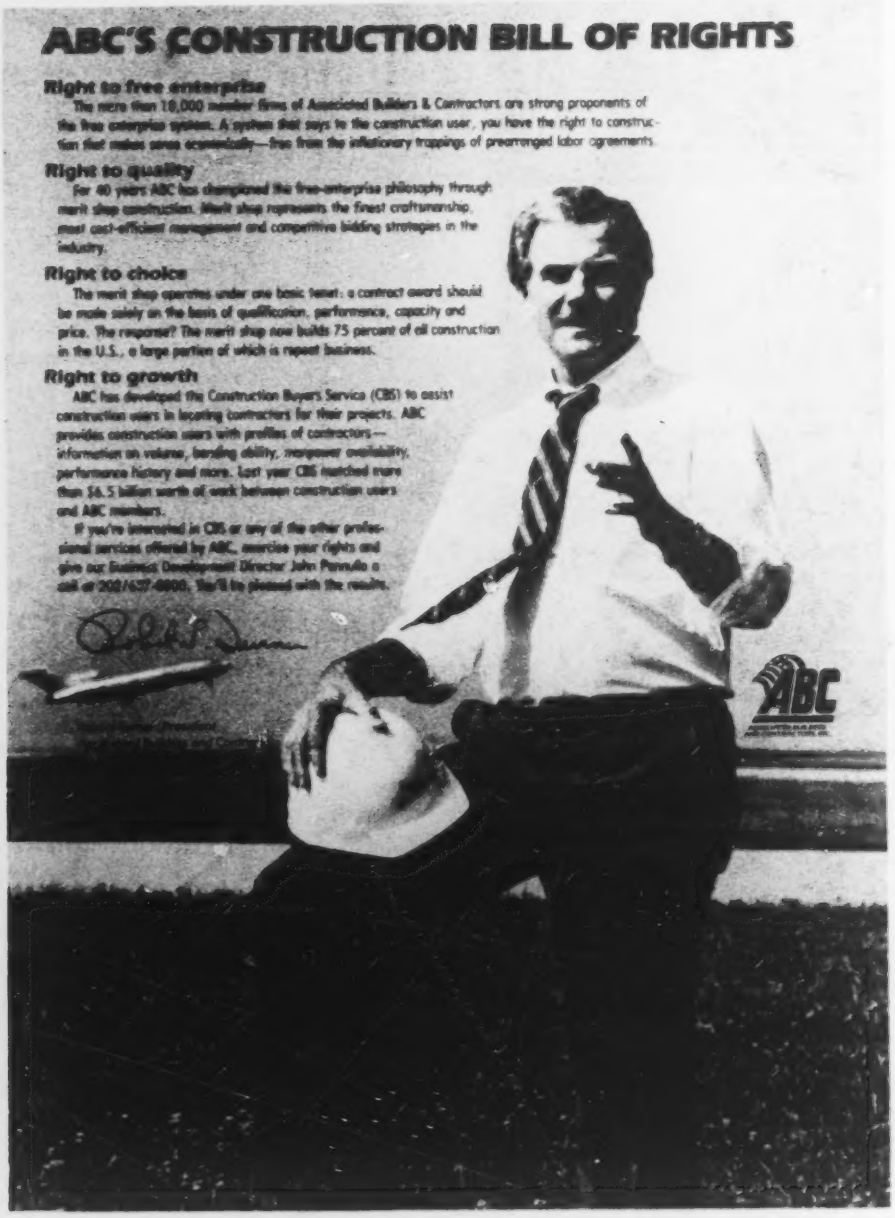
In recent years the Bureau of Labor Statistics has reported notable



ABC, BUILDING AMERICA

ABC has grown from 4000 members and 20 chapters in 1970 to 18,000 members and 78 chapters today. Merit shop contractors build approximately 75 percent of all construction put in place each year. Some of ABC's larger members include:

Austin Industries	H B Zachry
Becon	Harbert International
B&SB	Thomas P. Harkins
Blount Construction Group	Hoar Construction
Brown & Root	KCI Constructors
Centex General Construction	Majestic Builders
Donohue	McDevitt & Street
Fluor Daniel	OMNI
James N. Gray	Sigal Const. Corp.
Gulf States	Sundt Corp.


ABC'S CONSTRUCTION BILL OF RIGHTS
Right to free enterprise
The more than 18,000 member firms of Associated Builders & Contractors are strong proponents of the free enterprise system. A system that says to the construction user, you have the right to construction that makes sense economically—free from the inflationary trappings of prearranged labor agreements.
Right to quality
For 40 years ABC has championed the free-enterprise philosophy through merit shop construction. Merit shop represents the finest craftsmanship, most cost-efficient management and competitive bidding strategies in the industry.
Right to choice
The merit shop operates under one basic tenet: a contract award should be made solely on the basis of qualification, performance, capacity and price. The response? The merit shop now builds 75 percent of all construction in the U.S., a large portion of which is repeat business.
Right to growth
ABC has developed the Construction Buyers Service (CBS) to assist construction users in locating contractors for their projects. ABC provides construction users with profiles of contractors—information on volume, bonding ability, manpower availability, performance history and more. Last year CBS matched more than $6.5 billion worth of work between construction users and ABC members.
If you're interested in CBS or any of the other professional services offered by ABC, exercise your rights and give our Business Development Director John Pennullo a call at 202/637-8800. You'll be pleased with the results.
ABC

Excellence begins with training and safety

The quality workmanship and commitment to schedule that are the hallmarks of every Ferguson Construction Company project don't happen by chance. They are the result of our ongoing training and safety program called "Partners in Excellence".

This program benefits you, the customer, because it is designed to personally motivate each individual involved in your project, to encourage an employee's best performance, to emphasize craft training and to eliminate unsafe working conditions.

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Students at ABC's academies study computer applications for construction, a key to more productive contracting.

300,000 lost work-day cases annually because of construction industry accidents. In terms of productivity alone, that is a tremendous national loss. ABC and its members know that an integral part of construction training is safety, and are actively working to protect employees on the jobsite.

Summing up ABC's attitude toward safety, Fluor Daniel President and CEO Les McCraw, Jr., recently wrote in the association's monthly magazine: "To be successful, safety must be more than a program or a book of procedures. It must be a company philosophy — an attitude that is unquestioned."

At ABC, the importance of safety is indeed "unquestioned," and the association's commitment is stronger than ever. Assisted by a grant which accompanied the Roundtable's recent safety award to ABC, the association is further enhancing an already comprehensive safety program. To provide its members with a precise method of comparing individual company safety programs with the programs of others within industry segments or regions, ABC developed STEP (Safety Training and Education Process). This self-audit "tool" allows ABC contractors to evaluate, broaden and improve their own corporate safety programs. In addition, ABC has more than 40 safety programs and safety-related products and services. ABC contractors know that safety doesn't cost, it pays!

Teaching case studies is one of many training activities at ABC's "hot-spot" Supervisors and Project Managers academies.

STATE OF THE ART ACADEMIES: HONING MANAGERS' SKILLS

In 1988, ABC and Clemson University founded the "Construction Safety Management Academy," an intense 60-hour training program held on the university's South Carolina campus. ABC and Clemson designed this unique program to sharpen the skills of safety directors and to give safety expertise to supervisors and project managers.

"There's no better place to send safety supervisors for formal training," says Sewell Martin, BE&K vice president of construction operations. "The academy teaches you how to organize an effective safety program. ABC's training is absolutely the best available."

ABC also conducts two other highly successful, state-of-the-art "academies" at Clemson University: the Supervisors and Project Managers academies. These comprehensive 60- to 70-hour programs cover areas crucial to construction management:

- planning and scheduling
- documentation
- safety
- quality and cost control
- computers
- communications
- problem solving
- time management

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MERIT SHOP CONSTRUCTION

Hundreds of construction managers from coast to coast have participated in these "top gun" academies, whose stated goal is to make "the best better." The week-long programs foster an exchange of ideas based on years of collective construction know-how.

But this exciting learning experience does not end when the participants leave Clemson! To graduate, each student must put one new idea into actual practice on the jobsite within 90 days. Only after successfully completing that "final exam" do students receive their diplomas.

BE&K's Harlin, who sends employees to all three academies, finds that "the academies have improved our leadership and supervision, and that ultimately affects our bottom line."

Academy instructors are selected through a nationwide search which includes screening by ABC contractors and the Clemson Building Science faculty. All must be skilled educators and motivators, and only those currently working in the field of construction are chosen.

ABC

SPECIAL ADVERTISING SECTION

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"Cost effectiveness is not possible without quality."
"Working with KCI is like working with your family."
"Training people to work safely benefits everyone."
"KCI has shown me they care about their employees. They make me want to be here."
"Safety is a direct result of good training and cooperation."
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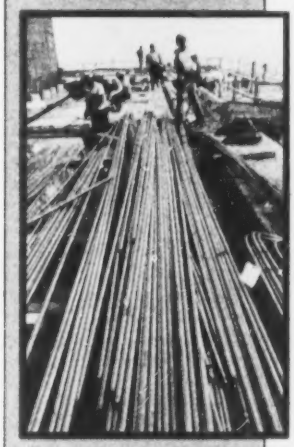
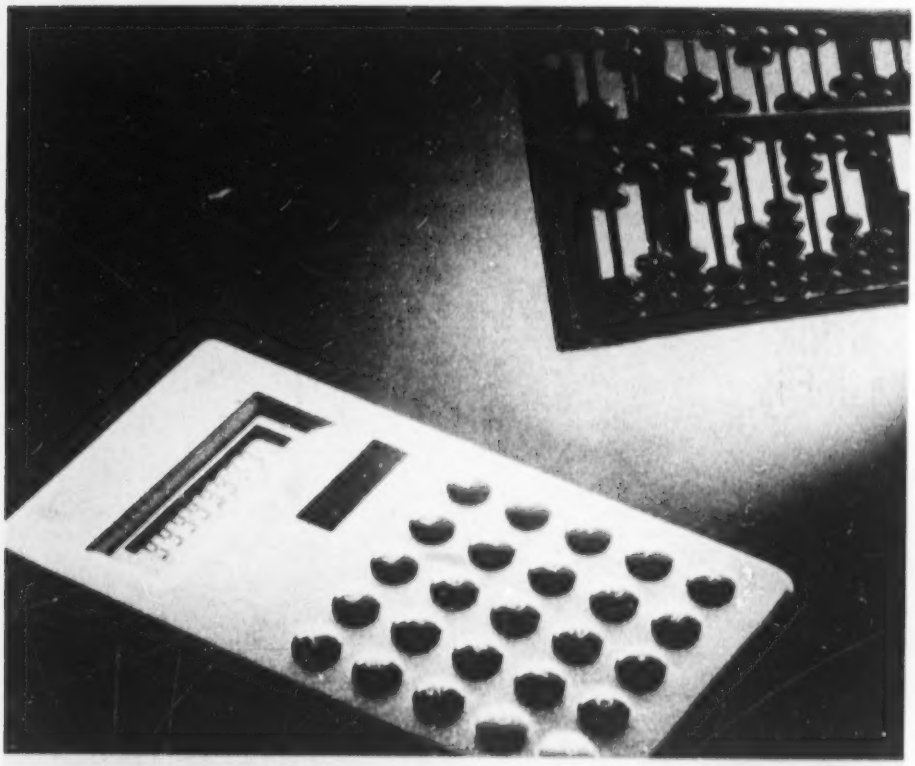
MERIT SHOP CONSTRUCTION



To expand the academy concept even further, ABC and Clemson have set a long-range goal to create a national construction career center for management education. To be housed in permanent facilities, this center will give contractors a unique educational resource that will enhance the management skills of their supervisory personnel far beyond what is now possible.

ABC is also in the forefront of developing management education materials to be used at the local level. The association offers its members a wide variety of training manuals, videotapes, educational seminars and workshops — all specifically geared to increase jobsite productivity. ABC's current management library includes more than 30 manuals addressing topics such as construction supervision, project management, personnel

ABC



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MERIT SHOP
CONSTRUCTION

Robert L. Turner

National President Robert L. Turner, "and we realize that cost effective, quality construction plays a key role in that effort. We have the answer in merit shop construction and ABC. This association provides contractors with the 'tools' to be the very best. I'm proud of the success of our efforts to ensure a productive workforce.

"Government and private studies agree that the construction industry will be faced with many challenges in the 1990s. ABC and the merit shop are confident that they will be able to deliver the kind of construction America needs and deserves.

"The merit shop construction 'team' can outbid an - and build any competitor, foreign or domestic," says Turner, "and because of ABC's craft, management, and safety training programs, the merit shop will build an even better America in the 1990s."

policy, marketing and many others. To keep members fully informed of these exciting opportunities, the association publishes an annual 90-page catalog of services, publications and programs.

COMMITTED TO THE FUTURE

"American industry needs to remain competitive in the worldwide marketplace," says ABC

For more information on ABC and merit shop construction, write to ABC, 729 15th St. NW, Washington, D.C. 20005, or call (202) 393-1830.

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ABC

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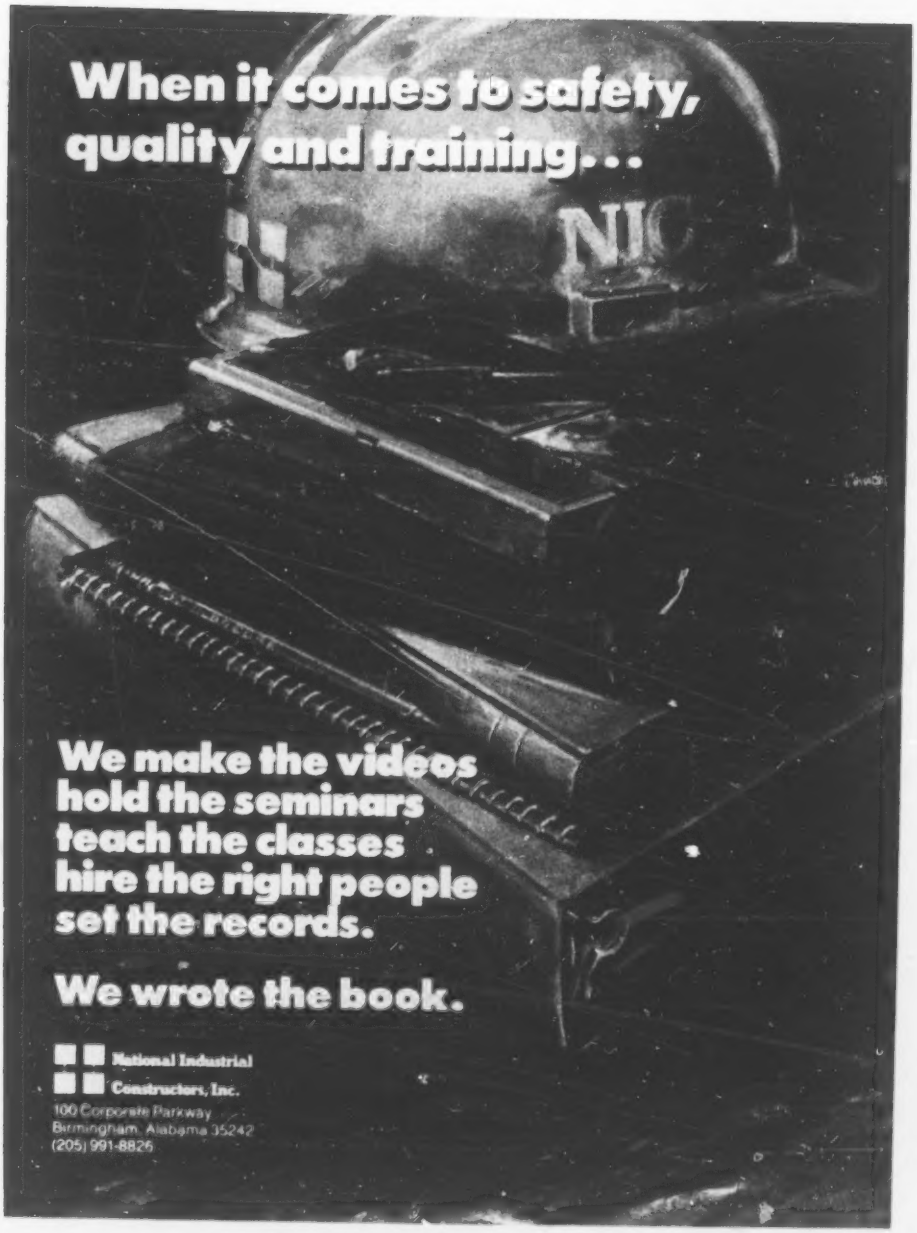
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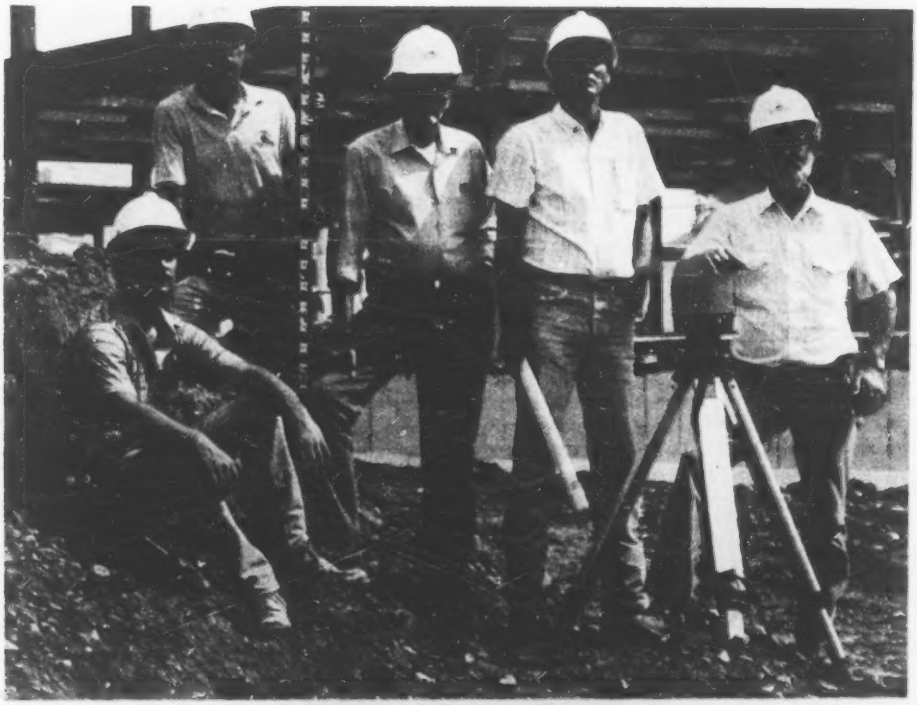

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Mr. MINETA. ABC also encourages enactment of a reauthorization bill which is part of a long-term plan with goals extending beyond the authorization period. In the Federal Aid Highway Act of 1956, the long-term goal was completion of the interstate highway system. We are going to be doing that by 1992. What long-term measurable goal would ABC support for the reauthorization of the Federal aid highway program?

Mr. ANDERSON. We would like to see, of course, the trust fund spend down and the elimination of the ethanol exemption to first offer a financing incentive for the program to be initiated.

Then we would like to move on with the program somewhat similar to AASHTO's testimony today. I think there are going to be a lot of current needs studies being done and authorizations being made in certain areas. Once the two criteria I mentioned earlier are addressed, I think we could support an additional increase based on needs.

Mr. MINETA. Do you know how much revenue loss there is for us on that ethanol gas tax situation right now?

Mr. ANDERSON. Currently it is about $500 million a year, and it possibly would be $1.1 billion if the Clean Air Act is enacted.

Mr. MINETA. And if you were to have to convince or to go in and talk to Senator Dole about this, how would you approach this?

Mr. ANDERSON. I think the issue has got some merit to encourage clean fuels, but it unfairly addresses the situation with the Highway Trust Fund being attacked.

Mr. MINETA. I cite as an example that even if it is powered by ethanol, it weighs the same, it takes the same space on the highway as a gasoline-driven vehicle. Somewhere they ought to be paying their fair share. But that, of course, is how I got this scar here. [Laughter.]

It is a tough issue to try and resolve.

Mr. ANDERSON. Yes, it is.

Mr. MINETA. Thank you very much.

Mr. Shuster.

Mr. SHUSTER. No questions. Thank you.

Mr. MINETA. Mr. Cox.

Mr. COX. Just briefly, Mr. Anderson, I have enjoyed very much your testimony and appreciate your being here.

I wonder if, for the record you could expand on that portion of your testimony dealing with Davis-Bacon reform. As you know, we came very close to adopting that in the House earlier, and the President does support it.

You stated that there are two problems with the existing Davis-Bacon system: first, prevailing wages isn't really prevailing wages; second, there are some burdensome requirements in the statute that make it difficult for small businesses to comply and hence to compete.

Could you explain why prevailing wages, which sounds like a reasonable parameter, are not the true, ongoing wages in the locality as originally intended by the statute?

Mr. ANDERSON. Well, I think the original intention of Davis-Bacon is not out of line with our thinking, but the current administration of that law is outdated and it forces a lot of undue expense onto some of these projects which could be done at a much in-

creased savings rate because of the sometimes inaccurate prevailing wage rate determinations and the lack of use of the helper provisions.

I think the Davis-Bacon law and the subsequent prevailing wage rate determinations have been tested in various parts of the country, and ABC has been very involved in those things. We found that there are several contractors that are unable to compete because of the determination of the prevailing wage rates, and also that those prevailing wage rates are sometimes inaccurate and not prevailing in that certain area.

Mr. Cox. What might be a typical spread between the true prevailing rate and the Davis-Bacon rate?

Mr. ANDERSON. I can only testify to those in our area. A $5 to $6 spread would not be out of line in——

Mr. Cox. Per hour?

Mr. ANDERSON. Per hour in any certain craft.

Mr. Cox. And I wonder if you could comment just briefly on the mandated paperwork which you have complained about. What kinds of burdens are particularly difficult for small businesses to comply with?

Mr. ANDERSON. Well, it typically happens that the wage rates need to be reported to the government on these projects, and the small contractor who lives and works in that particular area doesn't get a chance to submit his data. The larger contractors, of course, that have these projects are mandated to submit this data, and also the trade unions are submitting data to those projects on prevailing wage rate projects.

It is an undue burden on the contractor and I think on the government to monitor all of the results, and also some of the inaccuracies that are involved in it are an undue pressure on the government and the contractors who work on these projects.

Mr. Cox. And I take it the thrust of your testimony and the reason that you included it in these hearings is that, through Davis-Bacon reform, we could actually generate more funds for infrastructure improvement by getting more bang for our existing buck?

Mr. ANDERSON. Yes. The total government savings on Davis-Bacon reform, as I had outlined, are $3.5 billion over three years. The portion that is estimated to be attributable to the highway construction part of that is about half of that. Mr. Stenholm is asking for that study to be done currently so we have that figure to work with.

Mr. Cox. Thank you very much.

Mr. ANDERSON. You are welcome.

Mr. MINETA. Mr. Anderson, thank you very, very much for your testimony here today.

Mr. ANDERSON. Thank you for the opportunity.

[Mr. Anderson's prepared statement appears on page 260.]

Mr. MINETA. I would now like to call on Allan V. Johnson, Executive Director and Assistant Secretary-Treasurer of the Ohio Turnpike Commission and the Immediate Past President of the International Bridge, Tunnel and Turnpike Association.

Mr. Johnson, we are pleased to have you here. Your statement will be made a part of the official records. Go ahead and proceed in

your own fashion. Please also introduce your colleagues with you, sir.

TESTIMONY OF ALLAN V. JOHNSON, EXECUTIVE DIRECTOR AND ASSISTANT SECRETARY-TREASURER, OHIO TURNPIKE COMMISSION, AND IMMEDIATE PAST PRESIDENT, INTERNATIONAL BRIDGE, TUNNEL AND TURNPIKE ASSOCIATION, ACCOMPANIED BY NEIL SCHUSTER, EXECUTIVE DIRECTOR, AND ARTHUR BERG, CHAIRMAN, LAW COMMITTEE AND CHIEF, OPINIONS AND APPEALS DIVISION, THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Mr. JOHNSON. Thank you, Mr. Chairman and members of the subcommittee. I am accompanied by Neil Schuster, who is the Executive Director of the International Bridge, Tunnel and Turnpike Association, and Arthur Berg, who is chairman of the Law Committee of the Association.

Mr. Chairman, as you said, my name is Allan Johnson and I am the Executive Director of the Ohio Turnpike Commission and Immediate Past President of the International Bridge, Tunnel and Turnpike Association, and I am appearing here today in that capacity.

Mr. Chairman and Members, I realize that you have been on a long, non-stop day here already. I know we are last here, and I don't want to be remembered as the one that overstayed our welcome. I have been busy trying to condense the formal statement that you have, which I hope I can present to you in a brief and short fashion.

IBTTA is the worldwide association representing the toll industry, with members in 20 countries on 5 continents. In the United States, alone, the Association represents 47 agencies which operate 135 toll facilities in 28 States. There are almost 5,000 miles of toll roads, bridges, and tunnels in the United States, about half of which are on the interstate highway system, and over three billion vehicles travelled the U.S. toll facilities in 1988.

The Association supports and promotes the use of toll financing as an effective alternative or supplement to tax financing of the design, construction, operation, and maintenance of transportation facilities wherever it is practical, feasible, and prudent.

We are witnessing a renewed interest in toll financing throughout the world, and the United States is no exception. We believe that Federal policy should encourage the use of alternative public and private funding mechanisms—especially tolls—whenever State and local governments find them appropriate.

The time for this is right because the conditions are right. A growing number of lawmakers and planners at every level of government and the motoring public throughout the country realize that toll financing represents a successful, well-tested means to raise revenues to build and operate vitally-needed roads, bridges, and tunnels.

Toll financing offers travellers many well-documented benefits. Because of their dedicated source of revenues, toll facilities are extremely well maintained, which translates directly into reduced vehicle operating costs. Toll roads are well patrolled, and they are

safe. The safety record of the toll facilities is second to none in this country. And toll financing allows construction to take place in a substantially shorter time frame. That results in lower overall construction costs and transportation facilities that are available many years sooner than otherwise might be possible.

Toll projects face a very strict market test so that only projects which are economically and financially sound and which serve the needs of the motorists will move forward. Costs, traffic demand, and other factors must be well documented before a proposed project will receive funding in a private, competitive financial market, and, as a result, existing toll projects have an enviable record of success. In fact, traffic projections generally are on the conservative side, and in almost every case traffic on new toll facilities has grown substantially faster than anticipated.

The Administration's program, which has been outlined here before, advocates using technology—and which you heard earlier today, technology such as smart cars—to improve the efficiency of highways. Toll agencies already are developing innovations to serve their patrons. One excellent example of this is the widespread development, testing, and use of technology to allow non-stop electronic collection of tolls. These automatic vehicle identification systems, otherwise known as AVI, can drastically reduce the time necessary to process vehicles at toll collection points. The result will be less congestion, faster passage of vehicles through toll plazas, and lower toll collection costs.

Everyone seems and appears committed to the continuation of user fees, which include both taxes and tolls as the way to meet transportation needs. There also is a consensus that a mix of financing sources will be needed to build and operate our highways in the future.

In 1987 the Congress took a big step forward toward modifying its longstanding opposition to tolls when it endorsed a limited program of Federal assistance to toll financing in nine States as a demonstration program. Although it is still in its early stages, the program is moving steadily forward and a number of other States have expressed interest in joining this program.

It is worth noting that several States that are now participating in the program did not have existing toll roads. This, to us, indicates a recognition that convention tax funding was not going to provide enough money to build the roads needed in those States, and it also demonstrated a willingness to change direction on toll policy to get the job done.

As you know, the Federal contribution to the pilot toll projects is limited to 35 percent of project costs. It may be too early to tell if this is a proper or practical ratio of Federal to State and local dollars, and time and experience will give us all better guidance in these areas as these projects develop.

Federal legislation mirrors some of the State initiatives. There is landmark legislation implementing tolls that has come about in California and Virginia, and it will likely be enacted in other States, as well.

We believe that each State should have the flexibility to combine Federal funds and toll revenues in meeting their transportation needs on any facility it wishes to build or improve. Our highway

program should encourage rather than discourage States to examine and adopt innovative financing schemes, including toll financing and public/private partnerships.

It also follows that all toll agencies—such as my agency, the Ohio Turnpike Commission—should be freed from section 129 tripartite agreements which were signed many years ago based on the original Interstate Act passed in 1956—those agreements between the agencies or among the agencies—the Federal Highway Administration and the State Departments of Transportation—that affects those toll roads that have been incorporated into the interstate system. These agreements call for removal of tolls when original bonds or other financial obligations are paid, and at least seven States have already been released from those agreements. Our State, Ohio, has a bill in your committee, Mr. Chairman, H.R. 1419, which would allow that agreement to be abolished, and this committee has indicated it wishes to incorporate that into this overall transportation bill and we urge that that be done.

These agreements ignore the fact that these roads, which were built many years ago, and despite the constant maintenance that has been put into them, still are often in need of substantial reconstruction and upgrading which, if they became toll-free, will have to be paid for with tax funds. And so we believe that it is inconsistent for the Federal Government to foster toll road construction, on the one hand, but then to deny that option to the State at some future date. We believe this also applies to those States which have signed agreements to obtain funds for their interstate toll road mileage.

The decision to continue or discontinue tolls on a facility should be made by each State based on its own economic and political situation and its then-current surface transportation needs, goals, and available funding.

Another restriction, the requirement that all Federal aid funds must be repaid before tolls may be imposed on a section of Federal aid highway, also is inconsistent with changing Federal policy and should be reexamined.

In conclusion, Mr. Chairman and members of the subcommittee, we respectfully request the committee to remove Federal restrictions to the application of innovative toll financing and provide relief from existing so-called tripartite agreements that were entered into many years ago. We think these goals are fully compatible with and should be an integral part of a national transportation policy for future highway programs in this country.

Again, Mr. Chairman and members, we thank you for the opportunity to present our views. I would like to say to the Honorable Shuster that his State, Pennsylvania, with the Pennsylvania Turnpike being the grandfather of the morden toll roads in this country, will be celebrating the 50th anniversary of that facility later this year. We applaud that and are looking forward to participating in that commemorative event.

With that, Mr. Chairman, we will be happy to try to answer questions.

Mr. MINETA. Very good. Thank you very much, Mr. Johnson.

The Administration recently announced, as you are all very well aware, the national transportation plan, which recognizes the need

for greater private sector involvement and funding for transportation facilities. Toll financing and bonding for the construction of transportation facilities are available to States under the existing highway program. What incentive is there for the States to use Federal funds in the construction of toll facilities?

Mr. JOHNSON. Mr. Chairman and members, I think that the incentive—especially in the pilot projects that are already authorized—is that in many cases a single source of funding, either tax or toll revenues, alone, would not allow these projects to be feasible. And so, in the case of the existing nine pilot projects, I think that the 35 percent proposed Federal contribution is going to make those projects feasible; otherwise, if it were financed solely with toll revenues, the toll rates might have to be too high.

Mr. MINETA. If States are permitted to use Federal funds for the construction of toll facilities, should motorists have the choice of using a toll facility on an alternative tax-supported road located in the same transportation corridor?

Mr. JOHNSON. Mr. Chairman, that usually is the case on almost all facilities. There generally is a choice. I, of course, am most familiar with my situation in the State of Ohio where the Ohio Turnpike is the interstate road—Interstates 80 and 90 across the Northern part of the State. While I would agree that there are no comparable free interstate roads in that corridor, there are usually many other parallel corridors that, because that turnpike and toll road is there, those parallel facilities are less congested and do offer an alternative.

It probably is good to be able to always offer an alternative, but there are some cases—such as bridges and tunnels, perhaps—where there would be no alternative.

Mr. MINETA. Mr. Shuster.

Mr. SHUSTER. We appreciate your being here today, gentlemen.

You mentioned that some toll roads are exempt from having to lift tolls when the bonds are retired. Would you have a list of which ones they are?

Mr. JOHNSON. I am talking, Mr. Chairman and Mr. Shuster, about those States that originally had these 129 tripartite agreements. I say Ohio has one that was entered into in 1964 and it is still on the books. We are asking for relief from that.

As far as I know, the other States that had those that have already been released are Maine, Indiana, Virginia, West Virginia, Maryland, Kansas, and a facility in New York, the New York Bridge Authority, I believe. So there are at least seven States that have already been released from those, and it may well be that Ohio is the only one left that has one.

Mr. SHUSTER. I don't have any recollection of our doing that. That must have occurred many years ago that they were released. Or is that recently? Did we do that in our legislation here?

Mr. JOHNSON. Mr. Chairman and Mr. Shuster, the most recent release occurred in the 1987 Surface Transportation Act, and that was the one that affected West Virginia and Maryland, Kansas and the New York facility.

I might say, Mr. Chairman, that in so doing West Virginia was forgiven the interstate funds that were used to finance the parallel lanes——

Mr. SHUSTER. I do recall the West Virginia situation.

Mr. JOHNSON [continuing]. Where they were forgiven at least a $650 million Federal contribution. And Maryland was for the Fort McHenry Tunnel.

Mr. SHUSTER. Yes. There was not a road in Maryland.

Mr. JOHNSON. No. It was the Fort McHenry Tunnel.

Mr. SHUSTER. The Fort McHenry Tunnel. Right. Okay. Thank you very much.

Mr. JOHNSON. Thank you.

Mr. MINETA. Mr. Cox.

Mr. COX. Mr. Johnson, I am very interested in your testimony because I come from Orange County where we have got a number of the tolls roads that you mentioned on the books.

I think that the chairman's question is an interesting one because it gets at the notion that, try as we might, when we permit the construction of toll roads we are, in part, extending a quasi-government monopoly, and so we need to worry about the degree to which either private entities or quasi-public entities are taxing people and distributing what is a public good in a certain sense.

Your testimony specifically was to the effect that the Federal Government shouldn't in any way be involved with the decision to continue to collect tolls after the roads are paid for—that that should be totally a local option. While I might be prepared to accept that, how do I allay the concerns that I just alluded to?

Mr. JOHNSON. Well, Mr. Chairman and Mr. Cox, first of all, if you assume that the road is totally paid for, then perhaps there would be no reason to continue a toll. But the practical matter is that nothing is ever paid for.

Mr. COX. We've got maintenance to worry about.

Mr. JOHNSON. You have got to worry about continuing maintenance.

What we are talking about here is continuing the tolls after maybe the bonds that might be sold to finance these facilities are paid off. That is generally the key and the trigger on these agreements that have been entered into so far.

Certainly there must be some control over that. You certainly couldn't turn over the operation of what is truly a public-used facility to a private, non-responsive authority or agency that could just charge any tolls. There has got to be some mechanism—I would agree—that you have to have some control.

Mr. COX. I am not sure that I was advancing that proposition in my question. I was just teeing it up for you to respond to. If that is your view, that is fine. I'm not sure it is mine.

Mr. JOHNSON. If I just might expand on this a little further, as Mr. Schuster was just telling me that it has been authorized in Virginia, and perhaps he can explain more. But there is some sort of an oversight responsibility or agency in that that must have some say on tolls.

Mr. SCHUSTER. Very quickly, the Dulles Toll Road Extension will be—there will be oversight by the State Corporation Commission in Virginia which oversees utility rates, and they will ensure that the toll rate is adequate to give the private investor an adequate rate of return and also protect the motorist and the State in providing a road at a reasonable price, so there will be that oversight.

Mr. Cox. But if I understand the thrust of your testimony, it is that, to the extent possible, the Federal Government should stay out of that process and it should be a local determination or a State determination?

Mr. JOHNSON. Mr. Chairman and Mr. Cox, I think you are probably going to have to look at each one of these individually. Again, I might just relate to the situation as it applies to Ohio, where there is a Federal cloud hanging over us and a Federal agreement. There has never been one cent of Federal money spent on the Ohio Turnpike, and yet, because of this agreement, there is a prohibition about continuing tolls, which is what we are saying ought to be left up to the situation in the State because it is going to be the State that will have to be responsible for the ongoing operation and maintenance of that facility if, in fact, it goes toll free.

Each one of these I think would have to be looked at individually.

Mr. Cox. The portion of your testimony that caught my eye was that which said the decision to continue or discontinue tolls on a facility should be made by each State based on its own economic and political situation. Is that consistent with your answer? You are saying that it varies situation by situation, but it is the State and not the Federal Government that should make that decision? Who should make the decision?

Mr. JOHNSON. Well, Mr. Chairman and Mr. Cox, I would certainly think that if the Federal Government had some role in the financing—which is likely the case here—that certainly they ought to have something to say in the ultimate determination. But, again, if it is a situation where the State and the authority, such as the Ohio Turnpike Commission, which is the one that did the financing and the operation, and that the State then would be the agency responsible for taking over the facility after the tolls are taken off, there ought to be a decision made on the State level rather than on the Federal.

Mr. MINETA. Would my colleague yield on that point?

Mr. COX. By all means.

Mr. MINETA. But the problem—I wonder, Mr. Johnson, let's say you have a toll road that is 200 miles and you have got interchanges in the length of that 200-mile toll road, and those interchanges are Federally financed so that you have ingress and egress off of an onto the toll road, and those other interchanges are all Federal financed. Isn't that the connection that we have right now?

Mr. JOHNSON. Mr. Chairman, that is the situation in Ohio. That was the reason for entering into this tripartite agreement—because of the interstate crossings of the road.

As I said earlier, there have never been any Federal funds spent on the——

Mr. MINETA. Toll road. Yes.

Mr. JOHNSON [continuing]. Turnpike, itself. It is on some of the approaches. And even there there is a finite point where the Federal funding stops. It is right at the point where you get to the toll plaza. It doesn't finance anything from the toll plaza on down.

So the Federal funding—in our case, it is a very minor amount of funds—not if it were in my pocket—of about $7 million.

Again, the restriction that tolls have to come off the whole 241-mile road because there were four interstate roads that crossed it doesn't seem to make sense.

Mr. MINETA. I thank my colleague.

Mr. COX. Can you envision a situation in which the toll road was 100 percent privately financed and, as a consequence, no Federal dollars were directly involved in its construction, where the toll agency would make the decision about at what rate to set the tolls and when they should expire without the Federal Government or the State Government being involved?

Mr. JOHNSON. Mr. Chairman and Mr. Cox, there may be such a situation. I don't think it would be a very good situation, personally. I think there has got to be some control on that because you are right: these are facilities, even though they might be privately-built and privately-financed, that are going to be used by the public.

Mr. COX. Mr. Schuster, would your commission approach get at this problem?

Mr. SCHUSTER. I think in any case you are going to have a facility which is part of a larger network—a State network, a regional network—and I don't foresee the State relinquishing it entirely from that process.

Mr. COX. And would the kind of commission that you described be an answer then?

Mr. SCHUSTER. Yes, I think so, particularly in Virginia. And I think other States would follow a similar course of action.

Mr. COX. Thank you very much.

Mr. MINETA. Let me ask one final question here, Mr. Johnson.

Under the 1987 law that we are under right now the Federal share is limited to 35 percent of the project cost. Would you envision changing that? Would you support any change in that 35 percent limitation right now?

Mr. JOHNSON. Mr. Chairman, I am not really prepared to answer that. I don't really know how the 35 percent was developed in the first place personally, and I personally don't have any recommendation on whether that should change or not.

Mr. MINETA. Maybe you could give some thought to that and respond to it. I would appreciate that.

Mr. JOHNSON. We would be very happy to, sir.

Mr. MINETA. Very well.

[Mr. Johnson's response follows:]

IBTTA

INTERNATIONAL BRIDGE, TUNNEL & TURNPIKE ASSOCIATION

2120 L ST. N.W., SUITE 305, WASHINGTON, D.C. 20037-1527, USA
Telephone: (202) 659-4620 Telex: 275445 TSI UR Fax: (202) 659-0500

OFFICERS

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Paris, France

First Vice President ..... GEORGE P. ZILOCCHI
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April 2, 1990

The Honorable Norman Y. Mineta
Chairman, Subcommittee on
Surface Transportation
House Public Works and
Transportation Committee
Washington, D.C. 20515

Dear Mr. Chairman:

I am writing to provide information you requested during our Association's testimony before your Subcommittee on March 13.

Federal Participation
In Future Toll Projects

IBTTA does not have, at this time, a specific recommendation regarding the federal share in future federal-aid toll projects.

However, we do support giving states and local governments as much encouragement and flexibility as possible to use innovative financing mechanisms, including tolls, to meet their future transportation needs. A higher level of federal participation in federal-aid toll projects may serve this purpose.

Continued experience under the federal toll pilot program will indicate whether the current 35 percent federal share is appropriate or whether some modification will be helpful.

Public Oversight of Toll Projects

Experience with public and private toll financing in the United States and in other countries indicates that there is adequate public control and oversight over toll projects, whether operated by public or private entities.

Toll authorities are governed by boards or commissions whose members are usually appointed by the state governor or other elected officials. They are therefore subject to state political control, and it is impossible for a toll agency to take any major action, such as raising tolls, without the support of public officials.

This is also true for private toll facilities. Toll rates on the private Dulles Toll Road extension, for example, will be regulated by the state agency which oversees utility rates.

In addition to their responsibility to elected officials, toll agencies are responsive to public opinion. Most agencies give advance public notice of toll increases, and conduct traffic, environmental and economic impact studies prior to modifying toll rates.

The public has direct access to the judicial process with respect to toll rates. Motorists are free to seek direct judicial review of toll increases under the Commerce Clause of the Constitution, on the theory that increased tolls are an impermissible burden on interstate commerce. Toll rates are also subject to review by state courts.

Further limits on private toll projects insure that these projects serve the public good. In many countries, private developers are granted a concession to build and operate specific facilities, and to collect tolls for a specific number of years. Private projects under study and development in the United States will most likely use this same mechanism.

The concession system provides for adequate toll revenues to cover construction, operation, maintenance and debt retirement of the project. At the end of the concession period, the project is usually returned to the state or local government.

Competitive capital markets provide an additional safeguard for both public and private toll projects. New toll projects must be based on sound financial and economic analyses.

Thank you for the opportunity to provide the Subcommittee with additional information on toll financing. We will be pleased to provide any additional information you might need in the months ahead.

Very truly yours,

Neil D. Schuster
Executive Director

NDS/s

Mr. MINETA. Well, thank you very, very much for your patience in sticking it out this long in terms of your work with the IBTTA. Again, thank you very much, Mr. Berg, Mr. Schuster, and Mr. Johnson.

Mr. JOHNSON. Thank you.

[Mr. Johnson's prepared statement appears on page 328.]

Mr. MINETA. There being no further business of the subcommittee, we stand adjourned until Thursday at 10:00 a.m. on the 15th.

[Whereupon, at 3:54 p.m., the subcommittee was adjourned, scheduled to reconvene at 10:00 a.m. on Thursday, March 15, 1990.]

PREPARED STATEMENTS OF WITNESSES

ABC
ASSOCIATED BUILDERS AND CONTRACTORS, INC.

Statement of Associated Builders and Contractors

Presented by Jim Anderson, President

Anderson Brothers, Co.

before the Public Works and Transportation

Subcommittee on Surface Transportation

March 13, 1990

Speaking for the Merit Shop

729 15th Street, N.W.
Washington, D.C. 20005
(202) 637-8800

My name is Jim Anderson and I am President of Anderson Brothers Co., a highway contractor located in Brainerd, Minnesota, with operations throughout Minnesota, North and South Dakota. As the Chairman of Associated Builders and Contractors' Infrastructure Task Force, I appreciate this opportunity to appear before the Subcommittee on Surface Transportation.

Associated Builders and Contractors (ABC) is a national association of over 18,000 contractors, subcontractors, material suppliers and related firms, from all specialties in the construction industry. Our diverse membership is bound by a shared commitment to merit shop construction. The merit shop philosophy of awarding construction contracts to the lowest responsible bidder, regardless of labor affiliation, through open and competitive bidding, assures taxpayers and consumers of receiving the most value for their construction dollar. With 75 per cent of construction today done by merit shop contractors, ABC is proud to represent this growing sector of the construction industry.

On behalf of ABC, I commend the Chairman for commencing the reauthorization process. ABC shares the Subcommittee's commitment to reauthorization of the Federal-aid Highway program and we look forward to working with you to define the "Post-Interstate Era".

As demonstrated by the release of the Administration's national transportation policy, new ideas, no matter how controversial, help initiate this important policy debate. Secretary Skinner stated that the policy document "is not the conclusion of project, but the beginning of a new era and an ongoing process." I agree. With the benefit of DOT's efforts and every report preceding it, we must now act to meet the many challenges documented before us.

The deteriorating condition of our public infrastructure is best summarized in a report from the National Council on Public Works Improvement which states, "...America's infrastructure is barely adequate to fulfill current requirements and insufficient to meet the demands of future economic growth and development." The private sector must join all levels of government in an effort to reverse this trend of under investment.

Admittedly, ABC members benefit from increased investment in infrastructure construction and maintenance; however, the benefits of this investment extend well beyond the immediate boon to construction. To again quote Secretary Skinner, "an investment in transportation is an investment in our future economy, in jobs".

As documented by David Aschauer, Chief Economist with Federal Reserve Bank of Chicago, there is a correlation between infrastructure investment and the nation's economy: private sector productivity rose and fell in cycles corresponding to rise and falls in investment in highways, bridges and other public works. This relationship must not be ignored. Capital improvements to maintain and expand our transportation infrastructure are productive investments. Increasing the efficiency and productivity of public capital investments enables private sector activities to be more productive and therefore, more competitive in the world marketplace.

ABC does not expect the federal government to have the financial resources to single-handedly address the nation's transportation needs; however, with the benefit of federal leadership and a forward looking national blueprint to direct the post-interstate era, these needs can be met through a well coordinated effort involving all levels of government and the private sector. Together we must now lay the groundwork required to meet tomorrow's transportation needs.

Federal Government's Role

The federal government should maintain it's commitment to transportation and the Federal-aid highway system in particular. Economic development and global competitiveness, which require a safe, reliable and cost-effective transportation network, are national concerns requiring continued coordination, planning and investment at the federal level.

ABC encourages enactment of a reauthorization bill which is part of a long term plan -- with goals extending beyond the 4 year reauthorization cycle. The reauthorization bill should encourage innovation and new technologies, including smart cars and high-tech highways. We need to examine whether the traditional modes of transportation will be sufficient to meet the demands of tomorrow. Are more lanes the answer? How can we improve coordination between modes and increase ridership on public transportation? What transportation demand managements strategies should employers be implementing to reduce congestion?

ABC supports direct federal involvement in roads of "national significance". We support minimum allocation provisions to insure that states receive at least 85 per cent of the money they send to Washington in the form of gas taxes. The number of federal program categories should be reduced, and state and local governments given greater flexibility to set priorities and address their unique transportation needs. As demands on roads change, localities must have the flexibility to respond. Greater emphasis should be placed on maintenance, resource management and ways to improve the capacity of existing facilities. Allowing the construction of private roads and toll roads will also help stretch limited public dollars farther. Public-private partnerships should be encouraged where appropriate and sustainable. ABC encourages Congress to reserve the designation of "demonstration project" for projects that are innovative, providing valuable information for replication elsewhere.

Financing

Since 1956, motor fuel taxes have been the primary user fee collected to finance the Highway Trust Fund. ABC strongly supports removing the federal Highway Trust Fund from the unified budget in order to prohibit the diversion of dedicated transportation revenues to non-dedicated purposes and to remove these self-financed expenditures from the annual appropriations process and arbitrary obligation ceilings. ABC supports exploring alternative and innovative financing mechanisms; however, these new revenues sources should compliment, and not replace, Trust Fund expenditures.

ABC firmly believes that revenues raised by user fees and collected in transportation trust funds should be allocated and spent solely for their intended purposes. ABC opposes the current practice of holding money in the trust fund to mask the size of the federal deficit. These balances must be drawn down. In the absence of enforceable language to insure that user fee revenues will be spent on dedicated purposes and not diverted to the general fund, ABC cannot support a gas tax increase. ABC agrees that needs exceed current expenditure levels; however, annual expenditures on transportation can be increased without raising the user fees above current levels.

ABC strongly supports H.Res. 41, sponsored by the leadership of this Committee, which states that federal excise taxes on gasoline and diesel fuel shall not be increased to reduce the deficit. Although ABC supports deficit reduction, we believe deficit reduction can and should be achieved through equitable spending restraints, not by diverting trust fund revenues or by raising dedicated user fees for non-transportation purposes.

Furthermore, a federal gas tax increase for deficit reduction would undermine the states' ability to raise state revenue for transportation. At a time when states may have to absorb a greater share of the cost burden, any move to restrict their ability to address critical needs is bad public policy.

ABC will oppose any proposal that undermines the user supported Trust Fund and violates the trust struck between Congress and the American people.

Clean Air

Clean Air legislation pending before Congress could adversely impact the future viability of Trust Fund financing. ABC applauds the Public Works Subcommittee on Investigations and Oversight for holding a hearing to review this very important issue. I urge the leadership of this Subcommittee and the Full Committee to voice objections to any oxygenated fuels program that mandates the use of ethanol and therefore, directly threatens revenues to the Highway Trust Fund.

Adoption of an aggressive oxygenated fuels program combined with the current six cent gasohol exemption, which ABC opposes, will directly undermine the level of user fee revenues reaching the Trust Fund. In fact, the Federal Highway Administration estimates that implementation of the oxygenated fuels program contained in the Senate clean air bill., S. 1630, would cost the Highway Trust Fund $1.1 billion dollars annually. As you well know, increased usage of "clean" vehicles will not remedy the wear and tear on roads, highways and bridges or reduce the need for mass transit.

ABC is pursuing adoption of oxygenated fuels programs which allow for the use of non-exempt blends, such as ETBE (Ethyl Tertiary Butyl Ether) and MTBE (Methyl Tertiary Butyl Ether), since they provide air quality benefits similar to a program requiring ethanol, without crippling the Highway Trust Fund. ABC is simply asking that all vehicles pay their fair share. The cost of implementing an oxygenated fuels program need not be borne by the Highway Trust Fund.

ABC encourages the use of transportation demand management strategies and enhanced coordination between modes to achieve improvements in air quality. However, transportation policy should remain under the direction of the Department of Transportation and not be relinquished to the Environmental Protection Agency. Furthermore, the ability to finance environmentally beneficial infrastructure improvements will again depend on the level of funds available in the Highway Trust Fund.

Similarly, the imposition of anti-growth sanctions, such as withholding federal highway funds, may well prove counterproductive to the goal of improved air quality. Although ABC supports clean air legislation, we believe it is unwise to sacrifice our ability to finance critical transportation needs -- doing so would only increase congestion and gridlock, waste valuable energy resources and further exacerbate the urban non-attainment problem.

Competitive Bidding

ABC is founded on the philosophy that construction contracts should be awarded on the basis of merit. Contractors offering the lowest responsible bid should be awarded the contract regardless of labor affiliation. Not only does this practice assure the consumer and the taxpayer of the best value for their construction dollar, it also removes inequities from the bidding process.

Let me assure you that ABC members do compete for and win contracts awarded on the basis of expertise and experience; however, we believe such bidding practices should only be exercised when warranted due to the sensitivity of a specific project.

Since the Federal Highway Administration (FHWA) currently has available to it means to screen contractors on the basis of past performance, ABC does not see the benefit of the new innovative bidding program being implemented by FHWA. The competitive bidding process is the best means to award contracts. Any intrusion of subjectivity only promotes inequities and runs the risk of inflating the cost of public construction.

Disadvantaged Business Enterprise Program (DBE)

Similarly, the imposition of Section 105(f) of the 1982 Surface Transportation Assistance Act, which requires 10 percent minority business participation on Federal-aid highway contracts, inhibits the competitive bidding process without better equipping disadvantaged firms to compete in the absence of preferential treatment.

ABC has found DBE programs to be a short-sighted response to a problem requiring long-term solutions. Set-asides insulate disadvantaged firms, preserving rather than improving their situation. Training, on the other hand, would improve the craft and management skills of the disadvantaged firms and their employees.

Since highway work does not lend well to subcontracting, the DBE set-aside requirement essentially forces many contractors to award the majority of their subcontracts

to DBE firms -- effectively banning non-minority subcontractors from the competition. The shortage of DBE firms also bumps up the cost of public construction, since in the absence of competition, DBE firms are unlikely to be low bidders.

Rather than pursuing set-asides, ABC urges DOT to join with the private sector to provide training, enabling disadvantaged businesses to compete and win contracts on merit rather than due to a federal set-aside program. ABC has focused a large portion of its financial, membership and staff resources on the issue of craft and supervisory training. We have long recognized that if the United States is to foster expanded opportunities for all its citizens and maintain our competitiveness, hundreds of thousands of additional highly skilled workers will be needed between now and the year 2000. Training is the only solution.

Since the DBE requirement will most likely be retained, ABC encourages the inclusion of safeguards (i.e. a sunset provision, size restrictions for eligibility and limits on the number of contracts a DBE can obtain through the program) to insure that the requirement does not perpetuate the firms' DBE status.

Davis-Bacon

To improve the federal government's ability to address our nation's immediate and long term transportation infrastructure needs, ABC urges the Congress to adopt meaningful Davis-Bacon reform. As endorsed by the Bush Administration and included in the President's FY '91 budget proposal, true Davis-Bacon reform, which raises the Davis-Bacon threshold to $250,000, reduces paperwork requirements and allows unrestricted use of helpers, would enable highway user revenues to finance additional infrastructure improvements.

Administration of the Act has resulted in the determination of "prevailing wages" which are NOT the true ongoing wages in the locality as originally intended by the legislation. Davis-Bacon requirements inflate the cost of federal construction by requiring the payment of artificially high wages. The Act prevents small firms from entering the public works bid arena since the smaller businesses simply cannot compete with the ability of larger firms to comply with the requirements of the statute, and the associated paperwork requirements. The mandated paperwork alone is not economically feasible for a small business.

According to the Congressional Budget Office, adoption of true Davis-Bacon reform would produce a five year cumulative savings of $3.5 billion in budget authority. Of the government wide savings, approximately 50 percent would be realized from savings on federal transportation and highway programs. ABC believes those dollars could be better spent addressing additional needs, rather than being lost to artificially inflated wages.

Before I conclude my remarks, I would like to reiterate ABC's commitment to the Federal-aid Highway Program. Enactment of a responsible and forward looking reauthorization bill will help to insure that our transportation infrastructure is safe and sufficient to sustain continued economic growth.

Again, on behalf of Associated Builders and Contractors, I thank the entire Subcommittee on Surface Transportation for the opportunity to appear here today and I welcome any questions.

STATEMENT BEFORE

THE SURFACE TRANSPORTATION SUBCOMMITTEE

OF THE

HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

Relating to

SURFACE TRANSPORTATION REAUTHORIZATION LEGISLATION:

VIEWS OF WESTERN RURAL STATES

By:

RICHARD J. BACKES
Commissioner/Director
North Dakota Department of Transportation

MARCH 13, 1990

Mr. Chairman, Members of the Subcommittee, I am Richard Backes, Commissioner/Director of the North Dakota Department of Transportation. North Dakota sincerely appreciates this opportunity to present its views on the reauthorization of the Federal-Aid Highway Program. I will focus my comments on issues of concern to the rural western states.

GENERAL POSITION: WE SUPPORT EVOLUTION NOT REVOLUTION IN THE FEDERAL HIGHWAY PROGRAM

Mr. Chairman, the Federal-aid highway program has been one of the most successful, long-running, cooperative partnerships ever undertaken by federal and state governments. The process has developed the safest, most efficient, highway system in the world. It is a program that has worked well.

Yet, we have heard some suggest that with "completion" of the Interstate System, there should be major changes in the program. We disagree.

North Dakota and many rural western states are concerned that, if implemented, some proposals we have seen would have a negative impact on their funding and ability to preserve the federal-aid system. Therefore, the rural western states strongly support continuing the basic structure of today's federal-aid highway program. With only minor modifications, the existing program will continue to provide our nation with the best surface transportation system in the world.

In addition, while we in North Dakota, and other rural states, receive virtually no transit money, we do not seek to reduce transit funding. We do not plan to object to continuing to dedicate a penny (but no more) of the federal fuel tax to transit. Further, we do not object to continuing a Federal-aid transit program financed out of the General Fund of the Treasury.

There are basically two "changes" to the program which we support. First, we support increased federal funding for the highway program -- something which the current Trust Fund balance can sustain under current user taxes.

Second, we support increased flexibility for states to transfer apportioned funds between categorical programs, so that states can exercise greater authority in deciding how federal funds should be used.

On the other hand we strongly oppose proposals to change funding formulas in a way which would reduce our funding and our ability to meet highway needs in our states, even if those proposals are combined with "flexibility" provisions.

We also strongly oppose the Administration's initiative to reduce the Federal share and increase the state share of funding projects. That proposal would be particularly devastating to rural states, which already impose higher than average per capita transportation taxes in order to meet their obligation to support the Federal system.

In short, we believe that the new highway legislation should make only modest changes in a successful program. We support evolution, not revolution, and the balance of my statement today will explain more fully why we recommend that position to Congress.

A BALANCED PROGRAM MUST RECOGNIZE NATIONAL INTERESTS IN RURAL AS WELL AS URBAN AREAS

Transportation is not a rural or urban issue, a big state or little state issue, but rather a national issue. A citizen in rural America has the same inherent right to efficient transportation as does his urban counterpart. We must continue to develop a transportation system that addresses movement of commodities and people in rural and urban areas.

Federal aid highways in rural states such as North Dakota serve major national interests. First, they facilitate cross country travel in the national economic and defense interest. It is in the interest of the people on the west coast to have the capacity to move people and goods between their area and the major population centers in the east and midwest. Therefore, we must maintain a donor\donee relationship if we are to have a truly national highway system. If changes in the highway program make it difficult or impossible for North Dakota and other "bridge" states to maintain these roads, that national need for an interconnected system will not be met.

There is also a critical national interest in the movement of nationally significant commodities. The federal aid highways in rural states serve to connect agricultural and other producers with national and international markets. The nation needs an integrated system to be sure that agricultural products, forest products, and other materials can move to market.

And, Mr. Chairman, we have such a system today because the founders of today's highway system recognized the national interest in a road network which could move people cross country and move goods to markets. So, as part of that national effort, we in states like North Dakota have contributed mightily to building a federal aid highway system which is bigger than we would have built solely for our local needs. We raised our gas taxes to levels higher than the national average so we could meet our obligations to a <u>national system.</u>

But today, the federal system is aging and additional dollars are needed to keep it up.

We are very concerned that some proposals we have seen would -- unintentionally perhaps -- cut back funding for rural states. Rural America must not be abandoned by its federal partner now that the emphasis of the highway program has shifted from the initial construction to preservation and rehabilitation.

Some of our roads and bridges cannot take truckloads which are routine and hardly excessive in this modern era. In extreme periods, such as spring thaw, we sometimes have to halt the movement of commodities by placing load restrictions on our roads. We are in the gradual process of strengthening the pavement on the federal-aid road system in our state to overcome this problem -- but it will take time and more money.

SYSTEM PRESERVATION

The rural western states agree with AASHTO and the Crescent Coalition that the first priority and responsibility of the reauthorization of the Federal Aid Highway Program must be to preserve the existing federal-aid highway system. Preserving the federal aid system is our most important responsibility and we must receive sufficient funding to do the job. At the same time, we must honor our commitment to fund the completion of the Interstate System.

Many segments of our Interstate and federal-aid system are over 30 years old and in dire need of rehabilitation. In many instances, rehabilitation costs will exceed the original construction costs. We have made a tremendous investment in this system and every effort should be made to preserve it.

MAINTAIN EXISTING PROGRAM

Reauthorizing the Federal Aid Program in a way which maintains the basic existing program structure will help ensure the preservation of our federal-aid highways. It has become increasingly apparent that funds which have been spent for Interstate construction are now desperately needed to maintain, rehabilitate, and reconstruct the Interstate and other federal-aid highways.

There are many proposals to significantly change the federal-aid program. The highway program is undergoing a transition from Interstate construction to highway preservation. That does not

mean that the traditional principles should be abandoned. The present program has worked well, been tested through the years, and found to be fair and equitable. Therefore, we feel the next highway program, like those enacted in the past, should be the product of evolution, not revolution.

The next Federal Aid Highway Program should retain the current federal\state sharing of responsibility for the transportation system preservation and development which is both appropriate and necessary. We believe there remains a strong need for an ongoing joint federal\state transportation program that continues or builds on the current programs. The Federal government must remain an active partner with a commitment to provide sufficient resources.

States have built many highways with the assistance of federal funds, confident that there was a long term federal commitment to these roads as part of the federal program. Now there are proposals to change the program and turn more responsibility back to the state and local jurisdictions. The commitment must not be abandoned and the federal partnership should be strengthened, not weakened.

In addition, the existing categorical funding for urban highways, secondary roads, and bridges should be maintained. This is essential so that the needs of local jurisdictions can be addressed so we will have an integrated system to move people and commodities within our cities and across the country.

ALLOCATION OF FUNDS

There are also several proposals to change the existing formulas for allocating federal highway funds. Many of the proposals put more emphasis on vehicle miles of travel (VMT) and less emphasis on lane miles as factors for allocating funds. This would have a devastating effect on rural states that have large road networks and low traffic volumes. Appropriate consideration of highway lane miles must be a major factor so that rural western states are treated fairly. Routes that carry low volumes still require a significant investment of funds to provide a safe and adequate facility. The current structure of the federal highway program provides the states with the tools they need to meet these fixed costs. These capabilities must be retained when the program is reauthorized.

To achieve this objective, the current allocation formula for Interstate preservation (I-4R) should be retained. I-4R funds are apportioned to the states according to a formula weighted 55 percent by the proportion of Interstate lane miles in each state, and 45 percent by the estimated proportion of vehicle miles traveled on the Interstate system in each state. This formula takes a balanced approach to allocating funds. The lane mile

factor accounts for the extensiveness of the system in a state and recognizes the fixed cost component of system preservation. Vehicle miles traveled reflect the use of the system and recognize the variable cost component of highway maintenance. The current formula, through the lane mile factor, enables sparsely-populated western states, which typically possess considerable Interstate mileage, to maintain their system and its serviceability. The VMT factor allows some increase in funding to states experiencing traffic growth.

A minimum allocation provision should be retained. Under the current highway bill, some of the programs include a provision that no state shall receive less that one-half of one percent of the total funding available, which recognizes the fixed cost of highway preservation. This provision should be retained in the new highway bill.

The rural western states are also concerned about the "hold harmless" provision that is included in several of the proposals for reauthorizing the highway program. In fact, the very need for a "hold harmless" provision shows the fatal flaw in the proposed formulas. The "hold harmless" provision would guarantee that each state receives an amount at least equal to its 1991 authorization under the current program. However, proposals do not provide for the "hold harmless" states to share equally in the growth of the program. All states, including rural western states, must receive an equitable share of any growth in the new federal program.

LIMITED ABILITY OF RURAL STATES TO GENERATE REVENUE

The U.S. Department of Transportation has said, despite an increasing balance in the Highway Trust Fund, state and local governments should pay a larger portion of highway transportation costs. This puts an additional strain on states that do no have the ability to generate adequate revenue at the local level.

Increasing user fees in rural western states like North Dakota does not generate a lot of revenue. The national statewide average annual yield for a penny increase in the motor fuel tax is about $26.1 million. In North Dakota one cent generates about $4.1 million, or less than one sixth the national average. On the other hand, California generates about $136 million for each cent of its motor fuel tax. This is more than the North Dakota Department of Transportation spends annually on its entire state construction and maintenance program.

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It isn't that rural states are not trying to generate revenue on their own. In fact, residents in rural states pay some of the highest motor fuel taxes in the nation. North Dakota's motor fuel tax is 17 cents per gallon, South Dakota's is 18 cents, Montana's is 20 cents and Nebraska's is 22 cents, compared to the national average of just over 15 cents per gallon.

Many of the rural western states have very large road networks with a small population base to support the system. North Dakota has more miles of public road per capita than any other state in the nation with approximately 130 miles per thousand population compared to the national average of about 16 miles per thousand population.

On a per capita basis, residents in rural states pay a great deal more in user fees. In North Dakota, we collect $274 per capita for highway transportation, while the national average is $227. Therefore, any plan to shift more of the burden to rural states for preserving the federal-aid highway system would require either a substantial increase in motor fuel taxes, already among the highest in the nation, or a severe reduction in highway construction and preservation. This burden would fall disproportionately, on a per capita basis, on rural America.

MATCHING RATIOS

Rural western states strongly oppose the proposal, advanced by the administration, to change the matching ratios for the Federal-Aid Highway Program. Increasing local match requirements would have a devastating effect on the rural western states. As explained above, rural states are already taxing highway users more heavily than the national average. They do not have the ability to generate adequate revenue to replace or match federal dollars and still preserve and improve their transportation systems.

Under the current program, the combined matching ratios for North Dakota are about 80 percent federal and 20 percent local. Because North Dakota only generates $4.1 million from each cent of its motor fuel tax, and because local jurisdictions are limited in their ability to generate additional funding, any increase in matching ratios will have a severe impact on state and local finance.

If local matching ratios are increased significantly, it would be impossible for rural states like North Dakota to raise the required local match. This does not reflect a lack of commitment to transportation, but rather illustrates the fact that there are practical limits to a state's ability to increase taxes, particularly the ability of some states which already have high per capita transportation taxes.

NEED FOR INCREASED FUNDING

If America is to regain its leadership in the world economy, the nation must commit financially to preserve and improve its transportation systems. According to the data and information presented in "Keeping America Moving: The Bottom Line" America's expenditures for highways, at all levels of government, were about $66 billion in 1987. In order to just maintain the physical characteristics and sustain the current level of service provided today to the year 2020 an annual investment of approximately $80 billion is required. To meet this annualized need, increased federal revenues are necessary.

Across America, transportation needs exceed transportation budgets, the rural western states are no exception. The problem is not that some state receives too much, but rather that no state receives enough.

North Dakota is currently spending about $45 million in construction funds each year to preserve and improve it rural highway system. According to a study conducted by the North Dakota Department of Transportation, if we are to keep our system in the same condition in the year 2000 as it is now, we should be spending $104 million per year, or almost 2 1/3 times our current expenditures.

The need for additional revenue to improve our transportation system is evident. Federal funding levels should be increased over the life of the next highway bill and all states should share equitably in the growth of the program. Our first priority should be to spend down the Highway Trust Fund Balance, eliminate tax exemptions, and crack down of tax evasions as a means of providing additional revenue without increasing taxes. Only then should consideration be given to increasing user fees to provide an adequate, dependable, long range program.

FLEXIBILITY VS. FUNDING

Much of the discussion regarding reauthorization of the highway program has involved flexibility and funding. As to flexibility, the rural and urban states agree that there would be benefits to increasing the amount of flexibility available in the current and any future highway program. This flexibility can take the form of allowing the transfer of revenue between funding categories and flexibility in the design standards applied to federal-aid highways.

However, the concept of transferability between programs should not be confused with proposals to change allocation formulas. This confusion has arisen because some proposals to change formulas would create a new funding program called the "flexible

program." Flexibility can be achieved within the current program and we should work toward this goal. There is no need to adopt a flexible program to achieve flexibility, especially when the effect of the flexible program (as proposed to date) would be to reduce federal funding for important portions of the federal-aid system and to shift funding between states. Flexibility, in the sense of how money allocated to the state can be used by that state is a goal which the rural states can support...a flexible program, which reduces our allocation in the first instance, is a proposal which we strongly oppose.

On the subject of funding, there is also agreement among the states that our highway systems are underfunded. We can amply document the need for every federal highway trust fund dollar we receive, and our actual funding needs for the federal-aid system in North Dakota are much greater. We feel very threatened by the funding proposals and formulas that would reallocate federal funds among the states and reduce the amounts apportioned to rural states. We take little comfort in "hold harmless" provisions because we know only too well how quickly those provisions can disappear in the midst of budgets and debates.

So we oppose funding changes, whether or not combined with desired flexibility provisions, which reduce our funding and prevents us from addressing highway needs within our state.

OTHER ISSUES OF CONCERN

There are several other issues that concern the rural western states that are related to the reauthorization of the Federal-Aid Highway Program. Some of these include: public lands, protecting the Highway Trust Fund from outside interests, federal standards, sanctions, the movement of agricultural products and railroad abandonments.

Matching Share for Public Lands States

Some of the western states have a large amount of federal land that does not generate local tax revenue. For states with non-taxable national forest lands, public lands, Indian reservations, and national park lands, the western states support the continuation of the sliding scale provisions of Section 120 of Title 23, United States Code, for establishing the federal share payable in the Federal Aid Highway Program.

Protect the Highway Trust Fund

There has been increasing pressure to use dedicated highway funds to support other programs or reduce the federal deficit. Financing transportation facilities through user fees has been very successful and every effort should be made to ensure that these fees are protected and used for the purpose they were collected.

Using Motor Fuel Taxes for Deficit Reduction

There has been a great deal of discussion about increasing the federal motor fuel tax 10 to 50 cents per gallon and using the revenue for deficit reduction. We all realize the federal deficit is a major problem that must be addressed. But, the deficit reduction burden should not fall on the transportation industry and should not undermine the trust fund and user fee concepts. Such an increase in motor fuel taxes would inhibit the ability of state and local governments to raise additional revenue to fund local transportation projects and match federal funds.

Spending Limitations

As a means of balancing the federal budget, Congress has imposed spending limitations on federal highway funds. This has impacted all the states. For example, in fiscal year 1988, North Dakota's total apportionment was $72.8 million. As a result of obligational spending limitations North Dakota was allowed to spend only $61 million.

In the past few years, the Congress has held back over $34 million that North Dakota could have used on its road network. The revenue was collected to be spent on roads and bridges. Therefore, the spending limitations should be lifted and the funds should be made available for highway projects.

Federal Standards and Regulations

There is a need to relax some of the federal standards and regulations and provide the states some flexibility for implementing these requirements. Federal design standards are needed to ensure that we have uniform and safe highways as we travel throughout the country. There are instances where some standards do not apply to low volume roads in rural areas. In these situations there should be flexibility to allow the project to be built to the needs of the area in a cost-effective manner.

Sanctions

In the past few years there have been many attempts and proposals to impose sanctions on highway funds for non-compliance with federal regulations. In many instances the sanctions may be counterproductive. Sanctions take away needed highway funds and reduce the ability of the state to accomplish its mission of providing a safe and efficient highway system.

The sanctions are often poorly targeted. In many instances, the highway agency has no responsibility, or authority, to deal with the program on which the sanctions are being imposed.

Sanctions should be eliminated and where appropriate, incentives should be developed to encourage states to meet federal goals.

Movement of Agricultural Products and Raw Materials

A primary responsibility of North Dakota's highway system, and that of many other rural states, is moving commodities. The concern is not increasing capacity to carry more traffic, but improving the structural strength of the system to carry heavier loads. Many of the roads and bridges have reached, or are approaching, the end of their design life and were not built to handle modern loads.

We must never lose sight of the federal role in transporting nationally significant products such as food, forest products, coal and minerals. The Federal Government should have an interest in funding roads in rural areas from the standpoint that agriculture feeds the American people and generates millions of jobs. Farm-to-market transportation is critical, not only for basic human needs such as food and shelter, but also for our national economy.

Many of the rural western states like North Dakota, South Dakota, Montana, Utah, Nevada, and Wyoming function as bridge states. Highways in these states serve Canadian traffic and are vital to activities on the Pacific Rim and in the Great Lakes Region. Highways in these states are needed to provide connecting links to other parts of the country and are essential for the movement of nationally significant products.

Roads and bridges are a vital link to economic prosperity. The competitiveness of American goods and services is undermined by not investing in highways -- bad roads add costs to American products. Future economic growth will be accelerated or restricted depending on the quality of our transportation system.

Railroad Abandonment

The abandonment of rail branchlines in many of the rural states has put an additional burden on the road network. Commodities are now moved longer distances in trucks to reach a mainline railroad or their market destination. In addition, as rail lines are abandoned the costs of upgrading the facilities for moving commodities are passed from the private sector to the public sector.

North Dakota is the most dependent rail state in the nation. For the crop years 1984 to 1987 just over 76 percent of the grain and oilseed production was shipped by rail. Since 1980 over 700 miles of branchlines have been abandoned in the state. As a result, rail service has been lost in three counties and over 50 communities. When rail lines are abandoned the commodities are moved by truck, putting additional pressure on the road system. Many of our roads and b_'dges were not designed to handle this concentration of heavy loads.

CONCLUSION

The future challenge is to maintain and build upon our past achievements by continuing to ensure a safe and efficient transportation system promoting economic growth. After completing the Interstate system, the nation must be committed to the preservation and continued development of our transportation system, both for the interests of the citizens and the nation as a whole. We strongly believe that reauthorization of the Federal Aid Highway Program should retain the current federal\state sharing of responsibility for the transportation system development.

In preparing the next highway bill we must look at the total picture of urban and rural interests. We can't fight amongst each other. We can meet these challenges only by renewing the federal\state partnership and working together to achieve our goals to preserve the transportation system America has built.

There is a need for a concerted and coordinated effort by all levels of government to renew our commitment to improving our transportation system. The kind of highway system that will bind our nation together in the future will be the result of a national program supported by state government, local officials, and highway users from all over the country.

Federal funding levels should be increased over the life of the highway bill. All states should share equitably in the growth of the program. Our first priority should be to spend down the Highway Trust Fund balance, eliminate tax exemptions, and crack down on tax evasions as a means of providing additional revenue

without increasing taxes. Then consideration should be given to increasing user fees to provide a long range dependable federal highway program.

In summary, the rural western states oppose drastic changes in the current Federal-Aid Highway Program. Many of the major changes being proposed will have significant and adverse effects on the highway programs in rural states. Some changes are necessary, and in some cases, long overdue. However, lets make those needed changes through evolution, rather than revolution.

Mr. Chairman, that completes my prepared statement. I would be happy to respond to any questions.

TESTIMONY OF GOVERNOR EVAN BAYH
BEFORE THE HOUSE SUBCOMMITTEE ON SURFACE TRANSPORTATION
MARCH 13, 1990

Mr. Chairman, I am pleased to respond to Congressman McCloskey's invitation to present testimony to the House Public Works Subcommittee on Surface Transportation concerning Indiana's highway needs and, in particular, one project near and dear to the hearts of both of us -- the proposed Indianapolis-to-Evansville highway. Thank you for the opportunity.

As an introductory matter, I would like to express my appreciation to Secretary of Transportation Sam Skinner for starting the process of developing a long-range federal transportation policy. The efforts of the United States Department of Transportation in accumulating a wide range of information and drafting a proposed policy is an important first step toward the passage of an innovative and equitable Surface Transportation Act in 1991. I, in fact, support a number of Secretary Skinner's proposals, such as the development of a highway system of national significance. I also strongly support the concept of increased flexibility for state and local projects, which should not only allow for some cost reduction in projects, but also decrease the amount of time necessary to complete projects. States know their own transportation problems and priorities better than anyone. They have the necessary technical expertise to remedy those problems at the state and local level, assuming a responsible degree of support from the federal level. The plan to permit states to utilize toll financing, even if federal funds are also to be used on the same project, is an appreciated new financing option. In short, there

are many good things that can be said about the Secretary's plan.

Still, while there are a number of concepts in the USDOT policy proposal that we support, there are others that are rather disturbing. First is the increased matching ratio to be required on many state and local projects. The increased matching ratio will substantially shift the financial burden of preserving and developing highways and other transportation networks to the states. It is not only unfair, but imprudent, for the federal government to dilute its responsibility to support and coordinate the development of an efficient national transportation system. Another problem that disturbs us in Indiana is the lack of language supporting a minimum allocation concept. Indiana has been, and continues to be, a donor state. The minimum allocation provision of the 1982 Surface Transportation Assistance Act was very important to Indiana, as it guaranteed the state receiving at least 85 cents per federal dollar sent to Washington. This year Indiana will receive approximately $70 million in minimum allocation funds. We simply cannot accept a policy which removes this cornerstone of highway funding equity.

While Indiana strongly resists any abdication of the federal role in transportation, I would like to point out that Indiana is not simply waiting for the federal government to solve our transportation problems. We believe the key to a sound transportation system is a strong partnership between federal and state government. To be sure Indiana was positioned to keep up its share of the bargain, I proposed in my inaugural State of the

State Address -- almost a year and a half ago -- to put our new lottery proceeds in a "Build Indiana Fund" to be used for capital improvement projects, including highways and other transportation infrastructure. While I hope to have even more money earmarked for capital highway construction, I have been generally successful in protecting substantial amounts of Build Indiana Fund monies for new highway construction.

In keeping with our state's commitment to developing its transportation infrastructure, and in concert with the creation of the "Build Indiana Fund", I recently announced my administration's ten year highway improvement program which, for the first time in Indiana, attempts to develop long-range intermodal transportation plans based on comprehensive data. A key element of the program is its emphasis on preserving and maintaining the tremendous investment we have in Indiana's roads and bridges. Preservation needs will more than double over the next ten years because of the need to rebuild our older interstate highways and to replace the large number of recently deficient bridges built during the public work programs of the 1930s. A respectable level of capital improvements has been identified to be constructed over the next decade. While we are continually striving to do more with less, for example we have initiated a state-of-the-art freeway management system to manage congestion on the Borman Expressway in Northwest Indiana, we have also recognized the need to build new roadways to reduce congestion and solve other transportation problems. I encourage

you to ask your colleague and our able representative on this body, Pete Visclosky, about the freeway management system and other transportation initiatives we are pursuing in his transportation-rich district.

This brings me to the project which generated my invitation from Congressman McCloskey to address this Subcommittee. The country, including the State of Indiana, has changed dramatically since the development of the interstate routes. Demographic and economic changes have caused some areas to be developed that were not considered when the original interstate system was mapped out. Unfortunately, the third largest city in Indiana and its environs was left without interstate access to the capital and the wide-ranging interstate access found there. The proposed highway between Evansville and Indianapolis is a perfect example of how a strong federal/state partnership in highway development can provide a much-needed and well-deserved transportation artery for the citizens of, not only Indiana but, the entire region and nation.

The extension of an interstate quality road from Indianapolis to Evansville will provide much-needed rural access which must be a goal of any credible national transportation policy. The new transportation policy expresses concern for economic development, and I believe a new system providing access between Indianapolis and Evansville will help achieve the nation's economic development goals. Other states in the region, most notably Kentucky, would also benefit from the development of this

highway. Ultimately, we hope that the Indianapolis-to-Evansville highway could serve as a major link to effectively extend I-69 from Northern Michigan through the heartland to Memphis and the interstate access that city enjoys. This would truly be a highway of national significance.

Indiana has been, and will continue to be, a good partner for transportation projects in general. We have committed ourselves to long-range intermodal planning and identifying new transportation infrastructure funding sources. In addition, Indiana is being a good partner specifically for the Evansville-to-Indianapolis project. We are spending millions of dollars on location and preliminary environmental studies to further specify the route along the corridor that a $500,000 federal study last summer found had a positive benefit/cost ratio. We have placed in our program, and are fully developing for construction, a significant new four-lane segment of the route, which has an estimated construction cost in excess of a quarter of a billion dollars. My administration is committed to securing this funding, the Indiana legislature permitting, from the Build Indiana Fund and other state sources, if necessary. We are prepared to continue to provide our fair share of the financial commitment for this project, but need our partners at the federal -- and to a lesser degree the local -- level to meet their partnership obligations so that an interstate quality facility can be completed between Indianapolis and Evansville.

Again, I would like to thank you for the opportunity to provide my thoughts on the needs of our highways and also to address some of the specific problems and opportunities we face in Indiana. While I have focused as an example on the proposed Indianapolis to Evansville highway, there are many other important transportation projects in Indiana that will benefit from a continued strong federal and state partnership.

I wish you well and offer my continuing assistance as you embark on your work in developing the new transportation program.

THE PREPARED STATEMENT OF
ROBERT K. BEST

THE CRESCENT COALITION

RECOMMENDATIONS FOR A NATIONAL SURFACE TRANSPORTATION ASSISTANCE PROGRAM

February 7, 1990

PARTICIPATING STATE TRANSPORTATION AGENCIES

The following state transportation agencies support the Crescent Coalition concepts while retaining the right to pursue issues unique to their respective interests.

AGENCY	CHIEF ADMINISTRATIVE OFFICER	STAFF CONTACT	PHONE NUMBER
Alabama	Royce G. King	Donald Vaughn	205/242-6319
California	Robert K. Best	Carl B. Williams	916/445-1462
Florida	Ben G. Watts	Douglas Callaway	904/488-3054
Idaho	George Neumayer	Hugh Lydston	208/334-8818
Indiana	Christine W. Letts	Dennis Faulkenberg	317/232-5643
North Carolina	Thomas J. Harrelson	Hannah Byron	919/733-2520
Oklahoma	Neal A. McCaleb	Monty C. Murphy	405/521-2701
Texas	Arnold W. Oliver	Thomas A. Griebel	512/463-8655
		David E. Soileau	512/463-6081
Wisconsin	Ronald R. Fiedler	Thomas Walker	608/266-1113
		Roger L. Schrantz	608/266-6479

February 20, 1990

INTRODUCTION

THE CRESCENT COALITION

The Crescent Coalition consists of state transportation agencies from states with widely differing geographic, demographic, economic, and vehicle traffic characteristics. These states have coalesced around eleven principles that offer the prospect for common solutions to their diverse transportation needs. The Coalition came together to pursue open, in-depth discussions of significant transportation-related policy issues, and to seek a consensus on solutions that would serve the interest of all Coalition states.

WHAT THE COALITION SEEKS

The Crescent Coalition, with the American Association of State Highway and Transportation Officials (AASHTO) and other associations, seeks national transportation policies and actions, at federal, state, and local governmental levels, that respond effectively to the many transportation challenges and demands implicit in a competitive world economy and a steadily urbanizing America.

The Coalition seeks:

- greater program flexibility to meet regionally diverse needs within a globalized economy;
- a federal-state-local partnership to design innovative solutions to complex transportation problems;
- stronger program management at state and local levels;
- greater integration and interconnection among key transportation systems and modes; and,
- new and expanded investments necessary at all levels of government to finance total system needs.

The primary principle that binds the Coalition together is the critical need for maximum program and funding flexibility for the states. Our nation is a very diverse one. Each state must have sufficient funding resources, including federal aid, to respond to its transportation needs. Each state must also have the flexibility to use its total resources to respond to its distinctive circumstances and objectives, consistent with national goals as defined by Congress.

THE COALITION'S RELATIONSHIP TO AASHTO

The Crescent Coalition firmly supports the AASHTO recommendations embodied in "New Transportation Concepts For A New Century." However, Crescent Coalition recommendations in some instances address issues in greater detail, and speak to additional issues not addressed by AASHTO.

What AASHTO, as a formal public interest association, cannot do -- and what the agencies within this coalition can do and intend to do -- is participate actively in the legislative process. The Coalition agencies will work with our Congressional delegations, Congressional committees, the President and his administration, and various interest groups to develop solid support for the collective policy recommendations of AASHTO and of the Coalition itself, to achieve their Congressional enactment.

SUMMARY OF THE COALITION'S RECOMMENDATIONS

The Coalition is making two equally important recommendations: We strongly urge increasing the level of federal investment in highways and public transportation.With equal urgency and regardless of funding level, we recommend significant structural changes in the overall federal transportation partnership. We believe those structural changes are critical to an efficient and responsive use of transportation resources.

PRINCIPLES

Principle 1. A Focused Federal Role
The emerging national transportation program must support a focused federal role which ensures the effective functioning of a policy-defined national system that supports national defense, economic interests, and interstate mobility.

Principle 2. Partnerships, Flexibility and Leadership
The emerging national transportation program must permit each state, in cooperation with its local entities, to define and coordinate the responsibilities of each level of government within it. The new program must provide each state the maximum flexibility to determine its unique transportation priorities, consistent with national goals as defined by Congress.

Principle 3. Taxing Equity
The emerging national transportation program must assess and distribute all federally imposed transportation taxes and user fees fairly.

Principle 4. Federal Resource Allocation
The emerging national transportation program must apportion federal transportation assistance to the states using methods and criteria not directly coupled to rigid system definitions or conditions. Its funding formulas and distribution techniques should not bias either the definition of a national transportation system or reports of its condition.

Principle 5. Shared Responsibilities
To support an effective program of shared responsibility, the emerging national transportation program must provide for increased funding at all levels of government over the long term.

Principle 6. Funding Integrity and Equity
The emerging national transportation program must reserve all federally imposed transportation excise taxes and user fees solely for transportation purposes. The program must end the diversion of transportation funds through artificial spending caps, fuel tax evasion, and special tax exemptions. It must release the revenues from all federally imposed transportation excise taxes to states and local entities at the earliest possible time. It must allow maximum flexibility in the use of those revenues. It must encourage the development of new and equitable funding resources.

Principle 7. Promoting Economic Interests
In addition to social and defense considerations, the emerging national transportation program must link all major transportation policies to local, state, national and international economic interests.

Principle 8. An Integrated Transportation System
The emerging national transportation program must address transportation issues as integrated multimodal systems rather than as a group of competing modes, categories, projects and jurisdictions.

Principle 9. Streamlining and Efficiency
The emerging national transportation program must end repetitious, excessive, and conflicting federal requirements and reviews of state and local activities.

Principle 10. Federal Leadership
The emerging national transportation program must provide effective federal leadership in strategic planning, transportation safety and research and development.

Principle 11. Energy and Air Quality
The emerging national transportation program must recognize that transportation systems and projects impact, and are impacted by, air quality and energy goals. The program must assure the development of mutually re-enforcing policies to meet clean air and energy goals in ways that are consistent with transportation's primary contribution to mobility and economic competitiveness.

RECOMMENDATIONS

A HIGHWAY SYSTEM OF NATIONAL SIGNIFICANCE:

- National goals for the country's interstate and international commerce, defense, transportation safety, and international relations are closely intertwined. An efficient transportation network advances those goals by facilitating the free and ready movement of people, goods, and information. Our general welfare suffers when transportation systems are under-funded, ineffectively managed, and thus unable to meet growing and changing needs.

- For over three decades, the development of the nation's 43,500 mile Interstate highway system has been the cornerstone of the national transportation program. While our nation has accomplished this goal, it has also become more metropolitan in nature. The nation must now respond to new global economic and environmental challenges. To unite our nation, we built competing transportation systems. We must now shift our focus to improving the contribution of each of those systems to the competitiveness of each of our regions in the global marketplace.

- The Crescent Coalition fully supports the AASHTO policy recommendation to establish a highway system of national significance. The Coalition also agrees with AASHTO that that system should be made up of the existing Interstate highways and an appropriate portion of the principal arterial system necessary to address major national goals, provide access to markets, and to meet a myriad of federal responsibilities. In cooperation with the United States Department of Transportation (USDOT), each state would designate those segments of its principal arterials to be included in its statewide portion of the highway System of National Significance (SONS).

- Selection would be based upon criteria that reflect national objectives. Thus, the SONS would include all Interstate highways and those portions of the principal arterials that meet one or more of the following criteria: nationally significant truck routes; the national defense highway network; routes that provide

nationally significant commodities with access to markets; access points to significant national parks, international border crossings, ports and airports; and facilities that will provide logical connection between major population centers and to the SONS itself. The U. S. Department of Transportation would review and approve the state-designated SONS. A state could amend its designated SONS segments commensurate with changes in its particular conditions and circumstances.

- A categorical highway program should receive half of federal highway program funds. The new program should allocate those funds to the states based upon indirect factors which correlate well with direct national interests. This would maintain the policy basis for the definition of the SONS. The Coalition fully supports AASHTO's recommendation of an allocation system based on total statewide urban and rural lane miles, total statewide urban and rural vehicle miles traveled (VMT), and other appropriate factors. In addition, the Coalition proposes that the formula consider diesel fuel consumption.

  Specifically, the Coalition proposes that the allocation system should distribute:

  - Two-ninths of the funds based on total statewide rural lane miles and VMT;
  - Four-ninths based on total statewide urban lane miles and VMT; and
  - Three-ninths based on statewide diesel fuel consumption to reflect heavy truck travel.

  We believe that this allocation system would, for the most part, work well for most states. Several states with large land area and small population are concerned that this formula would inadequately reflect the problems experienced by states with low population density. In response to these concerns, the Coalition recommends that the Congress consider providing a "low population density" supplement to the SONS allocation. (See Appendix.)

- Fair allocation formulas and increased federal funding for the categorical highway program should provide adequate funding support for policy-based SONS priorities. A fair allocation formula should provide each state with a fair and equitable return of those monies it has paid to the federal government in the form of federal transportation user fees. Realistically, however, there may be extreme situations that would not be accomodated by a formula allocation. To assure sufficient funding in such cases, the Coalition recommends that the new federal-aid highway program continue to apply the current one-half percent guarantee and the current 85% minimum allocation guarantee to the categorical program.

- The new federal-aid transportation program must assure full state accountability in the categorical highway program. See "Accountability" under "Issues of National Significance," below.

A FLEXIBLE FEDERAL-AID HIGHWAY PROGRAM:

- Federal responsibility for national defense, interstate and interregional commerce, and interstate mobility is not limited to SONS routes. Americans living in small cities and rural communities are also entitled to the services and growth opportunities afforded by safe and effective access to the SONS. Congestion on urban and suburban streets costs billions of hours in national productivity. Reducing that lost productivity is critical. Those travelling to and from our nation's principal roadway system deserve reasonably consistent safety and quality standards on supporting transportation systems providing access to the SONS. These transportation needs beyond the SONS are truly national in scope. Thus, continued federal funding assistance for highways not included in the SONS is appropriate.

- Each state will require a unique mix of capital and operating strategies to meet present and future transportation problems involving metropolitan congestion, rural access, and air quality preservation. Besides addressing state, regional, and local travel demands, these strategies must be sensitive to the environmental and other "quality of life" concerns of the communities they serve. The new national transportation program should support these efforts with simple and direct national policies that encourage regional "systems" approaches which will work across modal lines, overcome jurisdictional boundaries, and transcend the traditional separation of public and private responsibilities. However, it should not mandate such approaches.

- The Crescent Coalition supports the AASHTO policy recommendation to establish a Flexible Federal-aid Highway Program. We also agree with AASHTO that the flexible highway program should enable each state to pursue broad national objectives related to the state and local transportation systems. We suggest that the flexible federal-aid highway system consist of all highways (including the bridges on them) functionally classified as arterials, urban collectors, and rural collectors, other than those included in the SONS. The flexible highway program also should fund urban mobility projects, all forms of transportation systems management projects, rural access projects, intermodal access projects, and other modal concerns.

- Each state, through the appropriate legislative body and (when appropriate) in cooperation with its regional and local agencies, would establish guidelines defining the roles and responsibilities of each agency. They would also set distinctive state criteria for setting priorities and encouraging regional multi-modal solutions, as appropriate. The state guidelines should assure that each agency has the flexibility to use the funds for those transportation solutions which bring the most efficient increase in mobility and best address land use, air quality, and economic development.

- Once each year, each state shall allocate in aggregate to non-state systems an amount of flexible program apportionment equal to not less than the amount of its FY 1991 apportionment of urban funds, secondary funds, and bridge funds made available to non-state systems of that state.

- To provide full state-by-state flexibility, the Coalition endorses the AASHTO recommendation that the new federal-aid transportation program allocate half of federal highway program funds to states for their flexible program projects. While providing critical support to important national transportation needs, the flexible program pursues objectives that are predominantly related to the state and local transportation system. Thus, transfer of funds between states, such as is accomplished through the allocation formulas suggested for the categorical highway program would be inappropriate. Each state should receive a pro rata share, based upon its percentage of total federal highway user contributions.

- The new federal-aid transportation program must assure full accountability in the flexible highway program as it relates to issues of national significance. See "Accountability" under "Issues of National Significance," below.

ISSUES OF NATIONAL SIGNIFICANCE

Both federal-aid highway programs -- the categorical federal-aid highway program and the flexible program -- and the mass transit assistance program must address the following issues:

Metropolitan Transportation

- The emerging prominence of the service and information economies has refocused much of the nation's economic activity to large, sprawling metropolitan regions. Much of that activity has spread to the suburbs. Beltways created as urban bypasses for long interstate trips have become the backbone of the suburban commuter network. Radial transit and highway infrastructure put in

place to serve central business district commuting patterns does not serve the new and dispersed interurban travel patterns well. Our nation needs creative metropolitan transportation policies to respond to this growing challenge.

- Broadening the horizons for public transportation would be one such creative new policy. The American Public Transit Association (APTA) has called for "broadening the definition of public transit, diversifying services, and shouldering a clear responsibility to manage mobility." To meet the diverse needs of their transit sub-markets, the metroplexes of the 21st century will need a broad approach. The new federal-aid transportation program can meet their need only through an expanded service concept for federal funding of transit.

- The Coalition agrees with AASHTO's recommendation that substantial federal financing for public transportation should continue. The federal-aid transportation program should devote the full resources of the Mass Transit Account (taxes plus interest), as well as the balances that have accumulated over the years, to broader concepts of public transportation.

- The new federal-aid transportation program should continue current Mass Transit Account (MTA) funding for rail modernization, new starts, and extensions. However, the MTA program also should include eligibility for fixed guideways, transitway or busway facilities, bus replacement, and exclusive high-occupancy vehicle lanes. It should distribute all remaining amounts of unallocated MTA resources to the states and transit agencies by formula. The formula should distribute those funds one-half according to population, and one--half according to the process used in the existing UMTA Section 9 formula. Traditional transit, urban mobility projects, and all forms of high-occupancy and shared-ride service should receive their funding through this distribution formula.

- The nation urgently needs comprehensive congestion management. Each metropolitan area above 200,000 population should develop a coordinated and comprehensive area-wide transportation plan to identify urban and suburban mobility needs and objectives. Federal participation should be through funding and technical assistance. The mobility plans of metropolitan areas with a population over one million should be more explicit in specifying how the metropolitan area will achieve its congestion relief objectives. Where appropriate, those plans should have a multi-state focus. Plans should also include the state's implementation timetable. The new federal-aid transportation program should strongly encourage multi-modal planning solutions.

- Federal program guidelines should promote innovative solutions to the most severe congestion problems. Metropolitan areas have limited opportunities for

physical expansion of SONS facilities. Those areas must be able to enhance the performance of the SONS by developing supporting subsystems. Thus, improvements that are not on the designated SONS sometimes provide direct, measurable benefits to SONS operations. Federal guidelines should permit states to use SONS funds in those areas to implement such improvements, provided the improvements are consistent with the metropolitan area's congestion relief plans.

Rural Access

- The Coalition strongly believes it is in the national interest to provide federal assistance to give rural America access and connection to the SONS. The products of rural America compete economically in national and international markets. The tax base in rural areas depends upon adequate rural transportation facilities.

- A major purpose of the flexible program would be to provide federal assistance for access to rural areas not adequately served by the SONS. To most effectively meet the unique needs of rural areas, the program should allow states, in cooperation with their other localities, greater latitude in setting project priorities.

- Rural highways and bridges provide: truck access for transport of natural resources and agricultural and rural manufactured products; mobility for rural commerce and travel and rural public transportation; and the connection of small and mid-size cities to each other and to the SONS.

- Adequate rural public transportation systems are critical to the economic vitality of rural America. They also serve the transportation needs of the rural elderly and handicapped. These systems should continue to receive federal financial assistance.

Energy and Air Quality

- The new federal-aid transportation program must recognize that transportation systems and projects impact, and are impacted by, air quality and energy goals. The federal government should assure that its transportation, air quality, and energy policies are mutually re-enforcing. The new federal-aid transportation program should also provide appropriate incentives and performance criteria to meet clean air and energy goals. However, those incentives and performance criteria must be consistent with transportation's primary commitments to mobility and economic competitiveness.

Highway Safety

- Our nation's highways are significantly safer because of the federal assistance programs of the past 20 years. However, motor vehicle deaths and injuries remain a major national problem. With a continued 4 percent annual growth in traffic volumes, the annual highway death toll could reach 80,000 by the year 2000 unless our fatality rate is reduced. Such an increase in highway deaths is unacceptable. To reduce the mileage death rate, the Coalition recommends that the federal government should continue to advance national highway safety goals. The Coalition also recommends that the federal government should continue to provide technical assistance to each state in its effort to develop a Safety Management Plan. Through this plan, each state would set forth its strategy for addressing its existing and emerging safety problems.

- The Coalition recommends restructuring the present highway safety programs to minimize application requirements and "red tape," and to increase program flexibility. We support two basic programs, one that is driver-oriented, and one that is roadway-oriented. Both basic programs should give the states the flexibility to address those highway safety problems that most concern them.

- The Coalition recommends continued federal funding of highway safety research, program evaluation, data collection and analysis, enforcement, education and training, and technical assistance to state and local governments.

Accountability

- The new federal-aid transportation program should assure the Congress that federal program funding improves the performance and capacity of the nation's transportation system. The Coalition recommends that improvements to the system be measured using four principal transportation management plans:

  - A pavement management plan,
  - A bridge management plan,
  - A safety management plan, and
  - A congestion management plan.

  Each state should prepare and adopt those plans using criteria appropriate to its particular circumstances.

  The planning processes should recognize the need for diversity among the states. The plans should be dynamic, multi-modal, and strategic in character; should

substitute for other program controls and should be amendable without sanctions. This approach would be an effective way to assure state accountability to Congress.

Other Significant Program Concerns

- A national transportation policy should set the direction and encourage strategic coordinated planning. Congress can set the example by ensuring that national policies and planning requirements are mutually reinforcing.

- The federal government should be a leader in advancing new technologies. That responsibility includes both leadership and funding of transportation research and development of national significance. The new national transportation program should establish a national transportation technology research and development program. That program should target promising experimental technology to increase existing capacity, to create more efficient system links, and to otherwise improve transportation productivity and relieve congestion.

- Private firms can often benefit economically from technological innovations. When that is the case, the private sector should also be a principal source of funding for transportation technology research and development.

- The Coalition is committed to a funding increase for research and development when such an increase is sufficiently justified. However, no specific national transportation research and development agenda and strategy has yet been established. Until such an agenda and strategy is created, it would be premature either to set specific funding levels or to define the precise cost-sharing relationship between the federal government and private sectors.

- The FHWA has largely accomplished its mission to foster professional development in the state highway and transportation departments. The states have become highly sophisticated in engineering and regulatory compliance. In recognition of the competency it has created in the states, FHWA should relax many of its regulations and oversight requirements. The states should have full authority and responsibility for design standards and engineering decisions affecting the flexible program. As members of AASHTO, the states are competent to insure proper engineering and uniformity in project development and construction.

FINANCING PROVISIONS:

Sufficiency and Equity

- The nation is moving to convert the present interstate-dominated, multi-categorized federal highway program to a simplified, post-interstate program. In that conversion, all states must receive total federal dollars (after adjustment for discretionary funding; emergency relief; funding for forest highways, Indian reservation roads, parkways and park roads; funding for highway-related safety grants and Bureau of Motor Carrier Safety Grants; and special interest or "demonstration" projects) in FY 1992 and later years that at least equals FY 1991 funding. Moreover, the potential hold-harmless states should share in all federal program increases at an equitable percentage growth rate.

- An increased commitment of real dollars will be necessary to maintain and expand the nation's highway and transit systems adequately over the next several decades. Along with increased state, local, and private investments, the federal government should be a more reliable financial partner.

- The federal transportation program must distribute its funds fairly, eliminate all existing losses and administrative withholdings, and enable the states to manage the program flexibly.

- The Coalition endorses the AASHTO recommendation to increase the federal highway funding level to about $18 billion in FY 1992, and then gradually to about $26 billion by FY 1995.

- The Coalition also endorses the AASHTO recommendation to increase the federal funding level (including the current capital portion of the general fund commitment) for public transportation capital projects to about $3.5 billion in FY 1992, and then gradually to about $5 billion by FY 1995.

- Congress must approve one final authorization amount to fulfill the long-standing commitment to complete the Interstate system (as defined in the 1989 Interstate Cost Estimate) and Interstate Substitute Projects. Those authorizations and distributions should be timed based on a state-by-state obligation plan coordinated through FHWA.

- Because of limitations placed on their obligation authority, the states have been prevented from using their full apportionments of federal transportation funds. The carryover of those accumulated apportionment balances will be an important issue in the transition from the current federal-aid transportation

program to a new one. The simplest and most direct solution is to follow the long-standing recommendation of most proponents of stable highway financing: to make the federal Highway Trust Fund permanent, and to remove all obligation limits. States could then obligate their carryover apportionments without restriction.

- The new federal-aid transportation program should reserve for transportation purposes the full balances of all revenues from federally imposed transportation taxes and user fees. It should also terminate funding the federal gasohol tax exemption from the Highway Trust Fund.

State and Federal Funding Share

- The new federal-aid transportation program should provide for funding the SONS program with a mix of federal and state-local funds. It should allow states to use those funds for rehabilitation, resurfacing, and restoration projects; for capacity enhancing projects; and where required, for new facilities on new locations. The federal share payable for SONS projects should be 85 percent.

- The Coalition strongly believes that the federal share payable for Flexible program projects should be the same as the SONS, 85 percent. The Coalition strongly opposes a federally mandated state or local overmatch. However, we support the AASHTO recommendation that the states retain the option to set a different state share.

Flexibility

- The Coalition supports the AASHTO position that a state shall have the discretion to transfer up to 20 percent of its total highway federal-aid apportionment either way between that state's Categorical Highway Program and that state's Flexible Highway Program.

Bridge Program

- The Coalition strongly supports AASHTO's recommendation that the new federal-aid highway program fund routine bridge replacements within the SONS and Flexible programs. The Coalition also agrees with AASHTO that the new program should establish a limited bridge discretionary program. The discretionary program should be limited to bridge projects for which funding is limited or unavailable, and funding should be limited to not more than 2 percent of total highway allocations.

Federal Lands

- For states with non-taxable national forest lands, public lands, Indian lands, and national parks and monuments lands, the Coalition supports continuing the "sliding scale" provisions of Section 120 of Title 23, United States Code, for establishing the federal share payable in both the Categorical and the Flexible Federal-aid Highway Programs.

Creative Financing

- The new federal-aid transportation program should encourage creative financing for high-cost capital projects, such as advanced construction funding, toll provisions, and multi-state compacts.

- Meeting future needs of our transportation system will require the creative application of new and existing user financing techniques. The new federal-aid transportation program should allow a state to impose tolls on its new connections and on extensions of existing transportation facilities without prejudicing the availability of federal-aid funding to that state. The state should be allowed to use the toll revenues to add capacity and otherwise relieve system congestion, and to commingle toll revenues with revenues from any other source.

- National objectives should encourage increased transit use. Current federal tax laws provide significant incentives to use automobiles, and significant disincentives to use public transit. Congress should revise those laws to support our national objectives by creating more equality in the competition among transportation modes.

Privatization

- Privatization and increased participation of private sector capital supplement -- but do not supplant -- increased public investment in transportation.

- The Coalition recommends that the new federal-aid transportation program should permit more private sector participation. The new program should also allow states to lease space in roadside rest areas to private concerns for for-profit enterprise. The private concern would be required to maintain the rest area's free public services, in addition to paying the state rent. The rent the state received would be used to construct new roadside rest areas. Similarly, the new program should allow states to install new toll facilities on selected existing segments of the SONS. The new program would require the states to use all

toll revenues above operating and debt service costs to improve the performance of SONS facilities, or to construct parallel facilities that carry no tolls.

- Recent tax code "reforms" have sharply curtailed federal tax exemptions for state and local revenue bonds. While this has eliminated some abuses, it has also sharply curtailed public-private sector partnerships for needed physical improvements to our transportation system. Congress must review the impact of its policies on state and local revenue bonds, and must restore support for tax incentives which encourage increased private-sector participation in publicly funded transportation projects.

APPENDIX

A FEDERAL HIGHWAY FINANCING OPTION

We are entering the post-Interstate construction era of "new transportation concepts for a new century." In the early 1990's, we must reshape traditional national highway programs to respond to those emerging concepts. If we heed the recommendations of AASHTO, U.S. DOT, the Highway Users Federation, and other associations, we must streamline the jumble of current federal highway programs to meet new challenges. In consolidating and reshaping the federal programs to respond to new national highway goals, old formulas for distributing federal funds among the states become obsolete. We must replace these old allocation formulas with new formulas that fit the new federal program design.

Some of the old formulas are truly archaic. For example, the Primary formula (formula A), the Secondary formula, and the Rail-Highway Crossing formula in part distribute federal funds based on proportionate rural delivery route mileage, intercity mail route mileage, and area. These formulas are more attuned to the 1920's goal of getting the nation out of the mud, rather than the 2020's goal of getting the nation out of the traffic jam. They may have worked in times past, but they clearly are out of step with the 21st century. If we are to reshape old federal programs to handle new and demanding challenges, we have no choice but to create new allocation formulas.

WHAT AASHTO HAS DECIDED:

1. In its recommendations on the direction of the future Federal Surface Transportation Program and for a National Transportation Policy, AASHTO proposes a two faceted federal highway program:

    a. A highway System of National Significance (SONS) -- limited in size, but powerful in purpose -- to serve the principal interstate commerce and mobility goals of the nation. Composed of existing interstates and some principal arterial highways, the SONS is intended to be a

state-designated federally approved national system. Ultimately, it is expected to result in a 150,000 to 180,000 highway system.

b. A Flexible Highway Program (FLEX) aimed at providing state and local governments with a flexible capacity to meet their distinctive highway needs. The FLEX will focus on urban mobility, suburban congestion, rural access and modal interlinks.

2. AASHTO recommends that the federal highway program be increased from its current $13.5 billion level to near $18 billion in fiscal 1992, and then gradually be further increased to $26 billion by fiscal 1995.

3. AASHTO recommends that funds necessary for emergency relief, federal lands highways, and a modest discretionary bridge program be set aside from total federal highway program funds first. (Funds for the discretionary bridge program should not exceed 2% of the total federal program).

4. AASHTO then recommends that remaining federal funds for the nation's highways be divided equally, half to the SONS program and half to the FLEX program. (Because of the allocation methods discussed below it is unlikely that funds allocated to individual states from each of those programs would reflect the national 50-50 split.)

5. AASHTO has recommended that factors directly related to the highway System of National Significance not be used for the state-by-state distribution of federal funds. Instead, AASHTO has recommended that funds be allocated through a formula using total statewide urban and rural vehicle miles of travel (VMT), total statewide urban and rural lane miles, and "other appropriate factors." AASHTO, however, did not say what "other appropriate factors" should be used, nor how the five (or more) factors should be weighted.

6. To be sure that each state receives a sufficient share of the national SONS funds, AASHTO further recommends that the SONS federal program retain the existing one-half percent minimum and the existing 85% minimum allocation.

7. AASHTO recommends that the FLEX program avoid a donor/donee relationship among various states. Instead, AASHTO recommends that all FLEX funds be allocated among the states so that each state receives

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FLEX funds in proportion to the highway user contributions to Federal Highway Trust Fund attributable to that state.

8. For flexibility, AASHTO recommends that each state be permitted to shift up to 20 percent of its total state allocation (both SONS and FLEX) either way between the SONS and the FLEX programs.

9. Presumably, planning and research and safety programs would be financed from within the SONS and FLEX programs.

10. Two AASHTO recommendations may consume some resources early in the 1990's, postponing the full implementation of the long-range AASHTO recommendations:

    - For the past several years, states have been unable to use their full annual apportionment of highway funds because of obligation limits. By the end of 1991, these unobligated apportionment balances will total about $11 billion. AASHTO recommends that states be permitted full use of their carryover balances.

    - In addition, all approved Interstate system highways and Interstate substitution projects will not be completely funded by fiscal 1991. AASHTO urges the prompt funding and completion of these projects.

11. In its recommendations, AASHTO demonstrates its concern that, in the shift to a new program structure, states should not experience a reduction in basic federal funding.

    a. A "hold harmless" provision would ensure that each state would receive at least as much in total federal highway funding under the new program as it received in fiscal 1991, assuming that all states had completed their Interstate highway systems.

    b. Each state's "hold harmless" threshold would include its fiscal 1991 dollar amount for Interstate Completion (adjusted to one-half percent of total national allocations), Interstate 4R, Primary, Secondary, Bridges, Metro Planning, Hazard Elimination, Rail-Highway Crossings, and Minimum Allocation. The threshold would not include Interstate Completion amounts above one-half percent, Interstate Substitution amounts, and any discretionary or demonstration project funding.

12. All states, including those on "hold harmless," should enjoy some share of federal program increases. Thus, AASHTO recommends a percentage growth in hold harmless allocations at an "equitable percentage growth rate" in relation to total federal highway funding growth. AASHTO, however, did not say what that "equitable percentage growth rate" should be.

WHAT STILL NEEDS TO BE DECIDED:

13. To develop a complete state-by-state estimate of expected federal funds under the new federal program within the AASHTO federal highway financing framework, only three questions remain unanswered:

    a.) In addition to total statewide urban and rural vehicle miles of travel and lane miles, what should be the "other appropriate factor(s)," used in the SONS allocation formula?

    b.) What should be the relative weighting among the SONS formula factors?

    c.) What should be the "equitable percentage growth rate" related to federal funding growth for the "hold harmless" guarantee?

A COMPLETED ALLOCATION SYSTEM OPTION:

14. To complete the AASHTO financing framework, first consider what "other appropriate factor(s)" (in addition to total statewide urban and rural lane miles and vehicle miles of travel) should be used to distribute SONS funding.

    a. To begin, consider the purposes of "lane miles" and "VMT" in the formula:

        1) Total statewide urban and rural lane miles within a state is intended to reflect the <u>extensiveness</u> -- both in rural and urban areas -- of the potential SONS network within the state. As a measure of extensiveness, "lane miles" is superior to "raw land area." The total road network more accurately reflects the character of land use requirements for transportation.

2) Total statewide urban and rural VMT is intended to reflect the intensity of usage of the SONS network within the state. However, VMT is a good measure of the intensity of small vehicle personal travel. It is an inadequate measure of the impact of large truck travel, a major part of SONS traffic.

b. Commercial truck travel is, of course, a dominant contributor to the economic and interstate commerce goals of the SONS. The SONS allocation formula should give significant weight to reliable indicators of the intensity of heavy truck travel. In the future, it would be preferable to collect data that precisely measure the number and weight of heavy truck travel in each state. At present, however, diesel fuel use data are consistently collected. Those data are relatively accurate, and should be used until more precise measures are available to indicate commercial truck travel.

15. Next, consider the appropriate relative weighting among the SONS formula factors: diesel fuel consumption, total statewide urban and rural lane miles, and total statewide urban and rural vehicle miles of travel.

a. There is no scientific guidance in assigning weight to these three factors. Each may be presumed to be of equal importance. Thus, assigning each factor a weight of one-third is reasonable.

b. In assigning relative weighting to urban and rural lane miles and VMT, however, a body of information is available to guide our decision. "The Bottom Line" report, published by AASHTO in 1988, estimated the dollar costs to preserve and improve the nations highways for the next three decades. The report suggests that SONS costs in urban areas are more than twice SONS costs in rural areas. Thus, it is appropriate to weight urban lane miles and VMT a more heavily than rural lane miles and VMT.

16. Combining these considerations, we can construct a SONS allocation formula as follows:

- One-ninth for proportionate total statewide rural lane miles.
- One-ninth for proportionate total statewide rural VMT.
- Two-ninths for proportionate total statewide urban lane miles.
- Two-ninths for proportionate total statewide urban VMT.
- Three-ninths for proportionate total statewide diesel fuel use.

HOLD HARMLESS GROWTH RATES:

17. To complete the AASHTO financial framework, consider what should be the "equitable growth percentage rate" in the "hold harmless" guarantee. That is, if the federal program did increase by 30% (from the expected $13.5 billion in the base year fiscal 1991 to $17.6 billion in fiscal 1992), what should be the percentage growth rate in the "hold harmless" guarantee for each state? Again, there is no scientific guidance for deciding the matter.

    a. The AASHTO policy appropriately suggests that "hold harmless" states should enjoy some growth in federal funding when the total federal program increases. Yet, to set "hold harmless" growth at a rate equal to the growth of the total federal program increase would have the effect of "freezing" the 1991 distribution pattern for the next three decades. This would frustrate the opportunity to respond to the new challenges of the new century.

    b. As with setting the weight of formula factors, reasonable judgement is our only standard in setting an equitable growth percentage rate for "hold harmless" states.

CONCERNS OF LARGE AREA - SMALL POPULATION STATES:

18. The allocation system option described above appears to work quite well for most states. Any problems that states with smaller land area may experience with the formula are fully corrected by the guarantee of receiving not less than one-half percent of the SONS categorical allocation.

    Several states with a large land area and a small population in the Rocky Mountain area are seriously concerned that the basic formula option inadequately recognizes the problems associated with light population density. If desired, the SONS formula could be modified to provide supplement for the states with few people per square mile.

19. As with factor weighting and "hold harmless" growth rates, reasonable judgement is essential in setting a SONS formula supplement for light population density states.

1992 - $13.5b
CATEGORICAL DETAIL
MILES-VMT-DIESEL

1-8-22W
(1988)

STATE	RURAL Lane Miles	RURAL VMT	URBAN Lane Miles	URBAN VMT	Total Diesel Fuel Consumed	TOTAL ALLOCATION	% OF TOTAL
ALABAMA	$15.27	$16.65	$29.99	$20.95	$48.00	$130.86	2.18%
ALASKA	$2.09	$1.66	$3.01	$1.96	$4.32	$13.05	0.22%
ARIZONA	$12.39	$10.85	$22.44	$23.02	$30.28	$98.98	1.65%
ARKANSAS	$14.20	$9.73	$13.49	$7.80	$38.94	$84.17	1.40%
CALIFORNIA	$19.29	$40.61	$139.16	$212.89	$177.65	$589.60	9.83%
COLORADO	$13.61	$8.71	$20.48	$18.67	$19.07	$80.55	1.34%
CONNECTICUT	$1.88	$5.21	$19.21	$21.81	$20.71	$68.81	1.15%
DELAWARE	$0.81	$2.31	$2.93	$3.91	$5.59	$15.55	0.26%
D.C.	$0.00	$0.00	$2.18	$3.81	$2.32	$8.31	0.14%
FLORIDA	$12.06	$23.45	$86.17	$84.74	$77.90	$284.31	4.74%
GEORGIA	$18.06	$23.32	$36.93	$36.81	$83.91	$199.03	3.32%
HAWAII	$0.55	$1.85	$2.76	$5.69	$2.29	$13.14	0.22%
IDAHO	$11.97	$4.45	$4.29	$2.82	$10.06	$33.59	0.56%
ILLINOIS	$21.57	$19.59	$57.96	$60.17	$78.03	$237.32	3.96%
INDIANA	$15.51	$22.67	$31.48	$25.27	$63.45	$158.38	2.64%
IOWA	$21.35	$11.13	$16.01	$8.84	$33.78	$91.11	1.52%
KANSAS	$25.45	$9.54	$15.66	$10.24	$30.16	$91.05	1.52%
KENTUCKY	$12.93	$14.76	$13.72	$14.58	$51.22	$107.21	1.79%
LOUISIANA	$9.61	$13.66	$22.51	$19.35	$37.33	$102.67	1.71%
MAINE	$4.05	$6.63	$4.15	$3.42	$11.62	$29.87	0.50%
MARYLAND	$3.46	$10.15	$22.55	$27.64	$32.87	$96.68	1.61%
MASSACHUSETTS	$2.75	$6.23	$36.11	$39.67	$29.31	$114.08	1.90%
MICHIGAN	$18.80	$24.46	$50.17	$52.67	$53.10	$199.20	3.32%
MINNESOTA	$23.83	$13.61	$25.27	$21.59	$33.48	$117.79	1.96%
MISSISSIPPI	$13.45	$11.80	$12.97	$8.05	$32.17	$78.44	1.31%
MISSOURI	$21.54	$17.40	$27.91	$26.47	$54.04	$147.35	2.46%
MONTANA	$14.26	$4.85	$3.84	$2.28	$11.70	$36.93	0.62%
NEBRASKA	$17.91	$6.74	$8.74	$5.50	$20.29	$59.18	0.99%
NEVADA	$8.62	$3.09	$5.85	$5.70	$11.67	$34.94	0.58%
NEW HAMPSHIRE	$2.56	$4.66	$4.15	$4.08	$5.86	$21.30	0.36%
NEW JERSEY	$2.51	$8.62	$39.99	$53.46	$51.67	$156.24	2.60%
NEW MEXICO	$10.31	$7.40	$8.72	$6.67	$20.67	$53.78	0.90%
NEW YORK	$15.21	$23.98	$68.58	$82.18	$70.24	$260.19	4.34%
NORTH CAROLINA	$15.66	$25.29	$33.16	$29.21	$61.87	$165.19	2.75%
NORTH DAKOTA	$17.36	$3.36	$3.15	$1.72	$9.19	$34.78	0.58%
OHIO	$17.18	$27.85	$56.88	$52.49	$86.95	$241.34	4.02%
OKLAHOMA	$20.51	$12.88	$22.16	$18.09	$39.06	$112.69	1.88%
OREGON	$17.46	$11.00	$15.42	$12.70	$30.52	$87.10	1.45%
PENNSYLVANIA	$18.46	$29.20	$49.79	$49.74	$93.69	$240.88	4.01%
RHODE ISLAND	$0.31	$0.72	$7.74	$5.53	$4.40	$18.70	0.31%
SOUTH CAROLINA	$11.39	$16.19	$17.04	$12.73	$31.33	$88.67	1.48%
SOUTH DAKOTA	$14.76	$4.05	$3.15	$1.72	$9.53	$33.21	0.55%
TENNESSEE	$14.19	$17.05	$27.67	$25.42	$37.97	$142.30	2.37%
TEXAS	$45.41	$42.71	$151.63	$114.82	$134.16	$488.73	8.15%
UTAH	$7.82	$4.03	$9.90	$9.15	$15.05	$45.96	0.77%
VERMONT	$2.74	$3.40	$1.68	$1.42	$4.59	$13.83	0.23%
VIRGINIA	$11.10	$21.14	$27.46	$34.50	$57.40	$151.59	2.53%
WASHINGTON	$13.45	$12.16	$29.59	$29.64	$34.27	$119.10	1.99%
WEST VIRGINIA	$6.56	$7.95	$5.26	$4.34	$18.74	$42.86	0.71%
WISCONSIN	$19.76	$17.82	$25.52	$22.40	$42.28	$127.79	2.13%
WYOMING	$8.02	$3.44	$3.40	$1.48	$15.27	$31.62	0.53%
US AVERAGE	$650.00	$650.00	$1,350.00	$1,350.00	$2,000.00	$6,000.00	100%

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SUMMARY FUNDING
1992 - $13.5b
MILES-VMT-DIESEL
(millions of dollars)

2-8-22
(1992)

STATE	Flexible	CATEGORICAL PROGRAM Formula	Half %	85% MA	Total	Hold Harmless	Total Funding	% Of Total
ALABAMA	$110.65	$130.86			$130.86		$241.51	1.93%
ALASKA	$10.61	$13.05	$16.95		$30.00	$112.29	$152.91	1.22%
ARIZONA	$93.27	$98.98			$98.98		$192.25	1.54%
ARKANSAS	$82.23	$84.17			$84.17		$166.39	1.33%
CALIFORNIA	$653.01	$589.60			$589.60		$1,242.61	9.94%
COLORADO	$77.90	$80.55			$80.55		$158.44	1.27%
CONNECTICUT	$75.58	$68.81			$68.81	$10.52	$154.91	1.24%
DELAWARE	$19.15	$15.55	$14.45		$30.00	$0.54	$49.69	0.40%
D.C.	$9.21	$8.31	$21.69		$30.00	$13.18	$52.39	0.42%
FLORIDA	$296.28	$284.31			$284.31		$580.59	4.65%
GEORGIA	$216.92	$199.03			$199.03		$415.94	3.33%
HAWAII	$15.25	$13.14	$16.86		$30.00	$4.56	$49.81	0.40%
IDAHO	$27.69	$33.59			$33.59	$11.04	$72.32	0.58%
ILLINOIS	$222.04	$237.32			$237.32		$459.36	3.68%
INDIANA	$151.77	$158.38			$158.38		$310.15	2.48%
IOWA	$73.75	$91.11			$91.11		$164.86	1.32%
KANSAS	$77.84	$91.05			$91.05		$168.89	1.35%
KENTUCKY	$87.17	$107.21			$107.21		$194.38	1.56%
LOUISIANA	$107.24	$102.67			$102.67		$209.91	1.68%
MAINE	$38.74	$29.87	$0.13	$2.38	$32.39		$71.12	0.57%
MARYLAND	$112.42	$96.68			$96.68		$209.10	1.67%
MASSACHUSETTS	$123.34	$114.08			$114.08		$237.42	1.90%
MICHIGAN	$201.06	$199.20			$199.20		$400.26	3.20%
MINNESOTA	$101.75	$117.79			$117.79		$219.54	1.76%
MISSISSIPPI	$80.40	$78.44			$78.44		$158.84	1.27%
MISSOURI	$156.77	$147.35			$147.35		$304.12	2.43%
MONTANA	$28.00	$36.93			$36.93	$41.72	$106.65	0.85%
NEBRASKA	$43.68	$59.18			$59.18		$102.86	0.82%
NEVADA	$32.76	$34.94			$34.94	$3.72	$71.42	0.57%
NEW HAMPSHIRE	$25.19	$21.30	$8.70		$30.00		$55.19	0.44%
NEW JERSEY	$192.21	$156.24		$4.46	$160.70		$352.91	2.82%
NEW MEXICO	$49.11	$53.78			$53.78	$0.66	$103.55	0.83%
NEW YORK	$298.35	$260.19			$260.19		$558.54	4.47%
NORTH CAROLINA	$188.12	$165.19			$165.19		$353.31	2.83%
NORTH DAKOTA	$21.29	$34.78			$34.78	$15.74	$71.81	0.57%
OHIO	$252.54	$241.34			$241.34		$493.88	3.95%
OKLAHOMA	$104.98	$112.69			$112.69		$217.67	1.74%
OREGON	$79.54	$87.10			$87.10		$166.65	1.33%
PENNSYLVANIA	$270.84	$240.88			$240.88		$511.72	4.09%
RHODE ISLAND	$20.80	$18.70	$11.30		$30.00		$50.80	0.41%
SOUTH CAROLINA	$92.29	$88.67			$88.67		$180.96	1.45%
SOUTH DAKOTA	$22.45	$33.21			$33.21	$23.95	$79.61	0.64%
TENNESSEE	$150.55	$142.30			$142.30		$292.85	2.34%
TEXAS	$468.36	$488.73			$488.73		$957.09	7.66%
UTAH	$44.35	$45.96			$45.96	$1.00	$91.31	0.73%
VERMONT	$15.31	$13.83	$16.17		$30.00	$8.39	$53.70	0.43%
VIRGINIA	$164.03	$151.59			$151.59		$315.62	2.53%
WASHINGTON	$114.68	$119.10			$119.10		$233.78	1.87%
WEST VIRGINIA	$47.64	$42.86			$42.86	$20.46	$110.96	0.89%
WISCONSIN	$118.34	$127.79			$127.79		$246.13	1.97%
WYOMING	$32.57	$31.62			$31.62	$16.26	$80.46	0.64%
US AVERAGE	$6,100.00	$6,000.00	$106.25	$6.85	$6,113.09	$284.03	$12,497.12	100%

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1992 - $17.6b
CATEGORICAL DETAIL
MILES-VMT-DIESEL

1-8-22W
(1988)

STATE	RURAL Lane Miles	RURAL VMT	URBAN Lane Miles	URBAN VMT	Total Diesel Fuel Consumed	TOTAL ALLOCATION	% OF TOTAL
ALABAMA	$21.15	$23.05	$39.98	$27.93	$66.80	$176.91	2.18%
ALASKA	$2.90	$2.30	$4.02	$2.61	$5.83	$17.66	0.22%
ARIZONA	$17.15	$15.02	$29.92	$30.69	$40.88	$133.67	1.65%
ARKANSAS	$19.66	$13.47	$17.99	$10.40	$52.57	$114.10	1.41%
CALIFORNIA	$26.71	$56.23	$185.55	$283.85	$239.83	$792.17	9.78%
COLORADO	$18.85	$12.06	$27.31	$24.90	$25.74	$108.86	1.34%
CONNECTICUT	$2.60	$7.21	$25.62	$29.08	$27.96	$92.46	1.14%
DELAWARE	$1.12	$3.20	$3.90	$5.22	$7.55	$20.99	0.26%
D.C.	$0.00	$0.00	$2.91	$5.07	$3.14	$11.12	0.14%
FLORIDA	$16.69	$32.46	$114.89	$112.99	$105.17	$382.20	4.72%
GEORGIA	$25.01	$32.28	$49.24	$49.07	$113.27	$268.89	3.32%
HAWAII	$0.76	$2.56	$3.68	$7.58	$3.09	$17.68	0.22%
IDAHO	$16.57	$6.17	$5.73	$3.76	$13.58	$45.80	0.57%
ILLINOIS	$29.87	$27.12	$77.28	$80.23	$105.34	$319.84	3.95%
INDIANA	$21.47	$31.39	$41.98	$33.69	$85.66	$214.19	2.64%
IOWA	$29.56	$15.41	$21.33	$11.78	$45.60	$123.71	1.53%
KANSAS	$35.24	$13.21	$20.88	$13.66	$40.72	$123.70	1.53%
KENTUCKY	$17.90	$20.44	$18.30	$19.43	$69.15	$145.22	1.79%
LOUISIANA	$13.31	$18.92	$30.02	$26.07	$50.40	$138.71	1.71%
MAINE	$5.60	$9.18	$5.54	$4.56	$15.69	$40.57	0.50%
MARYLAND	$4.79	$14.05	$30.07	$36.85	$44.38	$130.15	1.61%
MASSACHUSETTS	$3.81	$8.62	$48.15	$52.90	$39.57	$153.05	1.89%
MICHIGAN	$26.03	$33.87	$46.89	$70.23	$71.68	$268.70	3.32%
MINNESOTA	$32.99	$18.85	$33.69	$28.79	$45.20	$159.53	1.97%
MISSISSIPPI	$18.63	$16.33	$17.29	$10.74	$43.43	$106.42	1.31%
MISSOURI	$29.82	$24.09	$37.21	$35.29	$72.96	$199.37	2.46%
MONTANA	$19.75	$6.71	$5.12	$3.06	$15.79	$50.41	0.62%
NEBRASKA	$24.80	$9.34	$11.65	$7.34	$27.39	$80.52	0.99%
NEVADA	$11.93	$4.28	$7.80	$7.60	$15.76	$47.38	0.58%
NEW HAMPSHIRE	$3.54	$6.45	$5.54	$5.43	$7.91	$28.87	0.36%
NEW JERSEY	$3.48	$11.93	$53.31	$71.28	$69.76	$209.75	2.59%
NEW MEXICO	$14.28	$10.25	$11.63	$8.90	$27.90	$72.96	0.90%
NEW YORK	$21.06	$33.20	$91.44	$109.57	$94.83	$350.10	4.32%
NORTH CAROLINA	$21.68	$35.02	$44.21	$38.94	$83.53	$223.38	2.76%
NORTH DAKOTA	$24.04	$4.65	$4.20	$2.30	$12.40	$47.59	0.59%
OHIO	$23.79	$38.55	$75.84	$69.98	$117.38	$325.55	4.02%
OKLAHOMA	$28.39	$17.84	$29.55	$24.11	$52.73	$152.62	1.88%
OREGON	$24.18	$15.23	$20.56	$16.94	$41.20	$118.11	1.46%
PENNSYLVANIA	$25.56	$40.43	$66.39	$66.32	$126.48	$325.18	4.01%
RHODE ISLAND	$0.43	$1.00	$10.32	$7.37	$5.94	$25.06	0.31%
SOUTH CAROLINA	$15.76	$22.42	$22.72	$16.97	$42.29	$120.17	1.48%
SOUTH DAKOTA	$20.43	$5.61	$4.21	$2.29	$12.87	$45.41	0.56%
TENNESSEE	$19.65	$23.61	$36.89	$33.89	$78.26	$192.30	2.37%
TEXAS	$62.88	$59.13	$202.18	$153.09	$181.12	$658.39	8.13%
UTAH	$10.83	$5.58	$13.29	$12.21	$20.32	$62.13	0.77%
VERMONT	$3.79	$4.71	$2.24	$1.90	$6.19	$18.83	0.23%
VIRGINIA	$15.37	$29.26	$36.61	$46.00	$77.49	$204.73	2.53%
WASHINGTON	$18.62	$16.84	$39.45	$39.52	$46.27	$160.69	1.98%
WEST VIRGINIA	$9.09	$11.00	$7.01	$5.79	$25.30	$58.20	0.72%
WISCONSIN	$27.36	$24.68	$34.03	$29.86	$57.08	$173.02	2.14%
WYOMING	$11.11	$4.77	$4.53	$1.98	$20.62	$43.00	0.53%
US AVERAGE	$900.00	$900.00	$1,800.00	$1,800.00	$2,700.00	$8,100.00	100%

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February 7, 1990

SUMMARY FUNDING
1992 - $17.6b
MILES-VMT-DIESEL
(millions of dollars)

2-B-22C
(1988)

STATE	Flexible	CATEGORICAL PROGRAM Formula	Half %	85% MA	Total	Hold Harmless	Total Funding	% Of Total
ALABAMA	$146.93	$176.91			$176.91		$323.85	1.96%
ALASKA	$14.09	$17.66	$22.84		$40.50	$121.25	$175.84	1.06%
ARIZONA	$123.85	$133.67			$133.67		$257.52	1.56%
ARKANSAS	$109.19	$114.10			$114.10		$223.28	1.35%
CALIFORNIA	$867.11	$792.17			$792.17		$1,659.28	10.02%
COLORADO	$103.44	$108.86			$108.86		$212.29	1.28%
CONNECTICUT	$100.36	$92.46			$92.46		$192.82	1.16%
DELAWARE	$25.43	$20.99	$19.51		$40.50		$65.93	0.40%
D.C.	$12.23	$11.12	$29.38		$40.50	$7.52	$60.25	0.36%
FLORIDA	$393.42	$382.20			$382.20		$775.62	4.69%
GEORGIA	$288.04	$268.89			$268.89		$556.92	3.36%
HAWAII	$20.25	$17.68	$22.82		$40.50		$60.75	0.37%
IDAHO	$36.77	$45.80			$45.80	$0.60	$83.17	0.50%
ILLINOIS	$294.84	$319.84			$319.84		$614.68	3.71%
INDIANA	$201.53	$214.19			$214.19		$415.71	2.51%
IOWA	$97.93	$123.71			$123.71		$221.64	1.34%
KANSAS	$103.36	$123.70			$123.70		$227.05	1.37%
KENTUCKY	$115.75	$145.22			$145.22		$260.97	1.58%
LOUISIANA	$142.40	$138.71			$138.71		$281.11	1.70%
MAINE	$51.43	$40.57		$3.15	$43.72		$95.15	0.57%
MARYLAND	$149.28	$130.15			$130.15		$279.43	1.69%
MASSACHUSETTS	$163.78	$153.05			$153.05		$316.83	1.91%
MICHIGAN	$266.98	$268.70			$268.70		$535.68	3.24%
MINNESOTA	$135.11	$159.53			$159.53		$294.64	1.78%
MISSISSIPPI	$106.76	$106.42			$106.42		$213.18	1.29%
MISSOURI	$208.17	$199.37			$199.37		$407.54	2.46%
MONTANA	$37.18	$50.41			$50.41	$35.05	$122.64	0.74%
NEBRASKA	$58.00	$80.52			$80.52		$138.51	0.84%
NEVADA	$43.50	$47.38			$47.38		$90.87	0.55%
NEW HAMPSHIRE	$33.45	$28.87	$11.63		$40.50		$73.95	0.45%
NEW JERSEY	$255.23	$209.75		$7.19	$216.95		$472.18	2.85%
NEW MEXICO	$65.21	$72.96			$72.96		$138.17	0.83%
NEW YORK	$396.17	$350.10			$350.10		$746.27	4.51%
NORTH CAROLINA	$249.80	$223.38			$223.38		$473.19	2.86%
NORTH DAKOTA	$28.27	$47.59			$47.59	$6.72	$82.58	0.50%
OHIO	$335.34	$325.55			$325.55		$660.89	3.99%
OKLAHOMA	$139.40	$152.62			$152.62		$292.02	1.76%
OREGON	$105.62	$118.11			$118.11		$223.73	1.35%
PENNSYLVANIA	$359.64	$325.18			$325.18		$684.82	4.14%
RHODE ISLAND	$27.62	$25.06	$15.44		$40.50		$68.12	0.41%
SOUTH CAROLINA	$122.55	$120.17			$120.17		$242.72	1.47%
SOUTH DAKOTA	$29.81	$45.41			$45.41	$16.33	$91.55	0.55%
TENNESSEE	$199.91	$192.30			$192.30		$392.21	2.37%
TEXAS	$621.92	$658.39			$658.39		$1,280.31	7.73%
UTAH	$58.89	$62.13			$62.13		$121.02	0.73%
VERMONT	$20.33	$18.83	$21.67		$40.50	$0.93	$61.76	0.37%
VIRGINIA	$217.81	$204.73			$204.73		$422.54	2.55%
WASHINGTON	$152.28	$160.69			$160.69		$312.97	1.89%
WEST VIRGINIA	$63.26	$58.20			$58.20	$6.14	$127.60	0.77%
WISCONSIN	$157.14	$173.02			$173.02		$330.16	1.99%
WYOMING	$43.25	$43.00			$43.00	$6.27	$92.52	0.56%
US AVERAGE	$8,100.00	$8,100.00	$143.29	$10.34	$8,253.63	$200.80	$16,554.43	100%

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1992 - $25.9b
CATEGORICAL DETAIL
MILES-VMT-DIESEL

1-8-22W
(1988)

STATE	RURAL Lane Miles	RURAL VMT	URBAN Lane Miles	URBAN VMT	Total Diesel Fuel Consumed	TOTAL ALLOCATION	% OF TOTAL
ALABAMA	$30.54	$33.29	$59.97	$41.90	$96.00	$261.71	2.18%
ALASKA	$4.19	$3.32	$6.03	$3.91	$8.64	$26.10	0.22%
ARIZONA	$24.78	$21.70	$44.89	$46.04	$60.56	$197.96	1.65%
ARKANSAS	$28.40	$19.46	$26.98	$15.61	$77.88	$168.33	1.40%
CALIFORNIA	$38.58	$81.22	$278.32	$425.77	$355.31	$1,179.21	9.83%
COLORADO	$27.22	$17.42	$40.96	$37.34	$38.14	$161.09	1.34%
CONNECTICUT	$3.75	$10.41	$38.43	$43.61	$41.43	$137.63	1.15%
DELAWARE	$1.62	$4.62	$5.86	$7.82	$11.19	$31.10	0.26%
D.C.	$0.00	$0.00	$4.36	$7.61	$4.65	$16.62	0.14%
FLORIDA	$24.11	$46.89	$172.34	$169.48	$155.80	$568.62	4.74%
GEORGIA	$36.13	$46.63	$73.87	$73.61	$167.81	$398.05	3.32%
HAWAII	$1.09	$3.70	$5.52	$11.37	$4.58	$26.28	0.22%
IDAHO	$23.93	$8.91	$8.59	$5.64	$20.11	$67.18	0.56%
ILLINOIS	$43.14	$39.18	$115.91	$120.35	$156.06	$474.64	3.96%
INDIANA	$31.01	$45.34	$62.96	$50.54	$126.91	$316.75	2.64%
IOWA	$42.70	$22.26	$32.03	$17.67	$67.56	$182.22	1.52%
KANSAS	$50.91	$19.07	$31.32	$20.48	$60.32	$182.10	1.52%
KENTUCKY	$25.86	$29.53	$27.45	$29.15	$102.44	$214.43	1.79%
LOUISIANA	$19.22	$27.33	$45.03	$39.10	$74.66	$205.35	1.71%
MAINE	$8.09	$13.26	$8.30	$6.85	$23.24	$59.75	0.50%
MARYLAND	$6.92	$20.30	$45.11	$55.28	$65.75	$193.35	1.61%
MASSACHUSETTS	$5.50	$12.45	$72.23	$79.35	$58.62	$228.15	1.90%
MICHIGAN	$37.60	$48.92	$100.34	$105.34	$106.19	$398.40	3.32%
MINNESOTA	$47.66	$27.23	$50.54	$43.19	$66.96	$235.58	1.96%
MISSISSIPPI	$26.90	$23.59	$25.94	$16.11	$64.34	$156.88	1.31%
MISSOURI	$43.07	$34.80	$55.81	$52.94	$108.09	$294.71	2.46%
MONTANA	$28.53	$9.69	$7.67	$4.57	$23.40	$73.86	0.62%
NEBRASKA	$35.82	$13.49	$17.48	$11.01	$40.57	$118.37	0.99%
NEVADA	$17.24	$6.18	$11.70	$11.40	$23.35	$69.87	0.58%
NEW HAMPSHIRE	$5.11	$9.32	$8.31	$8.15	$11.72	$42.61	0.36%
NEW JERSEY	$5.02	$17.23	$79.97	$106.91	$103.35	$312.48	2.60%
NEW MEXICO	$20.63	$14.81	$17.45	$13.35	$41.33	$107.56	0.90%
NEW YORK	$30.43	$47.95	$137.15	$164.35	$140.49	$520.37	4.34%
NORTH CAROLINA	$31.31	$50.58	$66.32	$58.41	$123.75	$330.38	2.75%
NORTH DAKOTA	$34.72	$6.72	$6.30	$3.44	$18.38	$69.57	0.58%
OHIO	$34.37	$55.69	$113.76	$104.97	$173.90	$482.68	4.02%
OKLAHOMA	$41.01	$25.77	$44.32	$36.17	$78.11	$225.38	1.88%
OREGON	$34.93	$22.00	$30.84	$25.40	$61.04	$174.21	1.45%
PENNSYLVANIA	$36.91	$58.40	$99.59	$99.48	$187.37	$481.75	4.01%
RHODE ISLAND	$0.63	$1.44	$15.47	$11.06	$8.80	$37.40	0.31%
SOUTH CAROLINA	$22.77	$32.39	$34.07	$25.46	$62.65	$177.34	1.48%
SOUTH DAKOTA	$29.51	$8.11	$6.31	$3.43	$19.07	$66.43	0.55%
TENNESSEE	$28.39	$34.10	$55.34	$50.84	$115.94	$284.60	2.37%
TEXAS	$90.82	$85.41	$303.27	$229.64	$268.32	$977.46	8.15%
UTAH	$15.64	$8.06	$19.80	$18.31	$30.10	$91.91	0.77%
VERMONT	$5.47	$6.80	$3.36	$2.85	$9.18	$27.66	0.23%
VIRGINIA	$22.20	$42.27	$54.91	$68.99	$114.80	$303.18	2.53%
WASHINGTON	$26.89	$24.32	$59.17	$59.27	$68.53	$238.20	1.99%
WEST VIRGINIA	$13.13	$15.89	$10.52	$8.69	$37.48	$85.71	0.71%
WISCONSIN	$39.52	$35.65	$51.05	$44.79	$84.56	$255.58	2.13%
WYOMING	$16.05	$6.89	$6.79	$2.97	$30.55	$63.24	0.53%
US AVERAGE	$1,300.00	$1,300.00	$2,700.00	$2,700.00	$4,000.00	$12,000.00	100%

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SUMMARY FUNDING
1992 - $25.9b
MILES-VMT-DIESEL
(millions of dollars)

2-9-22
(1938)

STATE	Flexible	CATEGORICAL PROGRAM Formula	Half %	85% MA	Total	Hold Harmless	Total Funding	% Of Total
ALABAMA	$221.31	$261.71			$261.71		$483.02	1.97%
ALASKA	$21.23	$26.10	$33.90		$60.00	$71.68	$152.91	0.62%
ARIZONA	$186.54	$197.96			$197.96		$384.50	1.57%
ARKANSAS	$164.46	$168.33			$168.33		$332.79	1.36%
CALIFORNIA	$1,306.01	$1,179.21			$1,179.21		$2,485.22	10.1[illegible]%
COLORADO	$155.79	$161.09			$161.09		$316.88	1.29%
CONNECTICUT	$151.16	$137.63			$137.63		$288.79	1.18%
DELAWARE	$38.31	$31.10	$28.90		$60.00		$98.31	0.[illegible]%
D.C.	$18.42	$16.62	$43.38		$60.00		$78.42	0.32%
FLORIDA	$592.55	$568.62			$568.62		$1,161.18	4.74%
GEORGIA	$433.83	$398.05			$398.05		$831.88	3.40%
HAWAII	$30.50	$26.28	$33.72		$60.00		$90.50	0.37%
IDAHO	$55.39	$67.18			$67.18		$122.57	0.50%
ILLINOIS	$444.08	$474.64			$474.64		$918.72	3.75%
INDIANA	$303.54	$316.75			$316.75		$620.29	2.53%
IOWA	$147.50	$182.22			$182.22		$329.72	1.35%
KANSAS	$155.67	$182.10			$182.10		$337.77	1.38%
KENTUCKY	$174.34	$214.43			$214.43		$388.76	1.59%
LOUISIANA	$214.48	$205.35			$205.35		$419.82	1.71%
MAINE	$77.47	$59.75	$0.25	$4.77	$64.77		$142.24	0.58%
MARYLAND	$224.85	$193.35			$193.35		$418.20	1.71%
MASSACHUSETTS	$246.68	$228.15			$228.15		$474.84	1.94%
MICHIGAN	$402.11	$398.40			$398.40		$800.51	3.27%
MINNESOTA	$203.50	$235.58			$235.58		$439.07	1.79%
MISSISSIPPI	$160.80	$156.88			$156.88		$317.68	1.30%
MISSOURI	$313.54	$294.71			$294.71		$608.25	2.48%
MONTANA	$56.00	$73.86			$73.86		$129.85	0.53%
NEBRASKA	$87.35	$118.37			$118.37		$205.72	0.84%
NEVADA	$65.51	$69.87			$69.87		$135.38	0.55%
NEW HAMPSHIRE	$50.39	$42.61	$17.39		$60.00		$110.39	0.45%
NEW JERSEY	$384.42	$312.48		$8.92	$321.40		$705.82	2.88%
NEW MEXICO	$98.21	$107.56			$107.56		$205.77	0.84%
NEW YORK	$596.70	$520.37			$520.37		$1,117.08	4.56%
NORTH CAROLINA	$376.25	$330.38			$330.38		$706.62	2.88%
NORTH DAKOTA	$42.58	$69.57			$69.57		$112.15	0.46%
OHIO	$505.08	$482.68			$482.68		$987.76	4.03%
OKLAHOMA	$209.96	$225.38			$225.38		$435.34	1.78%
OREGON	$159.09	$174.21			$174.21		$333.30	1.36%
PENNSYLVANIA	$541.68	$481.75			$481.75		$1,023.43	4.18%
RHODE ISLAND	$41.60	$37.40	$22.60		$60.00		$101.60	0.41%
SOUTH CAROLINA	$184.59	$177.34			$177.34		$361.93	1.48%
SOUTH DAKOTA	$44.90	$66.43			$66.43		$111.33	0.45%
TENNESSEE	$301.10	$284.60			$284.60		$585.70	2.39%
TEXAS	$936.72	$977.46			$977.46		$1,914.18	7.81%
UTAH	$88.69	$91.91			$91.91		$180.61	0.74%
VERMONT	$30.62	$27.66	$32.34		$60.00		$90.62	0.37%
VIRGINIA	$328.06	$303.18			$303.18		$631.24	2.58%
WASHINGTON	$229.36	$238.20			$238.20		$467.56	1.91%
WEST VIRGINIA	$95.28	$85.71			$85.71		$181.00	0.74%
WISCONSIN	$236.68	$255.58			$255.58		$492.26	2.01%
WYOMING	$65.15	$63.24			$63.24		$128.39	0.52%
US AVERAGE	$12,200.00	$12,000.00	$212.50	$13.69	$12,226.19	$71.68	$24,497.86	100%

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B-22W Option

STATE	RETURN, $13.5 b LEVEL	RETURN, $17.6 b LEVEL	RETURN, $25.9 b LEVEL
ALABAMA	106.53%	108.36%	108.69%
ALASKA	703.18%	533.38%	358.71%
ARIZONA	100.61%	102.23%	102.65%
ARKANSAS	98.77%	100.54%	100.77%
CALIFORNIA	92.88%	94.08%	94.77%
COLORADO	99.28%	100.90%	101.29%
CONNECTICUT	100.05%	94.46%	95.14%
DELAWARE	126.63%	127.45%	127.80%
D.C.	277.63%	211.96%	212.00%
FLORIDA	95.65%	96.93%	97.59%
GEORGIA	93.60%	95.06%	95.49%
HAWAII	159.42%	147.49%	147.77%
IDAHO	127.47%	110.39%	110.21%
ILLINOIS	100.98%	102.50%	103.03%
INDIANA	99.75%	101.42%	101.77%
IOWA	109.11%	111.27%	111.32%
KANSAS	105.91%	108.00%	108.06%
KENTUCKY	108.85%	110.85%	111.05%
LOUISIANA	95.54%	97.06%	97.48%
MAINE	89.62%	90.95%	91.44%
MARYLAND	90.79%	92.03%	92.62%
MASSACHUSETTS	93.96%	95.11%	95.86%
MICHIGAN	97.17%	98.65%	99.14%
MINNESOTA	105.32%	107.22%	107.45%
MISSISSIPPI	96.43%	98.17%	98.39%
MISSOURI	94.69%	96.25%	96.61%
MONTANA	185.92%	141.03%	115.48%
NEBRASKA	114.95%	117.42%	117.28%
NEVADA	106.42%	102.71%	102.91%
NEW HAMPSHIRE	106.94%	108.69%	109.10%
NEW JERSEY	89.62%	90.95%	91.44%
NEW MEXICO	102.93%	104.18%	104.34%
NEW YORK	91.35%	92.61%	93.23%
NORTH CAROLINA	91.67%	93.13%	93.53%
NORTH DAKOTA	164.66%	131.94%	131.17%
OHIO	95.46%	96.89%	97.39%
OKLAHOMA	101.21%	102.99%	103.26%
OREGON	102.26%	104.14%	104.33%
PENNSYLVANIA	92.22%	93.62%	94.09%
RHODE ISLAND	119.21%	121.25%	121.62%
SOUTH CAROLINA	95.71%	97.37%	97.65%
SOUTH DAKOTA	173.10%	131.30%	123.49%
TENNESSEE	94.95%	96.46%	96.87%
TEXAS	99.75%	101.21%	101.77%
UTAH	100.50%	101.04%	101.41%
VERMONT	171.20%	147.10%	147.38%
VIRGINIA	93.92%	95.38%	95.82%
WASHINGTON	99.50%	101.04%	101.52%
WEST VIRGINIA	113.68%	94.39%	94.60%
WISCONSIN	101.52%	103.30%	103.58%
WYOMING	120.56%	98.06%	98.14%
US AVERAGE	123.51%	115.70%	111.93%

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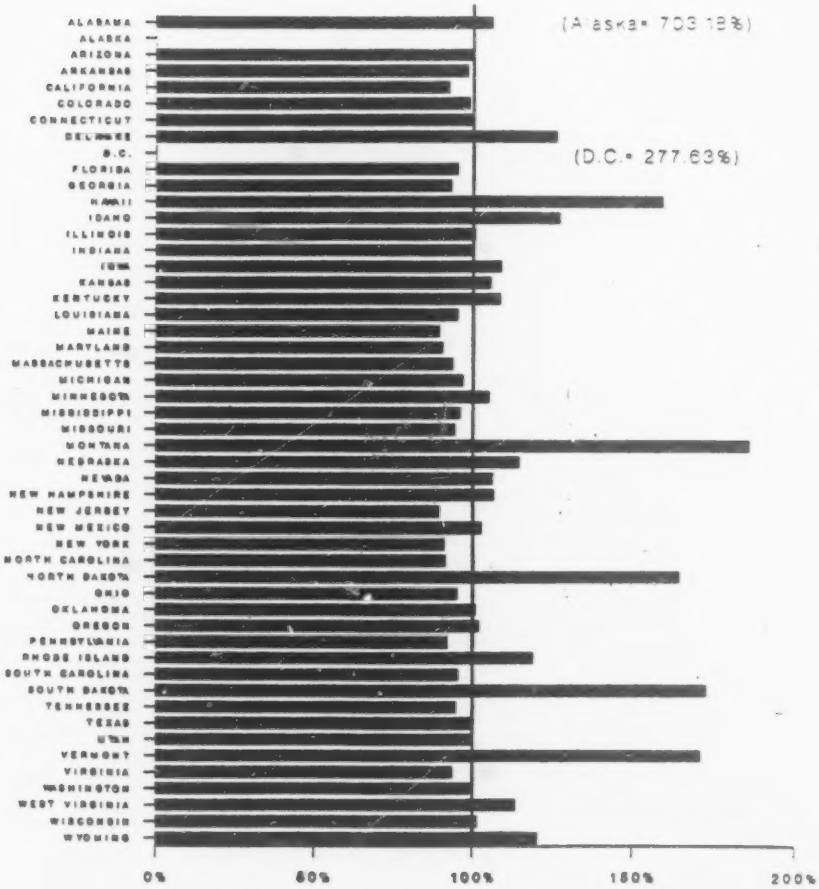
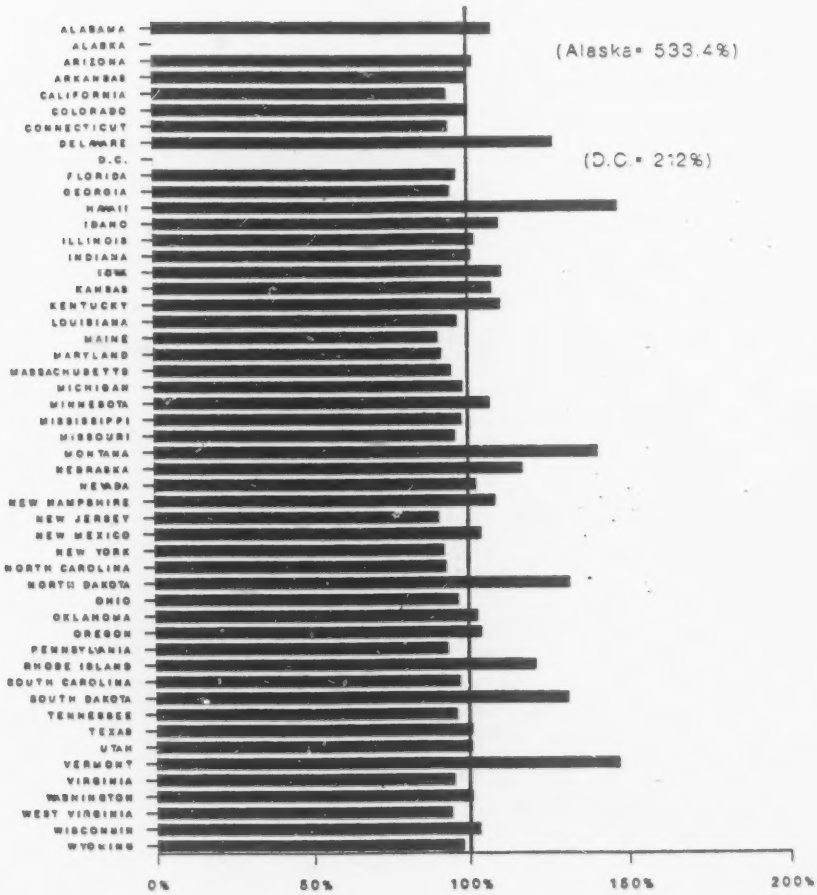
Aids Compared To Contributions
Miles-VMT-Diesel (B-22W)

($13.5 b level)



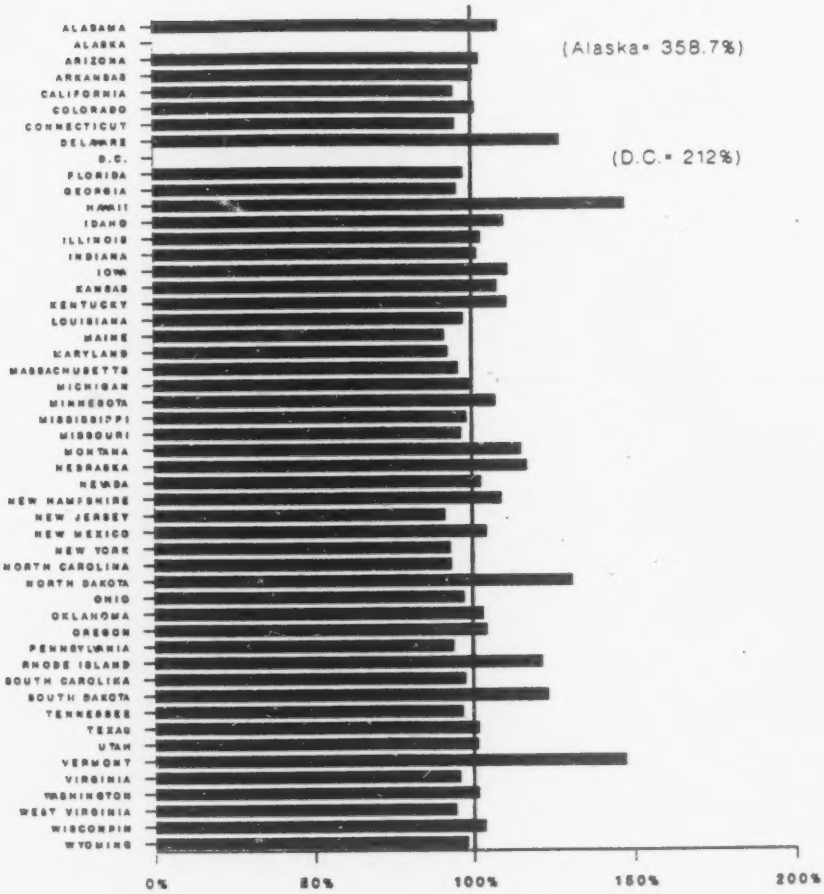
Aids Compared To Contributions
Miles-VMT-Diesel (B-22W)

($17.6 b level)



Aids Compared To Contributions
Miles-VMT-Diesel (B-22W)

($25.9 b level)



National
Association of
Regional
Councils

1700 K Street NW • Suite 1300 • Washington DC 20006
(202) 457-0710 • FAX: (202) 296-9352

Testimony of

Lawrence D. Dahms, Executive Director

Metropolitan Transportation Commission

Oakland, California

on behalf of

The National Association of Regional Councils

Transportation Advocacy/Service Group

before the

Subcommittee on Surface Transportation

Committee on Public Works

United States House of Representatives

March 13, 1990

Washington, DC

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Brownsville, Texas

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Good afternoon, Mr. Chairman, and distinguished members of the Committee. My name is Larry Dahms. I am the Executive Director of the Metropolitan Transportation Commission (MTC), the metropolitan transportation planning organization (MPO) serving the San Francisco Bay Area located in Oakland, California. I appreciate the opportunity to appear before you today on behalf of the National Association of Regional Councils' (NARC) Transportation Advocacy Group. I am the Vice Chairman of the Steering Committee for the Transportation Advocacy Group, which is a special organization of NARC members who have come together to advocate the interests of those regional councils that have been designated as MPOs. Our immediate mission is to address the challenges and opportunities in reauthorizing the federal-aid highway and transit acts. In this regard over the last three years we have examined the scope and nature of our transportation needs and the necessary federal response to help state and local governments address these issues.

Mr. Chairman, today I would like to present a general response to the Administration's proposal by comparing our vision of the future with that of the Administration's.

First, I want to applaud Secretary Skinner for his success and leadership in elevating transportation to the Administration's list of national priorities. He deserves lasting credit for initiating the national transportation policy process, which produced the most comprehensive assessment of the entire transportation infrastructure ever undertaken.

I do not believe it is necessary to review the litany of our Nation's pressing transportation problems. Everyday each one of us personally experiences ever increasing congestion, and we hear ever more frequently the sad commentary on the growing isolation of rural America. We generally share the Administration's views on the identification of our surface transportation problems, the connection between transportation investment and economic productivity, and the adverse economic consequences from further failure to address these needs. We part company, however, on two fundamental aspects of the vision for the future federal-aid highway and transit program—that is, the federal financial responsibility, and the fixation on so-called systems of national significance.

Mr. Chairman, just two years ago the bipartisan National Council on Public Works Improvement concluded the transportation sector is in need of a substantial resource infusion and called for a doubling of the investment in our infrastructure. The Council also called for a restoration of the federal government financial participation to historic past levels. In 1988 the federal government contributed only about one-quarter of the total investment by governments in highways and transit, an historic low. State and local governments have been taking up the slack.

Taking my own area as an example, the federal government contributes less than 10% of our transit budget of more than $1 billion annually. More than 80% comes from local sources: sales taxes, bridge tolls, and local general funds. On the highway side, more than half of our 5-year capital program is financed by state and local revenues.

The Administration's proposal to redefine the federal financial responsibility by shifting more of the financial burden for transportation to state and local governments represents a further erosion of the federal financial responsibility. We hope that even in these fiscally constrained times, the Congress will reject this proposal. Spending down the balances in the Transportation Trust funds is a starting point. We urge Congress to go a step further and enact an increase in the federal motor fuel tax.

Turning from the resource issue to the substantive program and process proposals, the intergovernmental planning and management process envisioned by the NARC - Transportation Advocacy Group responds to the same needs and goals as outlined by the Administration.

We are in agreement with the Administration on:

- The need for greater flexibility to respond to unique needs and conditions;
- The acknowledgment that our transportation infrastructure is an integrated system. You cannot describe roads based solely on their serving one primary function. Indeed, the system is inseparable, with individual facilities usually serving—at the same time—interstate, regional and local travel.
- The recognition of the need for systems management techniques as a condition for highway and transit project approvals; and
- The commitment to strengthen the planning, programming and prioritization role of MPOs to ensure integrated transportation systems, to coordinate land use and transportation investment decisions, and to organize effective programs for attaining air quality goals and other national objectives.

A part of the strengthening process is the emphasis on a joint, collaborative process to ensure all resources—federal, state, and local—are used to meet the transportation needs of our metropolitan and rural areas. A joint, collaborative process will permit federal, state and local interests to be reflected and balanced in meeting mobility needs.

We also share the recognition that transportation is vital to the Nation's economy. Our metropolitan regions are the economic building blocks of the the Nation's economy and we believe the federal government has a fundamental role in preserving and sustaining their economic health. Today the health of our metropolitan regions is increasingly threatened by congestion. The National Transportation Policy clearly recognizes congestion and rural access as national problems, yet the Administration's policies then diminish the federal responsibility in addressing this fundamental national problem. Under the Administration's plan, federal transportation resources would be focused on facilities of national significance—"the Interstate and its follow-on," according to the Secretary.

Congestion is a national problem that cannot be solved solely by widening the Interstate, by upgrading principal arterials to Interstate standards, or by building bypasses, Mr. Chairman. This facet of the administration's program proposal is inconsistent with their description of the economic benefits served by our national transportation network. We believe that to deal with congestion we need a metropolitan transportation program that will focus resources on an integrated metropolitan transportation system. And we need to have the flexibility to employ a combination of highway strategies, transit options, HOV lanes, and more effective systems management techniques.

When we propose a metropolitan systems program, we are not talking about a block grant, but rather a program to assure resources are directed to metropolitan areas for use on designated metropolitan systems. Simply put, a non-Interstate facility can be as critical as an Interstate. The various types of facilities for metropolitan travel cannot be separated because, as the Administration admits, the transportation system is an integrated system. Therefore, the resources ought to flow to where they can fulfill economic needs and potential rather than to an artificially defined network deemed to have national significance.

Mr. Chairman, Secretary Skinner used a very interesting and ironic anecdote as an opening to his presentation last Thursday. He told the story of a young Northern Virginia mother who commutes several hours per day mired in congestion on an urban Interstate. His story explicitly recognizes that urban traffic congestion has become a problem of national significance, but it also illustrates the manner in which federal highway investment policies have skewed our national transportation system.

The point is the Interstate system was not designed to serve our nation's commuters; it was designed to serve intercity travel. You can travel easily between metropolitan areas thanks to the

Interstate, but once you get within a metropolitan area, you have a problem. An inadequate investment in urban transportation systems coupled with an almost exclusive federal focus on funding the Interstate System has forced a reliance on that system. The Administration's National Transportation Policy threatens to perpetuate and even exacerbate this myopic approach.

A review of the condition and future needs of our National Transportation System can serve both to illustrate this historic imbalance and to suggest some directions for the reauthorization of the Surface Transportation Act this year. The Highway Performance Monitoring System is the Federal Highway Administration's tool for monitoring highway conditions, predicting future needs for funding, and examining alternative investment strategies. While it appears to substantially understate urban highway needs and overstate needs on the Interstate System, it represents the best available analysis tool for defining a future investment strategy for the post-Interstate era.

HPMS estimates that an annual investment of $6.5 billion annually is needed to meet rehabilitation needs on the Interstate System, while an additional $21.2 billion is needed each year to address urban needs and $16.5 billion annually for a rural program fora total annual need of $44 billion. It illustrates that the existing program fully funds Interstate needs, while only 26% of urban needs and 43% of rural needs are financed by combined local, state, and federal resources. Clearly this disparity in funding highways attracts development and traffic to a single system—the Interstate—rather than a more balanced dispersal of activity and travel within any urban area. It also demonstrates that current funding levels fall far short of meeting system needs.

While it is reasonable to require increased levels of state and local investment in urban and rural systems, an infusion of federal revenues is required as well. If we recognize that urban congestion is a national problem of economic significance, then we need to think in terms of a federal program that doesn't bias investments in this way to the disadvantage of metropolitan communities. Thus, while we should continue to sustain the Interstate, it makes sense to begin to invest adequately in a Metro System designed to address congestion problems.

A redirected federal program should be simple and focused to serve three basic objectives: sustaining the Interstate System, addressing metropolitan congestion, and providing rural access. The metropolitan System should focus on metro development objectives and congestion relief and a rural access system should focus on the multiple facets of the rural economy, i.e., extraction of natural resources, farm to market, recreation, etc. Implementation of a Metro System along with operational strategies to manage the Interstate such as ramp metering will enable the Interstate System to once again perform as intended.

This approach begins to devote federal resources toward the development of a true National Transportation System. It restores the role of the Interstate as the connector of the nation, while beginning to develop urban and rural transportation systems to distribute the traffic. It explicitly recognizes the need for a systems approach and definition and encourages a federal partnership with states and localities in building that system.

We end as we started. While there are indeed good aspects of the National Transportation Plan, we believe there are two critical defects:

- the failure to provide revenues

and

- the failure to have a real strategy for the chronic problems facing our economic regions: congestion and rural isolation.

Thank you, Mr. Chairman, and members of the Committee. I appreciate the opportunity to testify before you today, and will be happy to answer any questions you may have.

Congressman Mike DeWine

Testimony Before Subcommittee
on Surface Transportation

House Public Works and
Transportation Committee

March 13, 1990

MR. CHAIRMAN, I APPRECIATE THE OPPORTUNITY TO APPEAR BEFORE THE SUBCOMMITTEE TO DISCUSS THE INEQUITIES IN THE DISBURSEMENT OF FEDERAL HIGHWAY FUNDING. I COMMEND YOU AND THE MEMBERS OF THIS SUBCOMMITTEE, PARTICULARLY MESSRS. MCEWEN, APPLEGATE, AND TRAFICANT FOR LEADING ATTEMPTS TO MAKE THIS SYSTEM MORE FAIR.

AS YOU ARE ALL WELL AWARE, CURRENT FEDERAL-AID HIGHWAY APPORTIONMENT FORMULAS FAIL TO ALLOCATE FUNDS TO THE AREAS WHICH NEED THEM MOST. CURRENT FORMULAS, WITH THE EXCEPTION OF THE INTERSTATE 4R FORMULA, DO NOT TAKE INTO ACCOUNT THE EXTENT OF EACH STATE'S HIGHWAY SYSTEM, OR THE AMOUNT OF USE THAT SYSTEM MUST ENDURE. HIGHWAY CONDITION AND AGE ARE ALSO IGNORED UNDER CURRENT FORMULAS. UNDER THIS SYSTEM, MY STATE, OHIO, RECEIVES ONLY 85¢ ON THE DOLLAR ON ITS CONTRIBUTIONS TO THE FEDERAL HIGHWAY TRUST FUND. IN FACT, OHIO IS ONLY ONE OF 19 SO-CALLED "DONOR STATES" WHICH RECEIVE THE 85% STATUTORY MINIMUM OF THEIR FEDERAL HIGHWAY CONTRIBUTIONS.

ANOTHER PROBLEM CAUSED BY THE INADEQUACIES OF CURRENT FEDERAL-AID HIGHWAY APPORTIONMENT FORMULAS IS THE INCREASED ROLE OF THE MINIMUM ALLOCATION IN FEDERAL HIGHWAY FUNDING. THIS PROGRAM, WHICH HELPS MAKE UP THE SHORTFALL FROM THE INADEQUACIES OF EXISTING FORMULAS, NOW COMPRISES 24% OF OHIO'S TOTAL FEDERAL HIGHWAY AID. WHEN "CORRECTIONS" BECOME THIS LARGE, SURELY IT IS TIME TO ENACT AN UPDATED SET OF DISTRIBUTION CRITERIA.

FINALLY, CURRENT APPORTIONMENT FORMULAS FAIL TO SUPPORT AND ADVANCE OUR NATIONALLY RECOGNIZED TRADE AND COMPETITIVENESS GOALS. U.S. GOVERNMENT STATISTICS INDICATE THAT 11% OF ALL U.S. LABOR FORCE HOURS ARE SPENT IN SOME FORM OF HIGHWAY TRAVEL, AND THAT COMMERCIAL VEHICLE TRAVEL IS EXPECTED TO INCREASE BY 30% IN THIS DECADE ALONE. IN ADDITION, TRANSPORT COSTS, WHICH CONSTITUTE AS MUCH AS 25% OF PRODUCT PRICES FOR SOME INDUSTRIES, PLAY A MAJOR ROLE IN THE ABILITY OF STATES TO COMPETE SUCCESSFULLY IN TODAY'S CHALLENGING GLOBAL MARKETPLACE.

WHAT ALL THIS ADDS UP TO IS THAT EVEN MARGINAL IMPROVEMENTS IN OUR TRANSPORTATION SYSTEM CAN PAY BIG DIVIDENDS IN TERMS OF NATIONAL PRODUCTIVITY. CONVERSELY, SMALL INEQUITIES IN FEDERAL TRANSPORTATION INVESTMENT HAVE A SIGNIFICANT NEGATIVE IMPACT ON THE ABILITY OF STATES TO PROVIDE COMPETITIVELY PRICED GOODS AND SERVICES. U.S DEPARTMENT OF TRANSPORTATION STATISTICS GRAPHICALLY DEMONSTRATE THE CUMULATIVE EFFECT OF THE INEQUITIES IN CURRENT FUNDING DISTRIBUTION FORMULAS ON DONOR STATES LIKE OHIO.

- OHIO AND THE EIGHTEEN DONOR STATES CONTAIN 55% — MORE THAN HALF — OF THE NATIONS DEFICIENT BRIDGES;
- THE DONOR STATES CONTAIN 50% OF TOTAL INTERSTATE SYSTEM MILEAGE, BUT HAVE 65% OF THE DEFICIENT INTERSTATE MILEAGE;
- OHIO, ITSELF, HAS ONLY 3.5% OF TOTAL INTERSTATE SYSTEM MILEAGE, BUT 10.2% OF DEFICIENT INTERSTATE MILEAGE;
- THE DONOR STATES CONTAIN 49% OF ALL RURAL INTERSTATE MILEAGE, BUT 64% OF ALL DEFICIENT RURAL INTERSTATE MILES;
- WHILE AN AVERAGE OF 15% OF THE RURAL INTERSTATE MILES ARE DEFICIENT IN THE DONOR STATES, IN NON-DONOR STATES THE AVERAGE IS ONLY 8%;

CLEARLY, OHIO AND THE DONOR STATES ARE FOOTING A DISPROPORTIONATE SHARE OF THE HIGHWAY BILL. YET, IT IS THESE STATES THAT ARE ACTUALLY MOST IN NEED

OF ASSISTANCE TO MAINTAIN AND RESTORE NEGLECTED INFRASTRUCTURE. THIS IS SIMPLY NOT FAIR. NOR IS IT GOOD PUBLIC POLICY.

THIS IS PARTICULARLY DISTURBING BECAUSE DONOR STATES GENERATE MORE THAN HALF OF OUR GNP, AND CONTAIN MORE THAN HALF THE MANUFACTURING, AGRICULTURAL, AND SERVICE BASE OF THE NATION. OHIO ALONE CONTRIBUTES:

- MORE THAN 5.7% OF THE U.S EMPLOYMENT BASE;
- MORE THAN 6.3% OF THE VALUE ADDED BY U.S. MANUFACTURING;
- MORE THAN 6.6% OF U.S. EXPORT-RELATED MANUFACTURING EMPLOYMENT; AND
- MORE THAN 7% OF THE VALUE OF ALL U.S. MANUFACTURED EXPORTS.

WHAT THESE, AND OTHER STATISTICS INDICATE IS THAT CURRENT FEDERAL HIGHWAY INVESTMENT POLICY IS HAVING A CUMULATIVE DETRIMENTAL EFFECT ON THE HIGHWAY SYSTEM OF OHIO. THIS WILL ONLY ACCELERATE AS STRUCTURES REACH THE END OF THEIR DESIGN LIFE AND DETERIORATE. MOREOVER, BECAUSE OHIO IS A MAJOR TRANSPORTATION ARTERY, THE NEGATIVE EFFECTS OF THE FUNDING FORMULAS ARE COMPOUNDED. THEREFORE, IT IS IMPERATIVE THAT FEDERAL HIGHWAY FUNDS BE ALLOCATED IN A FAIR AND EQUITABLE MANNER.

DESPITE THIS NEED, FEDERAL HIGHWAY FUNDS ARE DISTRIBUTED WITHOUT ANY CONSIDERATION OF THE EXTENT OF A STATE'S COMMERCIAL AND INDUSTRIAL BASE, THEIR CONTRIBUTION TO THE GROSS NATIONAL PRODUCT, THEIR CONTRIBUTION TO U.S. EXPORT TRADE, OR THE NEED TO MAXIMIZE THE EFFICIENCY OF TRANSPORTATION. THIS POLICY DIRECTLY HINDERS OHIO'S ABILITY TO PRODUCE COMPETITIVELY PRICED GOODS AND SERVICES.

OHIO, LIKE A NUMBER OF OTHER DONOR STATES THAT HAVE EXPERIENCED SYSTEMATIC HIGHWAY DISINVESTMENT UNDER CURRENT FORMULAS, IS A KEY PLAYER IN U.S. EFFORTS TO INCREASE THE VALUE OF EXPORTS AND KEEP THE U.S. INDUSTRIAL BASE COMPETITIVE INTERNATIONALLY. IF OHIO IS TO MODERNIZE ITS MANUFACTURING BASE AND INCREASE TECHNOLOGY-DRIVEN ENTERPRISE, IT SHOULD AT LEAST HAVE THE

BENEFIT OF A FAIR SHARE OF FEDERAL HIGHWAY AID. A COMPETITIVE STATE MUST HAVE ADEQUATE ROADS AND BRIDGES, TRUCK ACCESS TO PORT AND RAIL TERMINALS, AND ADD CAPACITY WHERE NEEDED IN ORDER TO MINIMIZE DELIVERY TIME AND OTHER TRANSPORTATION COMPONENTS OF PRODUCTION.

FOR THESE REASONS, I URGE THE SUBCOMMITTEE TO INCREASE THE MINIMUM ALLOCATION BASE FROM 85% TO 90%. IF WE ARE TO MODERNIZE OUR ECONOMY TO ENSURE THAT WE CAN COMPETE IN THE 21ST CENTURY, THEN WE MUST ALSO MODERNIZE OUR HIGHWAY DISTRIBUTION FORMULAS. IN ADDITION, I URGE THE ADOPTION OF LEGISLATION WHICH WOULD ALLOW OHIO, AND OTHER DONOR STATES, THE SAME ACCESS TO DISCRETIONARY FUNDS AS IS NOW ENJOYED BY STATES WHICH GET THE HIGHEST LEVELS OF FEDERAL HIGHWAY INVESTMENT. MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE, I WILL DO ANYTHING I CAN TO ASSIST YOU IN MAKING THESE NECESSARY CHANGES IN THE LAW.

THANK YOU.

International Bridge, Tunnel and Turnpike Association

Testimony of

Allan V. Johnson

Immediate Past President, IBTTA

and

Executive Director and
Assistant Secretary-Treasurer

Ohio Turnpike Commission
Berea, Ohio

Before the

Subcommittee on Surface Transportation
House Public Works and Transportation Committee

Washington, D.C.

March 13, 1990

Reauthorization of the Federal-Aid Highway Program

Good afternoon, Mr. Chairman and members of the Subcommittee on Surface Transportation. My name is Allan V. Johnson, and I am Executive Director of the Ohio Turnpike Commission in Berea, Ohio. I also serve as Immediate Past President of the International Bridge, Tunnel and Turnpike Association (IBTTA), and it is my pleasure to appear before this distinguished panel today in that capacity. Neil Schuster, IBTTA's Executive Director is with me to help answer your questions.

IBTTA is the worldwide association representing the toll industry, with members in 20 countries on five continents. In the United States alone, IBTTA represents 47 agencies which operate 135 toll facilities in 28 states. There are almost 5,000 miles of toll roads, bridges and tunnels in the United States, about half of which are on the Interstate system. Over 3 billion vehicles travelled on U.S. toll facilities in 1988.

The Association supports and promotes the use of toll financing as an effective alternate or supplement to tax financing of the design, construction, operation and maintenance of transportation facilities wherever it is practical, feasible and prudent.

We realize the importance of this Committee's task in shaping a future federal highway program that will enable the nation to keep pace with our rapidly growing traffic demands. We also appreciate this opportunity to discuss with you the role toll financing can play in a future federal highway program, and we sincerely look forward to assisting you in this most important undertaking.

We are witnessing renewed interest in toll financing throughout the world at an almost unprecedented level. The United States is no exception, and we believe federal highway policy should encourage the use of alternative public and private funding mechanisms, especially tolls, wherever state and local governments find them to be appropriate.

The time is ripe because conditions are right.

To begin with, a growing majority of lawmakers and planners at every level of government, and the motoring public throughout the country, realize that toll financing represents a successful, well-tested means to raise revenues to build and operate vitally needed roads, bridges and tunnels.

In numerous national, state and local opinion polls, and at the ballot box, motorists are giving toll financing their overwhelming support. Growing traffic on our nation's toll facilities indicates that motorists are likely to choose the toll alternative to meet their mobility needs.

The Administration's new National Transportation Policy, unveiled to the public and to this Committee last week, recognizes that tolls can play a central role in generating the revenues we need to invest in our transportation systems for the future.

In developing the policy, the Department of Transportation held over 100 public forums to gauge the current thinking of transportation legislators, planners and users nationwide. We feel the agency accurately captured the current thinking on highway finance in this country.

As a nation, we have come to realize that there is no such thing as a free road. There are only different ways of financing these projects. We must pay for our roads, whether by toll, tax, or other mechanism.

Toll financing offers the traveller many well-documented benefits.

Because of their dedicated source of revenues, toll facilities are extremely well maintained, which translates directly into reduced vehicle operating costs. In fact, recent FHWA figures show that a road which deteriorates by one rating

level translates into a 6.3 percent increase in vehicle operating costs. Trucking firms recognize this immediately in their profit margin.

Toll roads are well patrolled, and they are safe. Our industry prides itself on a safety record second to none. In fact, toll facilities recorded .8 fatalities per 100 million vehicle miles travelled in 1988, less than one-third the national average of 2.46.

Toll financing allows construction to take place in a substantially shortened time-frame. The result is lower overall construction costs, and transportation capacity which is available to the driving public many years sooner than would otherwise be possible. In heavily congested areas, this means much less time, money, economic productivity and competitiveness wasted or lost sitting in traffic each and every day waiting for a facility to be built.

Toll projects face a very strict market test before they can move forward. This insures that only projects which are economically and financially sound, and which serve the needs of motorists, will move forward. Construction and operating costs, traffic demand and other factors in the equation must be well-documented and must offer persuasive proof that a particular facility is needed before a proposed project will receive funding in competitive financial markets.

Our industry's track record bears this out. Toll projects have an enviable record of success. In fact, traffic projections are generally on the conservative side, and in almost every case, traffic on new toll facilities has grown substantially faster than anticipated.

Toll roads are a bargain. Toll rates generally have not kept pace with inflation. Average rates in the United States are currently 3.34 cents per mile.

Toll financing fills vital road needs. A number of recently built facilities and those under development will serve needs that our existing Interstate and arterial system do not. Often, these roads, bridges and tunnels connect major portions of our nation's transportation system. And many projects will alleviate congestion in growing suburban areas, where new travel patterns emerge rapidly.

Motorists generally have the choice of using a toll facility or an alternative tax-supported route. The availability of the toll project usually means that all motorists are winners: those who travel the toll road enjoy the facility's added capacity in that particular corridor, while those who opt for the tax-supported road also enjoy less congestion.

Just as the Administration's transportation program advocates using technology to improve the efficiency of highways, toll agencies are already developing innovations to serve their patrons. One excellent example is the widespread development, testing and use, of technology to allow non-stop electronic collection of tolls. These Automatic Vehicle Identification systems will drastically reduce the time necessary to process vehicles at toll collection points. The result will be less congestion, faster passage of vehicles through toll plazas, and lower toll collection costs.

I would like to address the issue of double taxation. Our highway systems are built and maintained by user fees, and those who use our road systems pay for them.

Toll financing is no different. A motorist using a toll road financed entirely without tax revenues will pay tolls at a level to fully recover construction and maintenance costs for the toll project he uses. He also pays federal and state gasoline taxes at the pump to build and maintain the non-toll roads he uses.

Without toll roads, paid for by user fees, it would be necessary to build additional tax-supported roads, thereby requiring higher federal and state gasoline taxes.

The equation is exactly the same when federal funds participate in a toll project: motorists pay 100 percent of a hybrid project funded by tolls and taxes. The only difference is that two user fee systems come into play.

The use of tax funds means that the toll rate will be lower than if tolls were used exclusively to fund the project. Conversely, the use of tolls means that fewer tax dollars are needed than otherwise. If some combination of tolls and taxes are blended to finance 100 percent of project costs, then motorists pay these costs through two mechanisms rather than one.

There is general agreement that an increased level of highway investment nationwide is necessary. This would be true even if states were permitted to expend every federal tax dollar currently collected. AASHTO's "Bottom Line" report concluded that there is a shortfall of at least $14 billion annually to bring the present highway system up to par, let alone address the acknowledged needs of our growing highway user population.

Everyone appears committed to the continuation of user fees, which include both taxes and tolls, as the way to meet highway needs. There is also a consensus that a mix of financing sources will be needed to build and operate our highways in the future.

We seem to be heading for greater dependence on state and local governments for tomorrow's mobility. To do so, states will need the tools and the flexibility to raise the funds necessary to meet future needs.

Toll financing represents one of the most fundamental and proven tools the states should have at their disposal. And states should be given as much flexibility as possible to blend federal-aid funds and toll revenues in meeting their transportation needs.

Other conditions are emerging which could further influence decisions toward tolls. One is the development of public/private cooperation in the construction of transportation projects. Even before the privatization philosophy became a full blown movement, impact fees and donation of rights-of-way from adjacent landowners were becoming popular in assisting the financing of new roads in suburban areas.

Proposals for full privatization of road projects are emerging with greater frequency, and several projects are underway, with a growing list of others close behind. They offer persuasive evidence that there are more ways to get a highway built today than there were just a few short years ago.

These developments create a climate for policy and legislative implementation that is already changing people's minds, leading them to reconsider long-held policy positions opposed to the introduction of tolls. Such changes will not come overnight, but broad acceptance of these fundamental trends already constitutes substantial progress in the right direction.

In 1987, the federal government took a big step toward modification of its long-standing opposition to tolls, when it endorsed a limited program of federal assistance to toll financing in nine states as a demonstration program. Although still in its early stages, the program is moving steadily forward, and a number of other states have expressed interest in joining the program.

It is worth noting that several states now participating in the program did not have existing toll roads. This indicates a recognition that conventional tax funding was not going to provide enough money to build the roads needed in those states, and a willingness to change direction on toll policy to get the job done.

As you know, the federal contribution on the pilot toll projects is limited to 35 percent of project costs. It may be too early to tell if this is a proper or practical ratio of federal to state and local dollars. Time and experience will give us all better guidance in this area as these projects develop.

Federal legislation mirrors state initiatives. Landmark legislation implementing tolls came about in California and Virginia, and will likely be enacted in other states as well.

For example, California's legislature reversed its traditional no-toll-road policy twice in the recent past. Not only is Orange County developing three toll roads, but the state is now moving forward to construct up to four privately-funded toll projects.

In Virginia, legislation has allowed the Toll Road Corporation of Virginia to pursue private financing of an extension to the publicly-owned Dulles Toll Road. The project could be under construction this summer, and may be open to traffic as early as 1992.

The following is a comprehensive list of states which currently have toll facilities, and those states developing new toll projects (Puerto Rico also has toll facilities):

States With Toll Facilities

California	Louisiana	North Dakota
Delaware	Maine	Ohio
Florida	Maryland	Oklahoma
Georgia	Massachusetts	Oregon
Illinois	Michigan	Pennsylvania
Indiana	Minnesota	Rhode Island
Iowa	New Hampshire	Texas
Kansas	New Jersey	Virginia
Kentucky	New York	Washington
		West Virginia

States Developing New Toll Facilities

In addition to several states in the previous list which are also considering new toll facilities, the following states are considering tolls, most of them for the first time:

Arkansas	Minnesota
Colorado	Missouri
Idaho	South Carolina

When Congress looks at the successful development of almost 5,000 miles of toll projects in the United States despite federal restrictions on their development, it should conclude that tolls have had significant impacts in encouraging roadbuilding and other transportation improvements that probably would not otherwise have taken place. And this been accomplished with little or no federal dollars.

Each state should have the flexibility to combine federal funds and toll revenues in meeting their transportation needs, on any facility it wishes to build or improve. Our highway program should encourage, rather than discourage, states to examine and adopt innovative financing schemes including toll financing and public/private partnerships.

It follows that all toll agencies, such as the Ohio Turnpike Commission, should be freed from Section 129 tri-partite agreements signed years ago with the Federal Highway Administration and state highway and transportation departments. These agreements call for removal of tolls when the original bonds or other financial obligations are paid off.

The agreements ignore the fact, however, that these roads, built many years ago, are often in need of substantial reconstruction and maintenance which, if they become toll-free, will have to be paid for with tax funds.

It is simply inconsistent for the federal government to foster toll road construction on the one hand, and to deny that option to the state at some future date. This applies also to states which signed agreements to obtain 4-R funds for their Interstate toll road mileage, even though these funds might never be spent on those Interstate toll roads.

The decision to continue or discontinue tolls on a facility should be made by each state, based on its own economic and political situation and its then-current surface transportation needs, goals and available funding.

Another restriction, the requirement that all federal-aid funds must be repaid before tolls may be imposed on a section of federal-aid highway, is also inconsistent with changing federal policy, and should be re-examined.

The highway community should feel justifiably proud of the great system that has been built in this country, with the creation of the Interstate program and the upgrading of our arterial network.

We are going to be faced with massive infrastructure needs in the years ahead, and we will have to stretch our highway dollars any way we can to make them cover our continuing plans. The opportunities of the marketplace, under proper supervision and control, should not be overlooked in making our future financing choices.

In conclusion, Mr. Chairman and members of the Subcommittee on Surface Transportation, we respectfully request the Committee to remove federal restrictions to the application of innovative toll financing and provide relief from tri-partite agreements entered into many years ago.

We think these goals are fully compatible with, and should be an integral part of a national transportation policy for the future highway program in this country.

We applaud the effort by Secretary of Transportation Samuel Skinner in developing a national plan to provide the financing needed to fully meet our current and future highway needs. We feel his strategy accurately captures the current thinking in the United States and throughout the world. It is a plan with vision and clarity, and we respectfully urge that it be given full consideration as you begin the difficult task of shaping a future federal transportation program.

Again, thank you for the opportunity to present our views. I will be happy to answer your questions.

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AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS

KERMIT H. JUSTICE, President
Secretary
Delaware Department
of Transportation

FRANCIS B. FRANCOIS
Executive Director

STATEMENT BEFORE

THE SURFACE TRANSPORTATION SUBCOMMITTEE
OF THE
HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

Relating To

SURFACE TRANSPORTATION REAUTHORIZATION LEGISLATION:

AN OVERVIEW OF AASHTO'S "NEW TRANSPORTATION CONCEPTS FOR A NEW CENTURY" RECOMMENDATIONS

By

KERMIT H. JUSTICE
President, American Association of State Highway
and Transportation Officials
and
Secretary, Delaware Department of Transportation

Part One of a Three Part Presentation by AASHTO

March 13, 1990

Founded in 1914, AASHTO represents the departments concerned with transportation and highways in the fifty States, the District of Columbia and Puerto Rico, to foster the development, operation and maintenance of an integrated national transportation system. The active members of AASHTO are the duly constituted heads and other chief directing officials of the member transportation and highway agencies.

EXECUTIVE OFFICE: 444 N. Capitol St., NW, Suite 225, Washington D.C. 20001
Telephone (202) 624-5800 Telefax (202) 624-5806 Telex 4900009580 HTO

Mr. Chairman, I am Kermit H. Justice, President of AASHTO, and Secretary of Transportation for Delaware. On behalf of AASHTO, we are pleased to respond to the Subcommittee's request for the Association to provide you with our views on surface transportation reauthorization legislation.

Mr. Chairman, in inviting AASHTO you requested that we provide you with representation on behalf of the Association, and on behalf of the two groups of states that have expressed some concerns about the direction and content of new surface transportation legislation. We are pleased to present a panel that we believe will meet your request.

As President of AASHTO, in this Part One of our three part presentation I will discuss with you the major recommendations of the Association for surface transportation reauthorization legislation, as contained in our "New Transportation Concepts For A New Century" report, the final edition of which was published in October, 1989, and copies of which have been given to the Subcommittee.

Accompanying me today and also testifying on behalf of AASHTO are Hal Rives, Vice-President of AASHTO and Commissioner of the Georgia Department of Transportation, and Charles L. Miller, Chairman of our Task Force on a Consensus Transportation Program and Director of the Arizona Department of Transportation. Commissioner Rives will make Part Two of our AASHTO presentation, and will concentrate on the reasons additional funding is required for the highway and transit programs, AASHTO's recommendations for transportation research and highway safety, and several policy positions of the Association that go beyond the "New Concepts" report. Director Miller will present Part Three of our presentation, and will review with you the process employed by the Task Force in developing the "New Concepts" report, the results of efforts with which AASHTO has been involved to develop consensus recommendations for new surface transportation legislation, and elements of AASHTO's highway program recommendations.

Also accompanying me are Robert K. Best, Director of the California Department of Transportation, and Richard Backes, Highway Commissioner of the North Dakota Department of Transportation.

Director Best is testifying on behalf of the "Crescent Coalition", a group of state transportation agencies from states with widely differing geographic, demographic, economic, and vehicle traffic characteristics that while firmly supporting the AASHTO recommendations embodied in the "New Concepts" report, have developed recommendations that in some instances address issues in greater detail, and which speak to additional issues not addressed by AASHTO.

Commissioner Backes is appearing as a representative of a group of states that have come to be known as the "Breadbasket Coalition." While these states have participated in development of the "New Concepts" report, they have special concerns related to their common characteristic of being states with relatively large land areas, relatively small populations, and current levels of state user fee taxes that for the most part are among the highest per capita in the nation.

Mr. Chairman, in order for AASHTO to adopt policy and recommendations on the future of the surface transportation programs, or in other areas, it is necessary that at least two-thirds, or at least 35 out of 52, of our member departments vote in the affirmative. Our "New Concepts" report was developed and approved in this manner. While AASHTO has addressed and made recommendations on a wide range of general issues in the "New Concepts" report, our consensus process does not guarantee that all concerns and issues held by each of our 52 member departments have been fully addressed. It is to take up issues not fully resolved in the "New Concepts" document that these two groups of states have been engaged in discussions and work, and Director Best and Commissioner Backes will provide their views to the Subcommittee. They will help round out the views of the state departments of highways and transportation on the many issues involved in surface transportation reauthorization legislation.

Mr. Chairman, let me now turn to AASHTO's views on surface transportation reauthorization legislation. Let me first state that we recognize this particular hearing is primarily directed at the federal-aid highway program. With the Subcommittee's indulgence, Mr. Chairman, we would nevertheless like to take this opportunity to present our views on both highways and public transportation, since we regard both modes as critical in meeting the mobility needs of America. Looking nationally, AASHTO believes that we can no longer afford to address highways and public transportation separately, for in much of our nation both modes are necessary to meeting mobility needs and must function together in a coordinated manner.

Indeed, AASHTO believes that all transportation modes play a vital role in meeting America's needs to move people and freight, and that we must begin to both think and act in a more intermodal manner. It is for this reason that our "New Concepts" report includes analysis and recommendations affecting all transportation modes. We are especially concerned about assuring adequate linkages between the modes, so that they will function as one transportation system serving the nation.

We do recognize that this Subcommittee concentrates on surface transportation, and thus I will not further address the aviation, water and rail modes in this testimony. But before leaving the subject of intermodalism, a final observation. It is not possible for any one mode to meet our national transportation needs for people and freight. In order to keep our nation moving, we must explore and implement possibilities to build an interrelated network of air, rail, water and motor vehicle transportation services.

One thing is very clear, Mr. Chairman, as you and your Subcommittee recognize, the next surface transportation bill enacted by Congress must address many new issues. The 1987 Act largely completed construction funding for our Interstate Highway System, which has been the centerpiece of the Federal-aid highway program since 1956. Recognizing that there are still a few important miles of the Interstate System to be funded to completion, for the next surface transportation bill it is time for us to move beyond the

Interstate program, and prepare America's surface transportation system for the 21st century.

Mr. Chairman, the kind of transportation system we provide for the next century will make or break this nation's economy, and will directly affect the lifestyle of all Americans. We have choices to make. We can live in cities trapped in gridlock, lose time and money traveling on decaying highways, and watch as our competitive position in the world economy declines because of inadequate transportation. Or we can act to ensure the planning, research and investment in transportation necessary to keep the United States a world-class competitor, and to assure support to our life style.

GOALS, OBJECTIVES AND FEDERAL ROLE PRINCIPLES

Goals

The member departments of AASHTO have been engaged in over three years of analysis and review, resulting in adoption of our "New Concepts" report. In this process, which was carried out under the direction of our Task Force on a Consensus Transportation Program, the leadership of our 52 member departments set out seven specific national goals we believe must guide future surface transportation legislation. They are:

1. Preservation

Preservation of America's existing surface transportation system should be the primary goal of any future national transportation program since it is this system which provides the basic network upon which this nation's economic health and international vitality depend.

2. Congestion Relief

A balanced approach to increasing capacity and reducing congestion on this nation's surface transportation system should be employed, including an appropriate mix of highways and transit, and a thoughtful application of systems management technologies and demand management techniques.

3. Adequate Funding

User and benefitter fees, set at an appropriate level to cover the economic cost of the surface transportation facilities and services provided, should be dedicated solely to the funding of transportation improvements. General fund commitments to public transportation should continue.

4. Safety

The safety of Americans, using the surface transportation facilities and services, should be preserved and enhanced through the continued national commitment to safety research, safety applications and safety projects.

5. Access and Balance

The national surface transportation system should be comprised of a balanced, integrated and coordinated multi-modal network of facilities and services which provide an adequate level of access to all of the various regions of this nation.

6. Planning and Research

This nation should continue to commit sufficient funding to transportation planning and research to ensure that established goals are met, that future options do not get precluded, and that new technologies are developed and applied to transportation infrastructure in a timely manner.

7. Economic Vitality

The national surface transportation program should preserve and enhance the economic vitality of this nation by providing employment, reducing transport costs, improving freight movement productivity, revitalizing rural America, rejuvenating blighted urban areas, supporting existing land uses, attracting economic development, providing transportation for rapidly growing regions, and improving international competitiveness.

Objectives

Given these goals, AASHTO believes that the following should be the objectives of the highway and public transportation components of the next surface transportation act, and should be provided for therein:

Highways

1. System Maintenance, including pavement preservation;

2. Bridge Needs, including maintenance, repair and replacement;

3. Interstate Reconstruction, including pavement rehabilitation and preservation of the existing system;

4. Urban Congestion should be addressed with improved freeway/expressway capacity where appropriate;

5. Principal Arterials serving interstate and intrastate needs; and

6. Interstate Capacity should be increased by the addition of lanes in congested sections.

In addition, AASHTO strongly supports the prompt funding and completion of the remaining Interstate highway and Interstate substitution commitments.

Public Transportation

1. Urban Congestion should be addressed with improved public transportation services where appropriate;

2. Reconstruction and Maintenance of facilities and vehicles should be provided to preserve existing service; and

3. Mobility should be provided for the non-driving public by public transportation services.

Modal Interlinks, Applicable to Both Highways and Public Transportation

1. Access by highway and public transportation modes should be improved to ports, terminals and other modal facilities; and

2. Planning should ensure that decisions to locate ports, terminals and other modal facilities include adequate consideration of existing and future surface transportation requirements.

Federal Role Principles

AASHTO believes that all levels of government, federal, state and local, as well as the private sector, have roles to play in meeting these goals and objectives. Turning specifically to the federal role, AASHTO believes that the following eleven principles should apply to new surface transportation legislation enacted by the Congress:

1. Issues of National Significance should be included in the federal focus on transportation;

2. Systems of National Significance should be included in the federal focus on transportation;

3. Preservation Needs on the existing surface transportation should be included in the federal focus;

4. National Economic Well-Being and economic growth should be included as part of the federal focus and role in transportation;

5. Planning should be emphasized in the federal role;

6. Safety should be emphasized in the federal role;

7. Major Capital Needs requiring massive expenditures for new construction or reconstruction should be part of the federal role;

8. Research should be emphasized in the federal role;

9. Interstate or Interregional Issues should receive at least a minimum response at the federal level;

10. Emergency Relief should be provided for at the federal level; and

11. Defense should be included in the federal role in providing surface transportation.

RECOMMENDED SURFACE TRANSPORTATION PROGRAM

Building upon these goals, objectives and principles, which are more fully discussed in the "New Concepts" report, the member departments of AASHTO have developed specific recommended federal highway and public transportation programs. We have also considered at length the respective funding roles of the federal, state and local governments, and the private sector, in providing the resources necessary to reasonably and rationally meet America's surface transportation requirements. Before moving to the content of AASHTO's recommended highway and public transportation programs, let me first turn to our recommended federal funding levels.

Funding Levels

Mr. Chairman, in approaching the question of the total funding required for coming years in the highway and public transportation programs, AASHTO studied both modes in depth and engaged in lengthy analysis. The results of that effort are contained in the September, 1988 AASHTO report titled "Keeping America Moving - The Bottom Line," copies of which have been filed with the Subcommittee. Commissioner Rives will discuss this matter further, but essentially AASHTO believes that if we are to deal effectively with highway and public transportation needs into the 21st century we need to raise total annual spending by all levels of government to over $100 billion for highways and about $16 billion for public transportation, in constant dollars, compared to today's investment level of about $66 billion for highways and $14.5 billion for public transportation. We also believe that, following the goals, objectives and principles stated earlier, the overall federal percentage share of our highway program should be at least the same as has been traditional, and that the federal share of the public transportation program should be increased over the levels of recent years.

Federal-Aid Highway Program Funding

Specifically, we recommend a federal highway funding commitment of $17.6 billion in FY 1992, increasing to $19.6 billion in FY 1993, to $22.7 billion in FY 1994, and finally reaching what would be a continuing level of $25.9 billion in FY 1995. We believe these program levels are attainable for at least the first two years with no increase in federal highway user fees, by spending down the balance in the Highway Trust Fund along with terminating the gasohol drain on the Highway Trust Fund.

Of a Federal-aid highway program beginning at approximately $18 billion in FY 1992 and increasing to approximately $26 billion in FY 1995, 50 percent should be allocated to the Categorical Highway Program and 50 percent to the

Flexible State and Local Highway program; a state should be allowed to transfer up to 20 percent of its total highway apportionment either way between that state's Categorical Highway Program and Flexible State and Local Highway Program, without FHWA approval.

Minimum Allocation and Hold Harmless

Mr. Chairman, AASHTO is concerned about all states receiving equitable highway funding in a new surface transportation program. To help assure this, our approach is to continue a minimum allocation program with respect to the donor states, and to implement a hold harmless clause mainly for Western states that are large in land area and relatively sparsely populated.

Under AASHTO's recommendations, no state should receive less under a new surface transportation program than the current federal-aid highway program would provide in 1991 as if all states had completed their Interstate Highway Systems. To ensure some degree of equity of formula allocations, an 85 percent minimum allocation provision should be established and the existing 1/2 percent minimum apportionment retained for the Categorical Highway Program.

In the event federal highway funding is increased above the 1991 levels, every state, including hold harmless states, should then receive an increase in its allocation. The percentage growth in highway allocation amounts for hold harmless states should be at an equitable percentage growth rate.

Public Transportation Program Funding

With respect to public transportation, we recommend a federal capital funding level of $3.5 billion in FY 1992, rising annually to a level of about $5.0 billion by FY 1995, along with a continuation of operating assistance at the current level, which is approximately $800 million per year. Approximately $1.1 billion of these funds would be used for the Categorical Transit Program, and all other funds would be used for the Flexible State and Local Transit Program.

State and Local Funding Levels

It needs to be recognized, Mr. Chairman, that state and local governments will also need to increase their revenues to match these new, higher federal program levels. We believe this will occur, if Congress takes the lead. Looking at the states alone, 18 of them increased their highway user fees last year. Overall, state motor fuel taxes increased from an average of 8.6 cents per gallon in 1980, to 16.03 cents per gallon in 1990.

Matching Ratios

AASHTO believes that overall the federal-state/local government matching ratio in the federal-aid highway program should remain at about 85 percent federal, 15 percent state/local government. We are aware, Mr. Chairman, that the Administration is recommending that the overall federal share be cut back, in the interest of using federal dollars to leverage more state and local

dollars. Mr. Chairman, the record shows that the states and local governments have been increasing their transportation funds at a faster rate than the federal government over the past decade. They have shown that no levers need to be applied to state and local governments; these governments have generally proven they will make the maximum transportation funding effort, within their fiscal abilities. Secretary Skinner has also discussed creating differential matching ratios, depending upon the type of highway project. This concerns us, in part because when the federal/state match varies greatly from one program element to another, this fact alone can bias project programming in undesirable ways.

We believe that the federal funding levels AASHTO is recommending are both reasonable and rational. Reasonable, because, as Commissioner Rives will further explain, the funding levels are conservatively what is required to meet our transportation needs without waste or over building. Rational, because a four-year phase in will allow state and local governments to put in place the needed new matching fund levels, and prepare engineering and other project planning in an orderly manner.

AASHTO'S HIGHWAY AND PUBLIC TRANSPORTATION PROGRAM RECOMMENDATIONS

Let me now turn to our recommendations for both the highway and the public transportation programs. In both modes, we are recommending a two-component program. The first is a categorical program focused on meeting clearly national requirements, and the second is a flexible state and local program that is new in concept and which will enable the states and their local governments to tailor transportation solutions to their unique needs. Under the flexible state and local programs federal funds would be utilized only to address specific transportation issues as defined by the Congress and necessary federal oversight would be assured, but current procedures that hamper the effective use of federal funds would be eased. In the categorical programs the federal role would remain much as at present.

The "New Concepts" report describes AASHTO's highway and public transportation programs in detail. For the convenience of the Subcommittee, Mr. Chairman, the following are summaries of the Association's recommended categorical and flexible programs for highways and public transportation. The numbers in parenthesis after each section indicate the page(s) of the New Concepts report containing the recommendation.

THE AASHTO CATEGORICAL HIGHWAY PROGRAM

I-Purpose: The purpose of the Categorical Highway Program is to provide a National Highway System to serve interstate commerce and national defense needs. The National Highway System, which in the "New Concepts" report is called the Highway System of National Significance (HSNS), would be larger than the present 44,629 miles of the Interstate system, but smaller than the 303,698 mile combined total of the Interstate system and the present federal-aid primary system. (3-11)(3-15)(C-2,3).

II-Procedure:

1. This program would be focussed on a Highway System of National Significance, or National Highway System, which would consist of the present Interstate system and a portion of the principal arterial system as redefined. The redefinition necessary would include a cooperative and rigorous effort between AASHTO and the Federal Highway Administration (FHWA) to develop consistent criteria to be used by states in designating principal arterial system routes to be part of the National Highway System (3-15).

2. The formal establishment of the National Highway System should be completed as a cooperative effort between AASHTO and FHWA after adoption of federal authorization legislation. Consultation should occur with local governments and private sector users as the System is defined, and the FHWA would be given an appropriate mileage to assign in order to ensure system rationalization and route connectivity. The new National Highway System, or Highway System of National Significance, should result in a nationally consistent, state designated, federally approved system plan (3-15).

3. In defining the National Highway System, at least the following criteria should be considered in identifying existing routes and new corridors beyond the existing Interstate system:

   Serve interstate and international commerce and travel
   Provide for national defense needs
   Enhance economic vitality and international competitiveness
   Provide service to all portions of the nation

   The identification procedure should not be static, but should allow the states to respond to changing population and travel patterns over time through an objective review of the process (3-15).

4. Categorical Highway Program funds would be used for projects on the Highway System of National Significance (HSNS), or National Highway System, to:

   Reconstruct and/or rehabilitate
   Provide additional urban capacity
   Provide for pavement preservation
   Provide additional mileage needs
   Provide for bridge needs (3-14)

5. An appropriate amount of Highway Trust Fund monies would be appropriated and apportioned to each state under the Categorical Highway Program. A percentage of funds would be set aside for meeting needs like:

Transportation planning and research
Transportation safety
Transportation emergency relief
Transportation to federal lands (3-15)

6. In addition to bridge needs funded through regular Categorical Highway Program apportionments, AASHTO also supports a Discretionary Bridge Program to fund structural and/or capacity deficient bridges on any public highway if the cost of rehabilitating, replacing or supplementing the capacity of the bridge exceeded $10 million or 10 percent of the state's total annual federal-aid highway apportionments under the new highway program. An amount of funds not to exceed 2 percent of the total federal-aid highway funding should be used for this Discretionary Bridge Program (3-16).

III-Federal Oversight:

1. The Categorical Highway Program should continue to be administered in a manner similar to that employed presently. Coordination will be required in the level of the modified federal role among the state transportation agencies, regional planning bodies and local governments, particularly in the case of urban transit systems, transportation planning and modal interlink projects (3-20).

2. A streamlined certification process should be used for projects developed under the Categorical Highway Program. Differences which exist between the certification of highway and transit projects would be retained at the federal level (3-22).

IV-Funding:

1. The basic formula for distributing Categorical Highway Program funds should be driven by factors such as lane miles, travel (VMT), and other appropriate factors (3-20).

2. The matching ratio for highway and bridge improvements under the Categorical Highway Program should range between 100 and 85 percent federal dollars. For extremely important projects like roadway preservation and bridge needs the federal portion could initially be 100 percent. For other needs, like capacity

increases or additions to the system, the initial federal matching ratio could come closer to an 85 percent level. Over the first five years of any new program, AASHTO believes that the federal matching ratio for the Categorical Highway Program should be around 85 percent (3-22 and 3-23).

3. Emergency relief and Public Lands highway projects, due to their very nature, should be eligible for 100 percent federal funding (3-23).

THE AASHTO FLEXIBLE STATE AND LOCAL HIGHWAY PROGRAM

I-Purpose: The purpose of the Flexible State and Local Highway Program is to provide a highly flexible source of funding to be used at the discretion of state and local governments, as long as Federally identified transportation Issues of National Significance are being addressed. The Flexible Highway Program would replace all other federal-aid highway categories and programs now existing at the federal level. (3-17)

II-Procedure:

1. Funding for the Flexible Highway Program could be spent by states or local governments on projects which address federally adopted Issues of National Significance, like:

   Urban mobility
   Suburban congestion
   Rural access
   Modal interlinks (3-17)

   Eligible facilities and services would include:

   Other primary, rural secondary and urban routes
   Other functionally classified roadway.
   Public transit (E-25 - Figure A)

2. Flexible Highway Program funds would be administered and coordinated on a statewide basis under the direction of state officials. An appropriate amount of funding would be appropriated and apportioned to each state to fund projects like:

   Construction and reconstruction
   Rehabilitation and preservation
   Bridge needs (3-17) (E-25 - Figure A)

   Roadways and bridges which are not on the Highway System of National Significance, but are functionally classified as arterials or collectors, and any other highways or bridges which are currently eligible for

use of federal aid are eligible for improvement under the Flexible Highway Program.(3-17)

3. Flexibility of decision-making, prioritizing and programming at the state level would be achieved under the Flexible Highway Program through processes that include city and county governments and ensure consideration of their surface transportation needs. (3-17)

III-Federal Oversight:

1. Each state would prepare an annual list of projects for its Flexible Highway Program, using existing documents like the state construction program, the regional Transportation Improvement Programs and the local government project lists, for prior approval at the federal level. (3-22)

2. Annual progress reports covering the preceding year's achievements under the Flexible Highway Program would be required, and would be submitted at the same time and as a part of the annual list of projects document. The annual progress report would assure that the federally adopted Issues of National Significance are being addressed through expenditures of those federal highway funds, and would keep Congress and the Administration abreast of progress toward the national goals surrounding the Issues. (3-20)(3-22)

3. Certification for highway projects developed under the Flexible Highway Program would not occur at the individual project level, but at the statewide Program level. (3-22)

IV-Funding:

1. The Flexible Highway Program funding should be allocated to the states strictly on a pro rata share of federal Highway Trust Fund collections attributable to each state as a proportion of federal Highway Trust Fund revenues collected throughout the nation; no donor/donee relationship should exist. (3-21)

2. To ensure an equitable distribution of Flexible Highway Program apportionment by each state, Congress would specify that each state shall allocate in aggregate to non-state systems an amount of Flexible Highway Program apportionment equal to not less than their FY 1991 apportionment of urban funds, secondary funds, and bridge funds that was made available to non-state systems of the respective state. (3-17)

3. Matching ratios for the Flexible Highway Program should be determined at the state level, with care

taken to ensure that rural needs are not overlooked or overshadowed by procedures or matching ratios which preference urban transportation-related goals. (3-23)

THE AASHTO CATEGORICAL TRANSIT PROGRAM

I-Purpose: The purpose of the Categorical Transit Program is to fund capital needs for the nation's major public transportation systems (3-16).

II-Procedure:

1. The Categorical Transit Program would fund projects and programs which:

   Address major rehabilitation needs
   Address new systems and services (3-16)

2. A percentage of funds from the federal Categorical Transit Program would be set aside for meeting special needs like:

   Transit planning and research
   Elderly and handicapped transit (3-16)

3. Funding for the Categorical Transit Program would be provided through the Mass Transit Account of the Highway Trust Fund. This funding would consist of one-ninth of the current federal gasoline tax, one-fifteenth of the current federal diesel fuel tax, and one-third of the current alternative fuels tax (3-16).

4. The fiscal year 1989 funding allocation levels for rail modernization, new starts and bus capital expenditures from the federal fuel tax would be maintained and continued as discretionary grants under the Categorical Transit Program (3-17).

III-Federal Oversight:

1. The Categorical Transit Program should continue to be administered in a manner similar to that employed presently. Coordination will be required in the level of the modified federal role among the state transportation agencies, regional planning bodies and local governments, particularly in the case of urban transit systems, transportation planning and modal interlink projects (3-20).

2. A streamlined certification process would be used for projects developed under the Categorical Transit Program. Differences which exist between the

certification of highway and transit projects would be retained at the federal level (3-22).

IV-Funding: 1. For the Categorical Transit Program, the federal share should remain at the current level of 75%. For new starts, or system extensions, funding priority should be given to projects providing a non-federal share higher than the minimum 25% (3-23).

THE AASHTO FLEXIBLE STATE AND LOCAL TRANSIT PROGRAM

I-Purpose: The purpose of the Flexible State and Local Transit Program is to fund a range of capital and operating state and local transit needs with General Funds, and to fund a broadened range of capital projects with a portion of the Mass Transit Account revenues (3-17).

II-Procedure:

1. Funding under this program would be spent in addressing state and local transit needs, including:

   On-going operating assistance
   Rehabilitation needs
   New bus services
   Small urban and rural transit (3-17 to 3-18)

2. The above programs would continue to be funded from the General Funds of the U.S. Treasury, and apportioned in accordance with current law to designated transit recipients, which include local transit authorities for the large urban areas, and the states for small urban and rural areas (3-18).

3. A second component of the Flexible State and Local Transit Program would be funded from a portion of the Mass Transit Account. Under the AASHTO recommendation, all Mass Transit Account resources in excess of FY 1989 transit funding allocation levels would be distributed by a broad-based public transportation formula.

   For these Mass Transit Account formula funds, eligible projects would be broadened to permit funding for public transportation capital projects that serve to increase vehicle occupancy rates and enhance basic mobility as follows:

   Traffic signal improvements which provide priority treatment for transit and ridesharing vehicles
   Exclusive high occupancy vehicle lanes;

Transportation system management measures which provide priority treatment or improve operations for high occupancy and shared ride vehicles

Commuter rail service capital improvements which include service between multiple urbanized areas within a single state (3-18).

4. Flexible transit funds would be administered as today, with the local transit authorities being the recipients for urban areas over 200,000 population, and the states being the recipients for small urban areas and rural areas (3-21).

5. All annual Mass Transit Account revenues in excess of FY 1989 funding allocation levels would be distributed, 50% based on the current formulas, and 50% by total population (3-7[illegible]).

III-Federal Oversight:

1. The states and/or transit funding recipients would be responsible for the certification of all projects receiving federal assistance (3-22).

2. Certification for projects developed under the Flexible Transit Program would not occur at the individual project level but at the statewide or local transit agency level, depending upon who was the recipient of the funding (3-22).

3. Each state or transit funding recipient would prepare an annual list of projects, using existing documents like the state construction program, the regional Transportation Improvement Programs and the local government project lists for prior approval at the federal level (3-22).

4. Annual progress reports covering the preceding year's achievements would be submitted at the same time and as part of the same document. In this manner, the Administration, the Congress and the Federal Government would be kept abreast of progress (3-22).

IV-Funding:

1. The matching ratio for capital projects under the Flexible Transit Program is proposed to remain at 80 percent federal/20 percent state/local (3-23).

Summary

In these brief presentations of the four components of AASHTO's recommendations, Mr. Chairman, it is to be understood that many important program and other details have not been included, for reasons of brevity. Those details are contained in the text of Chapter 3 of and the "Commentary"

section of the "New Concepts" report. If any questions about AASHTO's recommendations remain after reading Chapter 3 and the "Commentary," AASHTO stands more than ready to provide any further information or needed clarifications.

Mr. Chairman, it is recognized that we are just at the beginning of the Congressional reauthorization process for our surface transportation program. We commend you and the members of the Subcommittee for initiating these hearings, and we again thank you for your invitation to appear.

Over the coming months we know that your Subcommittee will hear from many witnesses, and will consider several proposals for helping meet our surface transportation needs. We trust that the testimony you will receive today from this AASHTO panel will facilitate your work. We stand ready at any time to respond to any questions you and the members of the Subcommittee may have, Mr. Chairman, and we look forward to commenting on specific legislative proposals as they are developed by the Subcommittee.

Let me now turn to Commissioner Rives and then Director Miller, to complete our testimony on behalf of AASHTO.

# # # #

Testimony
of
Charles A. Machemehl, Jr.
Chairman
American Road & Transportation Builders Association

Accompanied By
Dr. T. Peter Ruane
ARTBA President & CEO

Before
The Subcommittee on Surface Transportation
of the
House Public Works & Transportation Committee
U.S. House of Representatives

March 13, 1990

ARTBA

American Road & Transportation Builders Association

Good afternoon, Mr. Chairman and members of the subcommittee. For the record my name is Charles A. Machemehl, Jr. and I am the 1990 chairman of the American Road and Transportation Builders Association, which is based here in Washington, D.C.

My professional business involves serving as the vice president of marketing and business development for the Vulcan Materials Company in Birmingham, Alabama. I am pleased to present testimony today on the transportation needs of this nation and the relationship of the Surface Transportation Act of 1991 to meeting those needs.

I am accompanied today by Dr. T. Peter Ruane, ARTBA president and chief executive officer.

ARTBA has been providing Washington representation for the transportation construction industry since 1902. Our almost 4,000 members nationwide hail from both the public and private sectors. We represent not only construction firms but also state and local transportation officials, manufacturers of equipment, consulting engineering and design firms, material and traffic safety device suppliers and educators in the fields of transportation planning and civil engineering.

Mr. Chairman, on behalf of our membership, thank you for inviting us to provide our views on future transportation needs, identification of problems in the current program, and proposals for new program structure and funding. At the outset, I will say that we believe that the financial decisions that the Congress makes next year in the transportation area will have a direct impact on the nation's economy and well-being long into the future.

America is built on mobility. Its vast size places a high value on the ability to move people and goods over both short and long distances in an economical and efficient manner. The American highway system, developed jointly by the federal and state governments, has had more to do with our quality of life and economic prosperity than any other single factor.

Today, America's federal highway system — the backbone of our national economy — is in serious trouble.

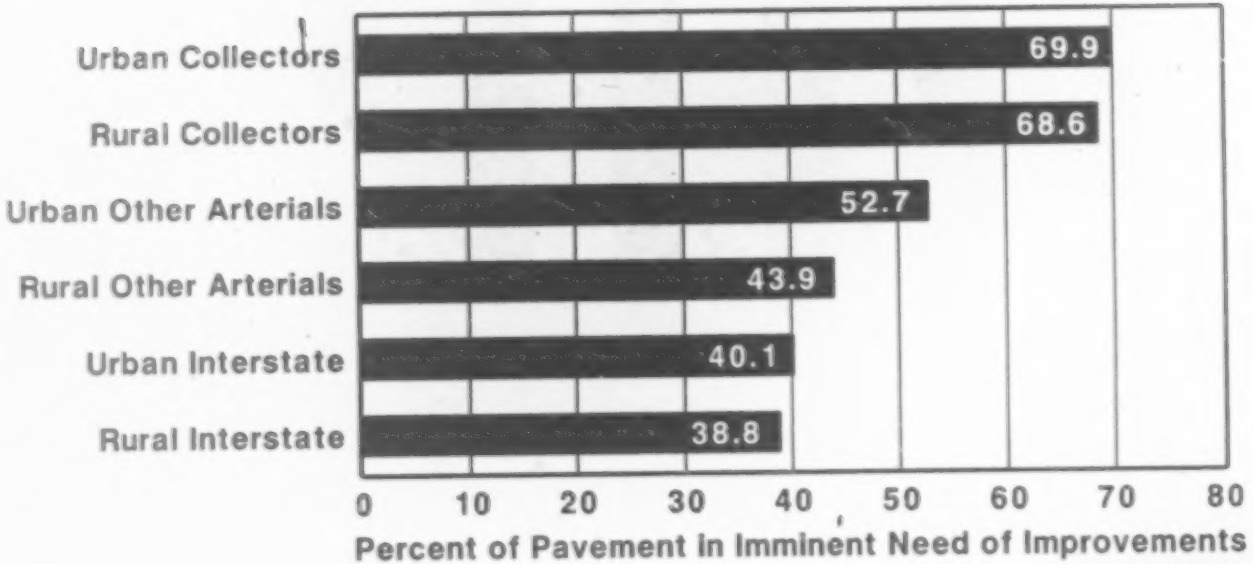
While this network of highways and bridges comprises only 22 percent of the nation's total road mileage, it carries 81 percent of all travel — more than 1.6 trillion miles per year.

According to the U.S. Department of Transportation's 1989 report to Congress, more than 28 percent of the bridges on the federal-aid system are either "structurally deficient" or "functionally obsolete." The same report states that more than 40 percent of the pavements on the federal-aid system are in "poor" or "fair" condition (See figures 1, 2 and 3).

This 1989 report and the Federal Highway Administration's 1988 publication, *America's Challenge For Highway Transportation In The 21st Century*, both state that meeting existing capital needs on the federal-aid system alone requires a $40 billion per year

The Deterioration of the Federal Highway System

Highway System Pavement Conditions



ARTBA

Figure 1

The Deterioration of the Federal Highway System

Number of Deficient Bridges on the Federal Highway System

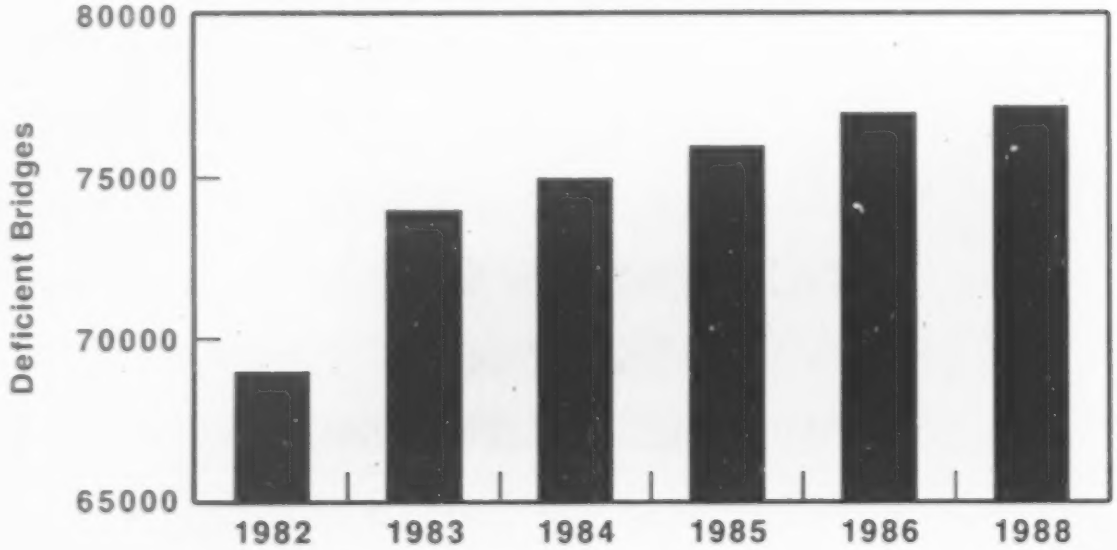


Figure 2

The Deterioration of the Federal Highway System

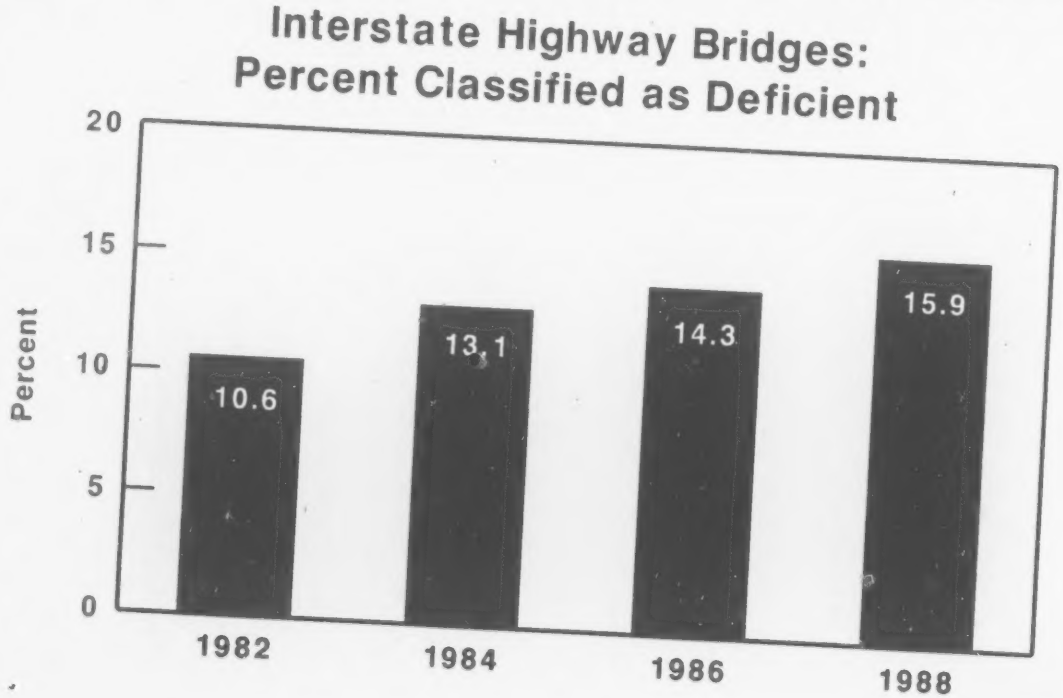


Figure 3

investment in transportation construction projects — a rate of spending substantially in excess of the current obligations for the Federal-aid Highway Program.

Meeting these quantified needs on the federal-aid system is one of the major financial challenges facing the nation. Failure to provide an adequate and useable highway system will have a profound effect on the quality of American life, our economic growth and development, and our ability to meet national defense requirements.

The Federal-aid Highway Program has been a driving force behind building a better America. The reauthorization of this federal program should foster continued opportunities for growth and development.

If the program's reathorization legislation does not address known needs in a meaningful way, the deterioration of the Federal-aid Highway System, which is becoming more apparent every day, will continue, placing the American economy in danger. Today, highway disrepair and congestion are contributing to increased economic costs, air pollution and wasted energy resources.

Americans continue to commute by private automobile. Such travel is up 17 percent since 1960 and contributes to significant rush hour congestion on 65 percent of Urban Interstate System mileage. The outlook for the future is not good. Traffic is projected to grow by two to four percent per year in the decade ahead.

According to federal statistics, the nation now wastes 1.25 billion hours and 1.38 billion gallons of motor fuels due to congestion on limited access highways each year. By the year 2005, that waste could soar to 6.9 billion hours in lost productivity and 7.32 billion gallons of squandered fuel.

Economists at the U.S. Department of Transportation estimate that if our highways are allowed to continue to deteriorate, by 1995 the U.S. economy could potentially miss out on increases of 3.2 percent in Gross National Product (GNP), 5.9 percent in disposable income, 2.2 percent in employment and 2.7 percent in manufacturing productivity.

Disinvestment caused much of our current problem (See figure 4). Total public capital expenditures for highways and bridges has dropped from 1.4 percent of GNP in the early 1960s to about 0.5 percent today. During this same period, traffic on the Federal-aid Highway System has increased five fold.

Inflation has also been a hidden factor. Between 1959 and 1988, the U.S. inflation rate, as measured by the Consumer Price Index, rose slightly over 300 percent. The highway user fees supporting the Highway Trust Fund and paying for highway improvements increased by only 100 percent (See figure 5).

Assuming a moderate future inflation rate of four percent per year, the federal gasoline user fee would have to increase to 26 cents-per-gallon by the year 2000 *just to maintain its 1959 purchasing power.*

What should be done? The solution to our highway problem is obviously: we must begin investing in the future. Providing adequate resources is the key.

The Disinvestment of the Nation's Transportation Infrastructure

Total Public Expenditures for Highways, Streets, Roads and Bridges

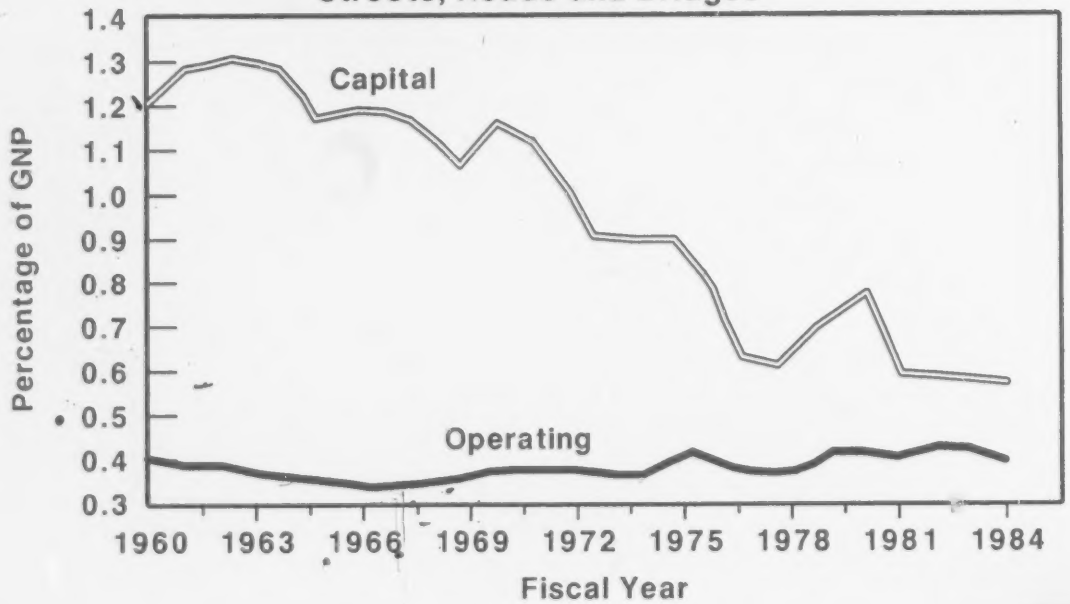


Figure 4

Inflation's Impact on the Federal Highway Program

Inflation Versus the 1959 Highway User Fee (Gasoline)

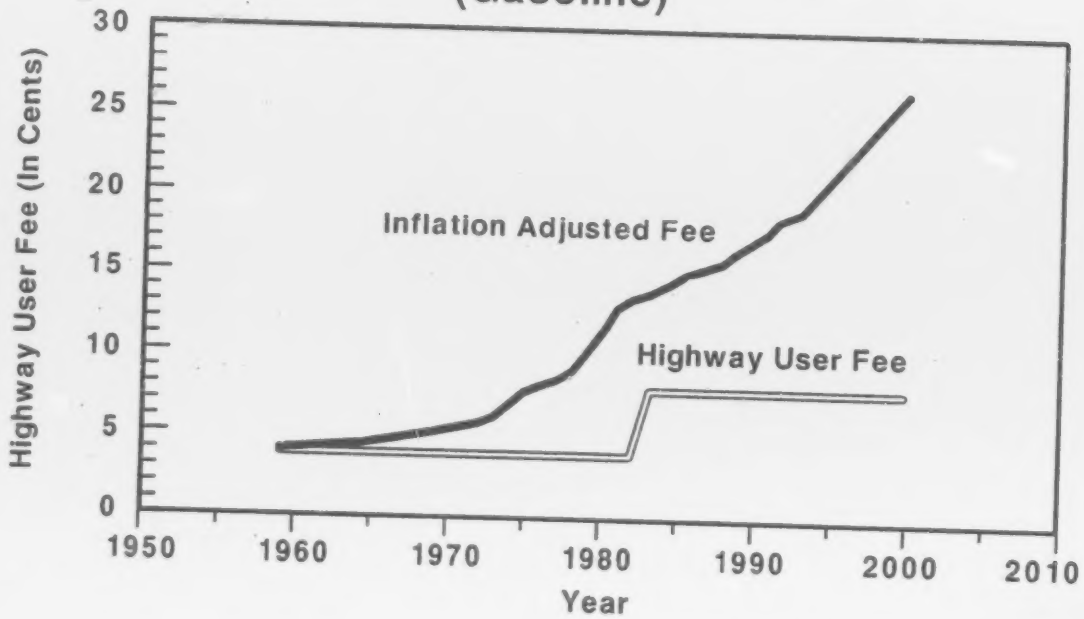


Figure 5

One alternative is to spend the current cash balance in the Highway Account of the Highway Trust Fund to address the call for greater highway improvement expenditures. But how far will that $10 billion balance go?

An examination of the language of the *Highway Revenue Act* authorizing the Highway Trust Fund shows that deficit spending in this fund is prohibited. Since the entire balance cannot be spent, the portion that is available, between $5 and $8 billion, will not significantly increase the current program.

Apogee Research, a leading public works consulting firm based here in Washington, has developed a computer model for us which allows a review of possible program funding scenarios and their effect on the trust fund balance and program spend out. We will share this information with the subcommitee and its staff as it is developed.

The American Road and Transportation Builders Association believes the reauthorization bill drafted by this subcommittee should provide $40 billion per year for highway and bridge improvements. This authorization level should commence in 1992 and continue for a minimum of five fiscal years thereafter. Such a program level is totally consistent with the needs identified by the U.S. Department of Transportation referred to earlier in our testimony.

To authorize and carry-out a program of this magnitude, we recommend that the Congress:

- Ensure that all federal highway user fee revenue contributed to the Highway Trust Fund — plus interest earned on that money — is spent in a timely manner. A drawdown in the trust fund's current $10 billion-plus cash balance should begin during the next fiscal year.

- Remove the Federal-aid Highway Program from the Unified Federal Budget in order to ensure that revenues are not impounded or withheld in the future.

- Increase the federal highway user fees — effective in fiscal year 1992 — to raise the additional $25 billion per year that is necessary for a $40 billion per year federal program of highway improvement assistance.

- No longer impose artificial obligation ceilings on the expenditure of federal highway funds.

- Repeal the current six cents-per-gallon federal tax exemption on gasohol sales for highway vehicle usage (which causes an estimated $500 million per year loss to the Highway Trust Fund); and

- Tighten federal highway motor fuels collection procedures.

These actions would assure that future generations have a highway system on which they can build. The historic role of the federal government in the development and upkeep of a national highway network should be maintained.

There is no question that the federal government has a clear role to play in the development and upkeep of a national system of highways and bridges. The federal responsibility is defined by the Constitutional mandates to regulate commerce among the states and with other nations, provide for the national defense, and safeguard the public health.

The user fee principle that has guided the financing of our national highway transportation program has contributed to its success. Highway users recognize the importance of well-maintained highways and bridges. They also realize that continued expenditures must be made in order to maintain system performance at an acceptable level. Over the years, motorists have shown a willingness to pay appropriate user fees — if they are used for their intended purpose. (See figures 6 and 7)

Recent surveys of the American public and U.S. business leaders indicate that this view is still held. In work done by Apogee Research for the Transportation Research Board, the public said overwhelmingly that they would pay higher gasoline user fees for improved highways. In a poll taken at the 1989 U.S. Chamber of Commerce annual meeting, business leaders from across the nation expressed overwhelming support for more federal expenditures for highways, recognizing that higher motor fuel taxes are necessary.

Consistent with our recommendation for increased funding, ARTBA also believes that the working partnership between the federal government and the states, which is the basis of the existing federal-aid program, must be continued.

Some have suggested that state and local governments should be responsible for raising revenue to meet future needs for rebuilding and expanding our highway system. In fact, over the last 20 years, federal support for improvements has declined over 20 percent in constant dollars.

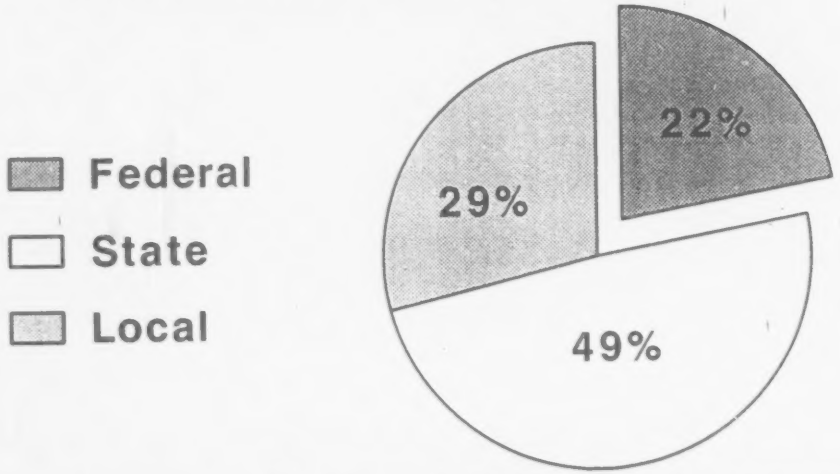
While the federal interest has continued, state governments have worked to increase state revenues for highways to keep the system from futher deterioration.

Now is the time to re-establish the true meaning of the federal-aid highway partnership and to live up to the federal commitment to adequately fund improvements on highways and bridges significant in meeting transportation responsibilities.

The unwillingness of the federal government to raise and spend sufficient funds to maintain system performance has resulted in a program that is not fully meeting identified needs. Now is the time for bipartisan leadership in this area if we are to meet our future transportation demand.

While public, user fee supported financing should remain the keystone of our national highway improvement program, no financing option should be ignored. ARTBA sponsored a conference in 1989 on "Public/Private Ventures in Transportation" to review this opportunity for other funding mechanisms to meet transportation needs.

National Highway Revenue Receipts: 1987



The Federal Share of National Highway Revenue Receipts Has Been Decreasing Since 1985 and in 1987 Reached the Lowest Mark in 27 Years (22 Percent).

ARBA

Figure 6

The Federal Highway User Fee Represents Less Than 1% of the Total Annual Transportation Spending by the Average American Consumer

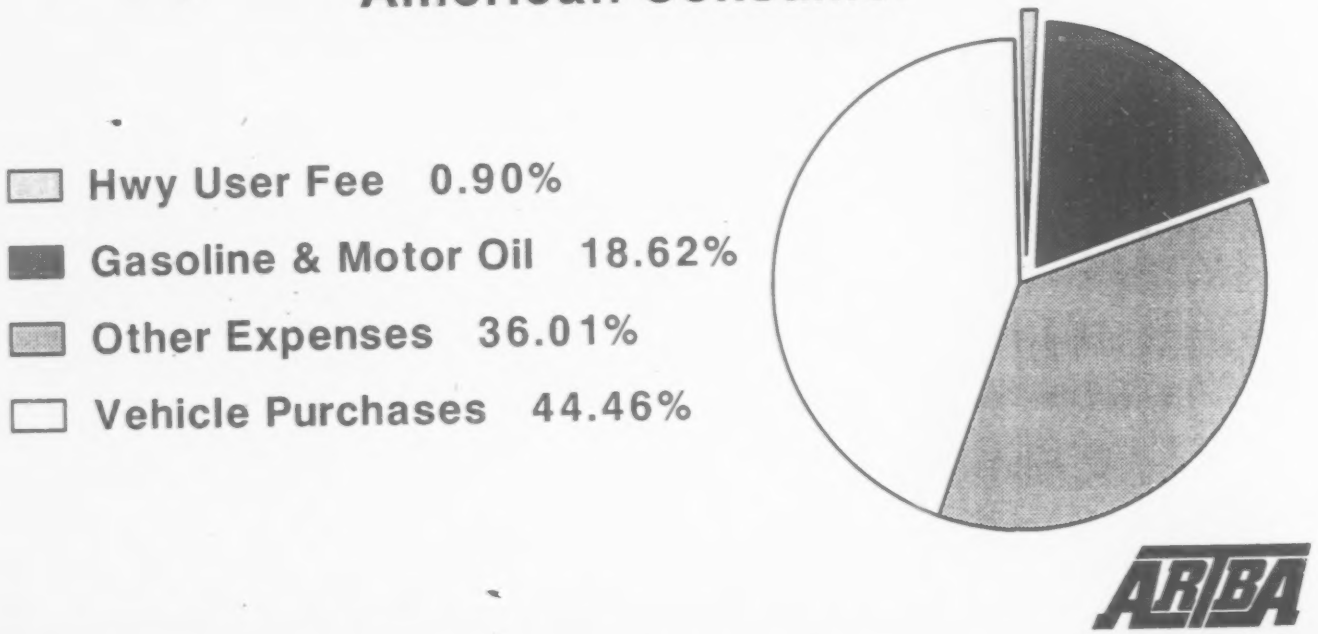


Figure 7

Public/private ventures have long been successful in other countries and are gaining support in this country. They must be explored and implemented where appropriate.

Proper investment is the key to meeting future highway needs. With our views on record as to investment and the method of meeting this investment requirement, let me turn to ARTBA's views regarding program structure and allocation of resources.

A FEDERAL HIGHWAY PROGRAM FOR THE FUTURE

With a $40 billion per year federal investment, America CAN meet its highway and bridge capital requirements for the next century. Here's how that money could be put to work to restore — and expand — our national highway system.

COMPLETING THE INTERSTATE HIGHWAY SYSTEM

The 42,797-mile Interstate Highway System accounts for only 5.2 percent of the federal network mileage, yet carries 27 percent of the traffic. It's clearly the backbone of our national surface transportation system.

Construction on this system began in 1956. Today, 98 percent of the system is open to traffic. According to the Federal Highway Administration, an additional $5 billion is needed for completion. Let's finish the job!

ARTBA Recommendations:

- Fund completion of the full Interstate Highway System with a one-time final authorization of $5 billion. Since actual use of these funds would be spread over several years, an allowance for inflation should also be provided.

- To be eligible for these funds, however, Congress should require that construction on all remaining projects begin no later than September 30, 1996. Additionally, adequate funds should be made available under the "Advance Construction/Interstate Program" to fully repay all states that have used this option.

PROTECTING THE INTERSTATE HIGHWAY INVESTMENT

Highway users have invested more than $100 billion in the Interstate Highway System, making it perhaps the nation's greatest physical asset. Today, however, more than 40 percent of the pavement mileage on the Interstate System is below minimum engineering standards. Let's protect our investment!

The Federal Highway Administration says that an annual investment of up to $6.1 billion is necessary *just to maintain 1985 conditions* on the Interstate System.

ARTBA Recommendations:

- Initiate a major Interstate rebuilding program by authorizing a $6.6 billion per year Interstate 4-R program of resurfacing, restoration, rehabilitation and reconstruction. Assure that the latest in pavement design technology is utilized in this effort to maximize the return on investment.

- Authorize an additional $400 million per year for Interstate 4-R discretionary programs, with $200 million per year allocated to fund unusually high-cost bridge projects on the system.

- Set the federal/state funding ratio for Interstate "4-R" at 90/10, including projects to add new lanes or construct essential new interchanges.

- Ensure that any future additions to the Interstate System are automatically eligible for 4-R funding and maintain existing provisions in law which allow the transfer of new construction funds to 4-R work.

- Give states the flexibility to transfer up to 50 percent of their share of "4-R" funding to projects in other program categories of national importance, provided that the state can satisfy the U.S. Department of Transportation that its Interstate mileage is being adequately maintained.

REBUILDING OUR BRIDGES

More than 238,000 — or about 40 percent — of the nation's bridges are either "structurally deficient" or "functionally obsolete," according to the U.S. Department of Transportation. As noted previously, 28 percent of these bridges are on the federal system.

The inherent safety problems and economic displacements posed by deficient bridges demands that repairing them become a national priority of the highest order.

The Federal Highway Administration says that $50.7 billion is needed to rehabilitate or replace all deficient bridges on the federal system.

ARTBA Recommendations:

• Require each state to develop a plan that systematically addresses their bridge problems and assigns highest priority to repairing or replacing structurally deficient structures.

• Authorize $5 billion per year to repair the nation's bridges. While this funding should be directed primarily toward bridges on the federal-aid system, allow off-system bridges to remain eligible for federal funding with certain restrictions as permitted under current law.

• Allocate bridge rehabilitation funds on a "cost-to-complete" basis (continue the current one-quarter percent minimum, 10 percent maximum formula).

• Set the federal/state funding ratio at 90/10. Do not allow a state to transfer bridge funding to other program categories unless it can demonstrate to the U.S. Department of Transportation that it is pursuing a program that specifically addresses structurally deficient bridges as a priority.

CREATING A REGIONAL PRIMARY SYSTEM

This 258,120-mile system is the nation's second most important network of highways. It serves as a collector system for the Interstate and services traffic in corridors not on Interstate routes. The Primary System currently handles 29 percent of the nation's traffic mileage.

The Federal Highway Administration says that an annual investment of up to $6.7 billion is necessary *just to maintain 1985 conditions* on the Primary System.

ARTBA Recommendations:

• Make the Primary System a truly regional road network by changing the definition of the type of mileage that is eligible for inclusion. The reduced system would include only routes of national significance that meet interstate and inter-regional traffic needs.

• Provide $6 billion per year to rehabilitate the Primary System and upgrade as many of these routes as possible to near-Interstate standard. Set the federal/state funding ratio at 90/10 and give states with well-maintained Primary routes the flexibility to transfer up to 50 percent of their Primary funding to other program categories.

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RELIEVING TRAFFIC CONGESTION

Anyone who lives in an urban/suburban area knows traffic congestion first-hand. Without improved traffic management and added capacity the situation will only get worse. A new national program is needed to address this problem.

The Federal Highway Administration says that an annual investment of up to $7.4 billion is necessary *just to maintain 1985 conditions* on the Urban System.

ARTBA Recommendations:

• Create a "Metropolitan Area Transportation Assistance Program," funded at $4.5 billion per year, to help alleviate traffic congestion in urban/suburban areas with 50,000+ population. The program envisioned would direct federal funds to projects that are part of strategic regional plans that attack congestion. Projects funded under this program would include road and bridge capacity improvements, roadway rehabilitation projects that improve traffic flow, creation of "High Occupancy Vehicle" (HOV) and exclusive bus lanes, implementation of freeway surveillance, incident response systems and "smart highway" computer technology.

• Set the federal/state funding ratio at 70/30 and require that eligible routes be on the federal system. Give states flexibility in designating routes to be included in urban areas.

STIMULATING ECONOMIC GROWTH WITH NEW TRANSPORTATION CORRIDORS

The demographics of the United States have changed dramatically since the plans for the Interstate Highway System were drawn over 40 years ago. Many distant "suburbs" now provide more jobs than the major cities linked by the current Interstate System. Population shifts, particularly to the South and West, have created unprecedented demand for new transportation service. It's time the federal highway program recognized — and assisted — these emerging economic centers.

ARTBA Recommendations:

• Create a "New Transportation Corridors Program," funded at $3.5 billion per year, to assist high-growth areas not currently served by the Interstate System. The program would be aimed at building new highways — and upgrading existing ones to near-Interstate standard — to provide capacity for the increased traffic volume that is associated with emerging economic centers. Eligibility for participation in the program would be based on criteria such as population growth rate, measurable economic activity and potential for further economic growth.

• Set the federal/state funding ratio for the "New Transportation Corridors Program" at 70/30.

MOBILIZING RURAL AMERICA

With a redefined — and smaller — federal Primary System, an expanded Secondary Highway System would assume even greater importance. This system, which now includes 398,328 miles of highway in rural America, provides the vital farm-to-market and small community-to-market transportation link that is so important to the nation's economy and well-being.

The Federal Highway Administration says that an annual investment of up to $1.7 billion is necessary *just to maintain 1985 conditions* on the Secondary System.

ARTBA Recommendations:

- Provide $5 billion per year for an expanded rural highway support program.

- Set the federal/state match for this program at 70/30.

IMPROVING HIGHWAY SAFETY

While there have been significant advances in highway design, safety equipment and signage over the past several decades, the carnage on our nation's highways continues. In 1989, more than 45,000 Americans were involved in highway fatalities and another three million were injured in traffic accidents. Clearly a more aggressive effort to improve highway safety is warranted.

ARTBA Recommendations:

- Increase federal highway safety funding to $2 billion per year, continuing all categorical safety programs that are in current law.

- Initiate a federal study of highway signage and traffic safety devices to determine the need to rehabilitate or upgrade such devices on the federal system to incorporate new technologies.

- Provide funds to improve worker and motorist safety in highway construction areas.

- Require that products and services that enhance safety and improve traffic operations be included criteria for all federal "3-R" and "4-R" programs.

INVESTING IN RESEARCH

Every effort must be made to ensure that we receive maximum benefit from every dollar invested in highway capital improvements. Greatly increased emphasis must be placed on public and private highway research and development programs.

ARTBA Recommendations:

• Authorize $2 billion per year to support expanded federal highway research programs.

• Encourage — through special tax incentives and other means — private sector research and development projects that have the potential to improve the quality, durability, safety and operation of our highways and bridges.

OTHER ISSUES

In our view, as part of its highway program reauthorization legislation, Congress should also take action to:

• Make the federal Highway Trust Fund permanent.

• Ensure that each state receives back at least 90 percent of the revenue that it contributes to the Highway Trust Fund.

• Levy user fees on all motor fuels — including gasohol — in an amount at least equal to that levied on gasoline to ensure that adequate highway improvement funds are available.

• Expand the Federal Lands Program to $1.5 billion per year.

• Provide greater flexibility in the co-mingling of federal assistance and toll revenue to finance capital improvements on toll facilities.

• Provide $500 million per year for emergency relief.

• Revise the federal Disadvantaged Business Enterprise program to ensure that it is aiding firms that are truly in need of assistance.

IT'S AN INVESTMENT IN THE FUTURE

America is literally at a crossroad. We can continue to ignore our serious and growing highway and bridge problems. Or we can choose to make the investment — about $40 billion per year — that is necessary to rebuild and expand our national highway network to meet future demands.

Good roads save lives. Improve productivity. Enhance competitiveness. And reduce pollution-causing, energy-wasting traffic congestion. In short, they're an investment in the future.

Together, let's build a better America through transportation. The time to act is NOW!

FEDERAL HIGHWAY PROGRAM FUNDING RECOMMENDATIONS

(Per Fiscal Year)

Interstate Construction*	$1.0 Billion
Interstate 4-R	$6.6 Billion
Interstate 4-R Discretionary	$0.4 Billion
Bridge Rehabilitation & Replacement	$5.0 Billion
Primary System	$6.0 Billion
Metropolitan Area Assistance Program	$4.5 Billion
New Transportation Corridors	$3.5 Billion
Secondary/Rural System	$5.0 Billion
Highway Safety	$2.0 Billion
Federal Highway Research Programs	$2.0 Billion
Minimum Allocation Program	$2.0 Billion
Federal Lands Program	$1.5 Billion
Emergency Relief	$0.5 Billion
TOTAL	$40 Billion

* The authorization for the Interstate Construction program is currently $3.15 billion and $1.4 billion, respectively, for Fiscal Years 1992 and 1993 by the *Surface Transportation and Uniform Relocation Assistance Act of 1987.* ARTBA recommends an additional appropriation of $1.75 billion in FY 1993 and $3.25 in FY 1994 to complete the Interstate Highway Program.

UNDER CURRENT FORMULAS AND MATCHING RATIOS WHAT A $40 BILLION PER YEAR FEDERAL HIGHWAY PROGRAM WOULD MEAN TO THE STATES

(Millions of Dollars)

STATE	Increase in Federal Grants	STATE	Increase in Federal Grants
AL	501.2	MT	110.0
AK	45.6	NE	203.9
AR	384.3	NV	137.5
AZ	318.9	NH	104.9
CA	2729.8	NJ	793.9
CO	324.1	NM	196.5
CT	306.1	NY	1244.7
DE	78.1	NC	756.5
DC	33.5	ND	89.7
FL	1274.3	OH	1115.0
GA	653.8	OK	408.5
HI	67.9	OR	239.9
ID	112.0	PA	1079.4
IL	1051.3	RI	86.4
IN	673.5	SC	388.0
IA	331.3	SD	93.3
KS	319.9	TN	652.4
KY	439.9	TX	1992.7
LA	458.1	UT	168.7
ME	151.4	VT	63.9
MD	465.7	VA	691.1
MA	525.2	WA	481.9
MI	894.3	WV	195.4
MN	442.3	WI	481.4
MS	321.6	WY	114.7
MO	637.2	NAT	25641.3

Source: Apogee Research
Bethesda, Maryland

Mr. Chairman, before I close, a comment about the fiscal year 1991 budget proposal for the Federal-aid Highway Program is in order. The budget recently sent to Congress by President Bush calls for an obligation limitation of $12.0 billion for highways. This is a seven percent reduction from the fiscal year 1990 level after sequestration and the budget compromise.

This appears to be a step backward when the talk is for a forward-looking program. The "National Transportation Policy" enunciated by Secretary Skinner before this subcommittee last week, certainly does not talk about a reduction in the federal commitment. It talks about at least maintaining our current commitment.

The FY 91 budget must then be reviewed in the context of a need to increase the obligation limitation to at least last year's level, but preferably to a level reasonable under the *1987 Surface Transportation and Uniform Relocation Assistance Act* — $15.0 billion. This level can be achieved by using all revenue accruing to the trust fund annually, interest earned on the trust fund balance, and prior year' authorizations constrained by annual obligation limitations.

Thank you, Mr. Chairman, for the opportunity to present the views of the American Road and Transportation Builders Association on future federal highway assistance. Pete Ruane and I stand ready to answer any questions that you or subcommittee members may have.

CITY OF EVANSVILLE
ONE N W SEVENTH STREET · ROOM 302
EVANSVILLE, INDIANA 47708
(812) 426-5681

OFFICE OF THE MAYOR
FRANK F. McDONALD II

March 12, 1990

Honorable Frank McCloskey
U.S. Representative
Eighth District, Indiana
127 Cannon House Office Building
Washington D.C. 20515

Dear Congressman McCloskey:

I would like to register my support for the Federal highway funding proposal currently under consideration that will allow for commitment of funds for construction of the Evansville to Indianapolis highway. We, in Evansville, feel that the lack of direct access to our state's capital has left us cut off from the potential economic benefits that such a highway would bring.

As the Eighth District's representative, you are well aware of the critical need for this addition to the Southwestern Indiana highway network. There are several important issues that support the use of Federal funds for the construction of this highway, the most important of which is the recent commitment of the State of Indiana to fund, over the next several years, substantial improvements to segments of existing roads along the proposed route. This is a substantial commitment on the State's part.

Unfortunately, just as the Federal government cannot fund the entire project, neither can the state. We believe that a partnership between the Federal, state and local governments is the only way to make the highway a reality.

I thank you for the support that you have lent to this project thus far and look for your continued support in the future.

Sincerely,

Frank F. McDonald II

FFM/pej

AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS

KERMIT H. JUSTICE, President
Secretary
Delaware Department
of Transportation

FRANCIS B. FRANCOIS
Executive Director

STATEMENT BEFORE

THE SURFACE TRANSPORTATION SUBCOMMITTEE
OF THE
HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

Relating To

SURFACE TRANSPORTATION REAUTHORIZATION LEGISLATION:

DEVELOPMENT OF AASHTO'S RECOMMENDATIONS, CONSENSUS RECOMMENDATIONS AND BACKGROUND ON AASHTO'S HIGHWAY PROGRAM RECOMMENDATIONS

By

CHARLES L. MILLER
Chairman, AASHTO Task Force on a Consensus Transportation Program
and
Director, Arizona Department of Transportation

Part Three of a Three Part Presentation by AASHTO

March 13, 1990

Founded in 1914, AASHTO represents the departments concerned with transportation and highways in the fifty States, the District of Columbia and Puerto Rico, to foster the development, operation and maintenance of an integrated national transportation system. The active members of AASHTO are the duly constituted heads and other chief directing officials of the member transportation and highway agencies.

EXECUTIVE OFFICE: 444 N. Capitol St., NW, Suite 225, Washington D.C. 20001
Telephone (202) 624-5800 Telefax (202) 624-5806 Telex 4900009580 HTO

Mr. Chairman, I am Charles Miller, Director of the Arizona Department of Transportation, and Chairman of the AASHTO Task Force on a Consensus Transportation Program. It was our Task Force that developed the AASHTO report, "New Transportation Concepts For a New Century," and its extensive set of background information and reports.

In this Part Three of our AASHTO testimony responding to the Subcommittee's request, I want to address three topics. The first is to briefly review our Task Force's composition and how we have functioned since being established in early 1987. Secondly, I want to review with you the consensus building efforts initially organized by AASHTO, the status of the recommendations from those efforts on the content of new surface transportation reauthorization legislation. Finally, I want to provide some background information on the two-part highway program recommendations of AASHTO.

THE AASHTO TRANSPORTATION 2020 PROCESS

AASHTO's formal efforts to develop recommendations for the next surface transportation bill were initiated in early 1987, and were based on work done during 1986 to conduct a national conference on state highway finance held in Vermont. The AASHTO Policy Committee agreed in early 1987 to create a Task Force on a Consensus Transportation Program, and to devote the resources of the Association and our member departments to an extensive and intensive review of the highway and public transportation issues facing the nation and development of a national program addressing transportation needs and federal, state and local roles well into the 21st century. Given the scope and time frame set for our work, we adopted the theme "Transportation 2020."

In 1988 we expanded our effort to include the aviation, rail and water transportation modes, and in 1989 to include transportation research and technology transfer.

Our Task Force was created to provide broad representation from the four regions of AASHTO, and large, medium and small states. It included the chief administrative officers of sixteen states, including California, Connecticut, Delaware, Florida, Georgia, Kansas, Massachusetts, Michigan, Minnesota, Mississippi, New York, Texas, Virginia, Washington, and Wisconsin, in addition to myself from Arizona. In order to carry out the technical work the Task Force created a Highway Technical Advisory Committee, a Modal Technical Advisory Committee, a Subcommittee on Economic Expansion and Development, a SCOP Task Force, and special Task Forces on: a Highway System of National Significance; Highway Finance and Funding Allocation; and Transit Equity/Transit Finance and Funding Allocation. The work of these professional bodies was coordinated by a high level Policy Review Committee comprised of transportation professionals. Since 1987 over 50 meetings of the Task Force and its technical bodies have been held. A detailed description of this effort is contained in the Appendix of the "New Transportation Concepts For a New Century" final report, copies of which have been filed with the Subcommittee.

The overall concept of the AASHTO Transportation 2020 process centered around three basic activities: information gathering and analysis; development of alternatives and recommendations; and consensus building. The specific content of these activities is described in the Appendix to the "New Concepts" report.

Mr. Chairman, my purpose in describing our process is to emphasize that AASHTO's effort has been the most comprehensive ever undertaken by our member departments. The reports and recommendations issuing from this work provide information that has been repeatedly reviewed by the many transportation professionals in our member departments and by their chief administrative officers. These people are responsible for the design, construction and operation of America's highways, and play an increasingly greater role in the other transportation modes. We offer the results of our work to the Subcommittee, and stand ready as ever to develop any further information you may want.

CONSENSUS RECOMMENDATIONS

An important component of the Transportation 2020 effort established by AASHTO was a deliberate effort to develop consensus among the many different organizations that have an interest in federal surface transportation reauthorization legislation. It was and is our belief that if we can achieve a degree of consensus before turning to the Congress, sounder legislation would result.

In order to build a consensus, AASHTO initiated two major activities. One was creation of an Advisory Committee on Highway Policy (ACHP), chaired by Lester Lamm of the Highway Users Federation, and which ultimately involved over 100 public and private sector organizations in its work. In addition to helping our member departments sponsor 65 forums held nationwide and producing the report "Beyond Gridlock" documenting the public concerns and recommendations made at those forums, the ACHP has recently released a final report titled "Is Consensus Possible." Copies of the "Beyond Gridlock" report have been provided to the Subcommittee, and copies of "Is Consensus Possible" are being submitted.

The second major consensus-building effort initiated by AASHTO was establishment of the Transportation Alternatives Group, or TAG. The TAG brought together twelve organizations concerned about national transportation policy as equal partners, to conduct an independent analysis of the nation's surface transportation system and to develop recommendations thereon for consideration by the twelve organizations. The TAG effort was funded to the extent of over $300,000 by contributions from the twelve organizations and many others from the private sector, and employed Stephen Lockwood as Executive Director and its principal investigator. The twelve organizations constituting the TAG are:

American Association of State Highway and Transportation Officials
American Automobile Association
American Public Transit Association
American Public Works Association

American Trucking Associations, Inc.
Highway Users Federation
National Association of Counties
National Association of Regional Councils
National Conference of State Legislatures
National Governors' Association
National League of Cities
U.S. Conference of Mayors

In January of this year, the TAG published is final report titled "Future Federal Surface Transportation Program - Policy Recommendations," copies of which have been provided to the Subcommittee. Mr. Lockwood has now left the TAG, and is currently the Associate Administrator for Policy for the FHWA.

Mr. Chairman, an examination of the TAG and ACHP final reports indicates a significant consensus on a number of key issues before this Subcommittee, including the following:

Federal Role:

"The federal role should ensure preservation of the physical and operational integrity of the major elements of the existing surface transportation system, including highways, bridges and public transportation and should support the nation's economic goals. In addition, the federal program should provide for capacity expansion to improve mobility as well as safety - focussing on addressing interregional and interstate travel needs, relieving urban/suburban congestion, and improving rural access." (TAG Report - page 5)

"The ten most frequently cited federal program objectives are listed below (not prioritized):

1. Provide for the National Defense ...
2. Provide for Interstate Commerce ...
3. Provide Access for All Americans ...
4. Protect Service Levels and Investment in Transportation Facilities ...
5. Reduce Urban and Suburban Traffic Congestion ...
6. Foster Transportation Research and Development ...
7. Stimulate Improved Transportation Planning ...
8. Coordinate with National Energy Policy ...
9. Enhance Transportation Safety ...
10. Help Meet Environmental Goals ..." (ACHP Report - pages 7-10)

Program Content:

"The new surface transportation program should include a renewed federal commitment to a national highway system, public transportation, and an increased emphasis on urban/suburban mobility and rural access. Selected programs should be simplified and consolidated with programs focussed on metropolitan and rural needs." (TAG Report - page 6)

"The national highway system must, at a minimum, include the existing Interstate System and have as a priority the preservation of its desirable physical and operating characteristics. The overall system should result as part of a plan developed by the federal government working in collaboration with state and local governments." (TAG Report - page 7)

"The following highway program areas were seen as needing expanded federal priority by 70 percent or more of respondents to 1988 and 1989 questionnaires sent to ACHP members:

a. Protect the Interstate System
b. Improve the service of arterial roads
c. Reduce urban and suburban traffic congestion
d. Improve road access in small towns and rural areas
e. Enhance highway and traffic safety
f. Protect bridge facilities
g. Develop a system of scenic roadways
h. Increase the Motor Carrier Safety Assistance program
i. Improve access to federal lands
j. Protect against damage from natural disasters" (ACHP Report - pages 11 and 12)

These two examples from the TAG and ACHP reports show the high degree of consensus that exists within these organizations, and between them and AASHTO's recommendations in our "New Concepts" report. Mr. Chairman, we suggest that there is already a strong consensus available to the Subcommittee, as you begin work on the reauthorization of the surface transportation programs.

AASHTO'S HIGHWAY PROGRAM RECOMMENDATIONS

Finally, Mr. Chairman, I would like to provide some background on why our Task Force and the AASHTO Policy Committee are recommending to you the two-component highway program described by President Justice in his testimony, a Categorical Highway Program focused on a new National Highway System, or Highway System of National Significance (HSNS), and a Flexible State and Local Highway Program directed on functionally classified arterials and collectors not on the HSNS, and other highways or bridges which are currently eligible for use of federal aid.

During the 65 public hearings held across the nation by AASHTO's member departments and the ACHP, we repeatedly heard two themes. First, there must be a national highway system, to include the Interstate system, and additional highways sufficient to support interstate commerce and freight and people movements between states and regions. Second, greater flexibility in dealing with all other surface transportation issues and problems is needed, flexibility that will allow states and local governments to tailor solutions to their specific problems.

Turning to the flexibility issue first, our Task Force pondered how best to handle the many requests we received from the public hearings and our member departments. Some simply wanted a federal block grant program, with dollars flowing to state and local governments to spend as they wanted. Our Task Force did not adopt this concept. AASHTO believes that the use of federal dollars on our highway system should serve federal goals, which the traditional block grant will not assure.

Our solution was to craft the Flexible and Local Highway Program set forth in the "New Concepts" report, and described by President Justice in his testimony. The Program would be administered by the states and is centered around providing solutions to a set of Issues of National Significance adopted by the Congress that define the federal goals for the program and establish the parameters for use of the funds. Our Program calls for a state and local government planning process, as appropriate, to produce an annual plan, a plan that would need to describe how it helps solve the Issues of National Significance adopted by Congress and which the FHWA would review and approve. Each year thereafter the states would need to certify that the previous plan had in fact achieved its objectives, as part of the annual planning process. Certification for highway projects should not occur at the individual project level but statewide, which would greatly simplify the red tape problems now found in our state and local highway programs.

This Program would provide the degree of flexibility needed to properly address state and local transportation issues, within the framework of a Congressionally established set of purposes and objectives.

Mr. Chairman, the kind of flexibility provided by our Program is badly needed. We strongly urge the Subcommittee to address this issue, if not in the manner recommended by AASHTO, then in some other way. To quote from our "New Concepts" report regarding the AASHTO recommendations for a flexible highway program, page 3-17:

> "AASHTO is willing to consider the merits of any proposed urban and rural elements which include sufficient flexibility regarding the state and local transfer of funding and priorities among urban and rural needs at state and local discretion."

Let me now turn to our Categorical Highway Program, and the Highway System of National Significance. Our reasoning in recommending the HSNS recognizes the role played by the Interstate System, and the fact that because of demographic and economic shifts in our nation, coupled with varying rates of growth and development, the Interstate System as essentially designed in the 1950s does not well serve all the nation. Simply put, we need a larger National Highway System than the Interstate System.

But at the same time, if we concentrate instead on the over 300,000 miles of Interstate and primary highways in the nation, then available federal aid would be spread very thinly or sporadically; a sound, interconnected, rational National Highway System is not likely to result from this. This approach is not unlike that taken in the first federal-aid highway bill in 1916, when the states were provided with federal funds to use wherever they

wanted. The result was a smattering of highway improvements, with no discernible system evolving. In 1921, Congress changed the federal-aid highway program to concentrate federal resources on a highway system, from which our current primary system emerged.

We believe that with completion of the Interstate System rapidly approaching, the focus of the next highway bill should be on a system larger than the Interstate System, but small enough to assure that national objectives can be achieved. It is from this belief that our HSNS evolved.

An obvious question is, can the states and the FHWA actually designate an HSNS, or new National Highway System? To help answer this, AASHTO and the FHWA worked during 1989 on what might be called a "test run" to see if designation of an HSNS was feasible. While there were problems in some states that would need to be worked out, we found that it was. Our efforts to develop a specific HSNS have now been halted, pending the passage of a new surface transportation bill.

We would note that the FHWA continues its support of developing such an HSNS, and attached hereto is a copy of a recent memorandum from FHWA headquarters to its field offices describing the current status of this work.

Mr. Chairman, I hope that this testimony will help explain the reasoning behind the Association's highway program recommendations. We stand ready to provide any further information the Subcommittee may request.

Mr. Chairman and members of the Subcommittee, this concludes AASHTO's three-part presentation. We again commend you for beginning the process leading toward a new surface transportation bill, and offer our assistance wherever needed.

/ / / /

US Department of Transportation
Federal Highway Administration

Memorandum

Subject: INFORMATION: Updated Principal Arterial System (PAS) and Highway System of National Significance (HSNS)

Date: NOV 14 1989

From: Director, Office of Planning
Washington, D.C. 20590

Reply to Attn of: HPN-12

To: Regional Federal Highway Administrators

At its recent meeting in Atlanta, the AASHTO Policy Committee reached a nearly unanimous consensus on a set of policy recommendations which included the concept of a system of national significance (HSNS). This result was in no small way due to the excellent efforts over the last several months of the States and FHWA field offices to update the functional classifications of the principal arterial system and to develop illustrative highway system of national significance alternatives. The draft maps and related statistics on mileage and VMT were vital to AASHTO and FHWA in identifying the many issues regarding the Principal Arterial System and HSNS.

As part of its approval action, AASHTO adopted the following language:

> "The formal establishment of the Highway System of National Significance should be completed as a cooperative effort between the States and the Federal Highway Administration after adoption of Federal authorization legislation. Consultation should occur with local governments and private sector users as the formal HSNS is defined" (emphasis added).

FHWA does not intend taking any action to formally complete the principal arterial system update or the definition of HSNS at this time. We have made this decision in view of AASHTO's position, the fact that all urban boundaries will be adjusted following the Decennial Census to be conducted next March, and the need for consultation with local governments, MPOs, and private sector users in defining this system. Revisions initiated now would have to be revised in 1991 when Census boundaries become available. In addition, revisions to functional classifications require revisions in HPMS samples. In light of the above, we are recommending that formal functional classification changes and the definition of a system of national significance be undertaken as a single effort in 1991 or 1992.

The full benefits of a system of national significance will only be achieved if appropriate new highway segments are integrated into it. It would be appropriate to review planning studies relating to major urban by-passes, multi-State corridors, urban plan updates, and developmental highway systems to identify candidate new facilities for consideration when planning work resumes.

We anticipate that the AASHTO Task Force on HSNS will remain in existence and FHWA will continue to work with the Task Force to study these and other HSNS issues. The completion of work on the draft updated PAS and the alternative HSNS and related route lists are, however, now unnecessary. Consequently, Chapter 8 of the HPMS Field Manual will be rescinded in the near future. The Manual, "Highway Functional Classification - Concepts, Criteria, and Procedures," revised March 1989, should be retained for future use in a national update of all functional classes based on the results of the 1990 Census.

Although the AASHTO will communicate their action to the States, our field offices should also advise the States of our pending related action on Chapter 8 of the HPMS Field Manual.

We will keep you informed of additional activities.

Kevin E. Heanue

Kevin E. Heanue

Testimony Of
Richard N. Moseman
of

The Associated General Contractors of America

Presented to the
Surface Transportation Subcommittee
United States House of Representatives
March 13, 1990

On the Topic of
The Post 1991 Surface Transportation Legislation

AGC is:

- More than 32,500 firms including 8,000 of America's leading general contracting firms responsible for the employment of 3,500,000-plus employees;
- 102 chapters nationwide;
- More than 80% of America's contract construction of commercial buildings, highways, industrial and municipal-utilities facilities.

The Associated General Contractors of America
1957 E Street N.W., Washington, D.C. 20006-5199, (202) 393-2040, Fax (202) 347-4004

Mr. Chairman and Members of the Subcommittee, my name is Richard Moseman, of Shasta Management Services in Redding California. I am also this year's Highway Division Chairman of the Associated General Contractors of America (AGC) which represents more than 32,500 firms, including 8,000 of America's leading general contracting construction firms. These contractors perform more than 80 percent of America's contract construction of highways, bridges, commercial buildings, industrial, and municipal-utility facilities, and are responsible for the employment of more than 3,500,000 individuals.

AGC appreciates the opportunity to express its views on the major issues facing the nation in surface transportation. As the nation's leading construction trade association, AGC is vitally concerned with adequate investment in our nation's surface transportation infrastructure to provide the foundation for continued economic prosperity and international competitiveness. AGC applauds this Subcommittee for scheduling these hearings and getting on with the important task of reauthorizing the nation's highway and mass transit programs.

In preparation for the reauthorization of the federal surface transportation programs in 1991, AGC undertook its own policy development initiative in 1988. Recognizing that construction of the Interstate Highway System will be essentially complete in the early 1990s, America is at a crossroads with regard to its future transportation policy. AGC's policy development effort focused on those surface transportation issues which will continue to be important to the nation into the 21st century. In March of 1989 AGC adopted a series of policy recommendations relating to future surface transportation legislation. Following is a discussion of some of the major issues and policy recommendations which AGC believes should be considered as part of the future surface transportation legislation.

TRANSPORTATION'S ROLE IN ECONOMIC DEVELOPMENT

AGC believes that transportation infrastructure is at the very heart of what makes this country thrive and prosper. Over the past 30 years the gross national product of this country has grown over 1,000 percent, nearly double the increase of the previous 30-year period in our history. Several factors account for this growth. One factor, highway development, stands out above all others. America has grown and prospered from the mobility provided by the nation's highway transportation system, in general, and specifically the Interstate Highway System, which was started in 1956. A look at the role of our highway system in our economy will show the magnitude of its effect on current and future economic development.

- 89.5 percent of all personal travel is on highways;
- 82 percent of all freight revenues are carried on highways; nearly every product manufactured or consumed in this country is, for a portion of its journey from production to market carried by truck; and
- 85 percent of America's workers commute to work by private vehicle.

Clearly, highways play a vital role in our economy. No commercial, industrial, retail, or residential development would have been built in a location that did not provide for an adequate highway system to support it.

As development patterns have changed, highways have played an even more important role in this country. Development over the past 20 years has shifted substantially to suburban growth centers. Suburban employment currently accounts for 60 percent of metropolitan jobs, 47 percent of all job destinations, and 67 percent of all job growth in this country. America is increasingly working in commercial buildings, industrial complexes, and shopping centers in suburban areas. None of these suburban developments would have been possible without an adequate highway transportation system serving them.

Increasingly, communities around this country are recognizing the critical link between highways and economic development. Recently, Phoenix voted a multi-billion dollar road development program designed to support the area's rapid economic development. A critical factor in the tremendous building boom in the suburban Washington, D.C., area of Fairfax County, Virginia, has been access to highway transportation. This same link between highways and building is being played out in growth areas across the country.

Unfortunately, some tend to take our highway system for granted. Indeed, like other aspects of our nation's infrastructure, some rarely acknowledge the vital role that highways play in their daily lives, until the highway system breaks down.

There are already signs our highway system is wearing out. The tremendous highway investment made over the past 35 years has been a great success. Our highway network has carried traffic far beyond its design life, as Americans have enjoyed the rewards of mobility unknown to most of the rest of the world. This success, however, has taken its toll as we fail to adequately reinvest in our highway system. Many portions of the Interstate system are in need of repair and reconstruction; nearly 50 percent of the nation's bridges are structurally deficient or obsolete; and congestion on urban freeways is increasing at an alarming rate.

A central question facing the Congress as it begins to develop its future surface transportation legislation is how to ensure adequate investment in the nation's transportation infrastructure to meet current and future demands for economic growth. AGC believes that this nation is seriously underinvesting in its transportation infrastructure, at a great cost to the nation in lost productivity, jobs, and international competitiveness. The nation's transportation system is the arterial system by which the country's economic development is nurtured and supported. If the people of this country, both public officials and private citizens alike, continue to ignore the construction and rehabilitation of this nation's highways, the congestion in the nation's airports and airways, our nation will pay many times over in lost economic opportunity now and in the future.

AGC is joined by a number of others in a concern for the state of the nation's

infrastructure. There is clear and convincing evidence that our abysmally deficient investment in infrastructure is having a negative effect on the future of the nation's economy. The National Council on Public Works Improvement (NCPWI) identified the current lack of infrastructure investment as an issue approaching crisis proportions. In its final report entitled "Fragile Foundations" the NCPWI concluded that the quality of America's infrastructure is barely adequate to fulfill current requirements and insufficient to meet the demands of the future. A major recommendation contained in the NCPWI final report is a call for a national commitment, shared by all levels of government and the private sector, to increase capital spending for infrastructure by as much as 100 percent above current levels.

The Rebuild America Coalition, an organization of 49 public and private associations dedicated to infrastructure investment, published a study in March of 1988 entitled "Increasing Infrastructure Investment: Making America's Economy Competitive Again". That study examined the historic role of infrastructure investment in promoting economic growth and the adverse economic effects of the disinvestment in infrastructure which has taken place over the past 20 years.

Recently, a strong link between public works investment and America's productivity and international competitiveness has been drawn by Dr. David Aschauer, Senior Economist for the Chicago Federal Reserve Bank. In his research, Dr. Aschauer studied the productivity and public investment levels of seven major industrialized nations -- the United States, Japan, West Germany, Canada, France, Italy, and the United Kingdom.

The results of Aschauer's research indicate that nations with the highest savings and investment also have the highest productivity. He concludes that "Public investment, by directly raising productivity as well as by promoting private investment, works doubly hard in enhancing our worldwide competitive position." Recently 327 economists, including six Nobel Laureates, called upon the Congress and the President to increase public investment noting the crucial link between that investment and the productivity needed for a competitive edge.

In as much as transportation is a major component of the nation's infrastructure, AGC believes that the NCPWI findings and the research work of the Rebuild America Coalition and Dr. Aschauer lend strong support to our advocacy of increased transportation capital investment to keep America's economy strong.

AGC Recommendation

AGC urges the federal government to assume the necessary leadership role to promote adequate transportation capital investment by all levels of government.

SURFACE TRANSPORTATION NEEDS AND FUTURE FUNDING

Statistics show that U.S. spending on public works projects has declined significantly as a percentage of total governmental expenditures. In 1950, 19.1 percent

of government expenditures went to public works, by 1984, the figure dropped to 6.8 percent. This comes at a time that U.S. motorists experienced over 700 million hours of delay on highways -- wasting nearly 3 billion gallons of gasoline as a result. The projected congestion of 3.9 billion hours of delay by 2005 is staggering.

The most in-depth analysis of highway needs was performed in 1988 by the American Association of State Highway and Transportation Officials (AASHTO). In their report entitled "The Bottom Line -- A Summary of the Surface Transportation Investment Requirements 1988-2020", AASHTO identified annual highway capital investment needs, by all levels of government, of up to $58.5 billion between now and the year 2020. This compares with highway capital spending in 1987 of only $31 billion.

With respect to mass transit needs, AASHTO's Bottom Line report identified annual capital investment requirements of up to $3.4 billion. Currently, capital investment in transit is just over $2.1 billion annually.

As a follow-on to the Bottom Line report, AASHTO developed and published policy recommendations in a report entitled "New Transportation Concepts for a New Century". While there are a number of policy recommendations contained in that report that are worthy of this Subcommittee's consideration, AGC would like to particularly highlight their recommendation to significantly increase federal funding for the nation's highway program. AASHTO is recommending that highway spending be set at $17.6 billion in FY 1992 increasing to $25.9 billion by FY 1995. As the Subcommittee is aware, highway spending this fiscal year was just over $13 billion.

AGC believes this recommendation recognizes the need to significantly increase highway investment by all levels of government and continues the strong federal role necessary to preserve the nation's Interstate Highway System and meet the other pressing highway and bridge needs. The proposal further recognizes that the federal-aid highway program is a partnership between the federal and state governments, and attempts to maintain the current balance of financial responsibilities by continuing the traditional 40 percent federal share of meeting highway capital needs. In the context of overall expenses -- capital, maintenance and operation costs -- the AASHTO proposal will require states to finance 75 percent of the future highway system requirements. Recognizing that states need some time to develop projects and to come up with matching funds, the proposal phases in growth of the program.

AGC Recommendation

AGC applauds the work of AASHTO as part of the Transportation 2020 program and encourages the Congress to consider AASHTO's policy recommendations on future funding as a sound basis on which to begin debate and build the future legislation.

AGC Testimony before
House Surface Transportation Subcommittee
March 13, 1990

THE CURRENT PROGRAM -- MODEL CONCEPTS FOR THE FUTURE

The challenges facing this country in transportation are immense, but not insurmountable. The federal programs supporting the nation's surface transportation are basically sound, providing a solid framework to address the challenges of the future. As the Subcommittee considers the future surface transportation legislation, AGC believes there are a number of important concepts of the current program which are critical to the success of surface transportation programs in the future. They include:

- User Fee - Trust Fund Concepts - The critical element which has led to the success of the federal-aid highway program is the user-fee financed trust fund mechanism which is used to support them. The trust fund concept has long been recognized as a reliable and stable financing mechanism for infrastructure investment. As early as the 1930s, several states had developed dedicated, user-fee mechanisms to support highway improvement programs in their states.

  By 1956, the year the Interstate Highway Program was initiated, some 25 states had instituted trust funds or similar dedicated funding sources for their highway programs. Using these successes as a model, the Interstate Highway Program was developed around the user-fee trust fund concept. That financing mechanism has served this country well for nearly 35 years, supporting the nation's highway program and the development of the world's greatest public works project -- the Interstate Highway System.

  Several key features of the trust fund are largely responsible for its success. First it is user-fee financed -- the nation's highway transportation system is paid for only by the user. The more you use the system the more you pay. The public support for the highway program has remained strong primarily because the traveling public receives a direct benefit from the money it pays in user fees.

  Another key aspect of the trust fund is that it provides a stable and reliable financing mechanism on which a successful, major capital investment program must depend. A typical highway project may take 7 to 10 years from the planning stage to completion. Proper planning for the transportation needs of the future requires that a dependable source of revenue will be available to finance the needed improvements when they are ready for construction. The multi-year authorization process and contract authority are critical ingredients to permit for this long term planning and assure the highway program's success.

  From the budgetary standpoint, perhaps the most critical feature of the trust fund is the Byrd Amendment which assures its solvency. The amendment provides that on an annual basis, there is a determination of the outstanding obligations and current balance and expected receipts of the trust fund. This information is used to guarantee that future commitments against the trust fund can be honored.

AGC Recommendation

AGC recommends the Congress continue the concept of a user fee financed trust fund to support the nation's federal-aid highway program.

- Maintain the Gas Tax for Transportation Purposes - AGC strongly opposes any diversion of fuel taxes to purposes other than transportation. As discussed previously, the transportation needs of this country are so great, that we cannot afford to divert this revenue source to other government spending. AGC supports an increase in the gas tax if it is dedicated solely to improving the nations highways and bridges.

  In a related issue, AGC believes the Congress should eliminate the fuel tax exemption for gasohol. Purchasers of gasohol, like other highway users, should pay their fair share of the costs of construction and rehabilitation of the nation's highway system. However, since gasohol users pay only one-third of the normal 9 cent per gallon gas tax, they are being subsidized by other highway users. In this fiscal year, the gasohol subsidy costs the Highway Trust Fund nearly $500 million. If pending clean air legislation is enacted with gasohol mandates, the loss to the trust fund could be significantly greater.

  AGC believes that energy independence and clean air are worthy goals, but not at the expense of the nation's highway program. If the gasohol industry truly needs a tax incentive to compete in the marketplace, then other subsidies should be considered by the Congress. The entire nation will benefit from cleaner air and energy independence, therefore, AGC believes the general taxpayer, not the nation's highway program, should bear the responsibility to subsidize the gasohol industry.

AGC Recommendation

AGC recommends that the Congress continue to reject proposals to increase the gasoline tax for deficit reduction or non-transportation spending. AGC supports Congressional efforts to increase funding for the nation's highway program through spending down the trust fund balance, increasing highway user fees, and elimination of the tax exemption for gasohol.

- The Open Competitive Bidding System - The open competitive bidding system has long been the cornerstone of the effective administration of public funds in construction contracts. The nation's highway system, as exemplified by the Interstate system, is an outstanding example of the success of this bidding system. Across this nation, the traveling public utilizes a highway system that was built to quality standards and the public has been assured, through open competition with award to lowest responsive and responsible bidder, that they were obtaining this quality product at the lowest cost to the taxpayer.

Recently, the Federal Highway Administration has indicated a desire to explore alternatives to the standard competitive bidding process as part of an experimental program. This action appears to be motivated by a desire of to minimize problems in contract administration, including inferior performance and excessive contract claims. Whatever the motivation, however, these methods of procurement interject an element of subjectivity into the bid process and circumvent the basic, cost-effective concept of lowest competitive bid.

AGC believes that the open competitive bidding system remains the single most effective means of contracting for highway construction. In instances where concerns about contractor performance arise, there currently exists a number of steps which can be used by State transportation officials to assure a quality project. These steps include: Prequalification; Improved Plans and Specifications; Prebid Conferences; Adequate Inspection; and Preconstruction Conferences. AGC believes these steps, in conjunction with open competitive bidding, assures the taxpaying public of the highest quality project at the lowest possible price and the construction contractor of fairness and integrity in the selection process.

AGC Recommendation

AGC strongly urges continuation of the time-tested, open competitive bidding system -- with contracts publicly advertised, bids publicly received and read aloud, and contracts awarded to the lowest responsive and responsible bidder -- as the means of contracting for federally-assisted highway construction.

- **Equitable Distribution of Funding** - AGC recognizes that one of the most difficult challenges of developing future highway legislation will be devising equitable formulas for the distribution of funding. While the current formulas may not be viewed by all states as equitable, AGC believes that two concepts contained in the current program assure all states a certain level of equity. They are the one-half percent minimum apportionment and the 85 percent minimum allocation provisions.

AGC acknowledges that these provisions may have to take a different form in the future program since certain categories of funding are likely to be revised. However, AGG endorses the overall concept of guaranteeing small and rural states a minimum level of total federal funding to support their highway programs. AGC equally endorses the concept of guaranteeing a minimum level of return of trust fund contributions to states which through the formula process receive significantly less in apportionments than they contribute in user fees.

AGC Recommendation

AGC recommends a continuation, in future legislation, of the concepts of a

guaranteed level of federal funding to small and rural states, as well as a guaranteed minimum return of trust fund revenues to donor states which contribute significantly more in user fees than they receive in apportionments.

CURRENT PROBLEMS -- A LOSS OF PROGRAM EFFECTIVENESS

While the current program has generally worked well, there are a number of policies which are having an adverse effect on the overall program effectiveness. The most damaging policies are occurring as part of the budget process which prevents the timely expenditure of highway user revenues for their intended purpose. No less troublesome, however, are several other aspects of the program which compromise the cost effectiveness of the program. The problem areas include:

- **Budgetary Treatment of the Transportation Trust Funds** - While the trust fund mechanism has worked well in funding transportation programs, the current budget process inhibits the expenditure of the trust fund receipts for their intended purpose. AGC views the trust fund and the highway program in the context of an ongoing capital investment program which should be subject to different rules than the current budget allows. AGC believes the manner in which the transportation trust funds are treated in the budget process needs to be modified.

  As mentioned previously, the highway program is founded on the basis of multi-year authorizations for highway investment. The process recognizes that when a highway project is approved and let for contract, it may be 3 or more years before the final reimbursement for the project will be made to a state and the construction contractor paid in full for the work. For this reason, the user fees paid into the Highway Trust Fund are kept in force for 2 years beyond the final authorization in any highway legislation. This provides the necessary financing for the project at the time the bills need to be paid. Without other artificial spending restraints, such as obligation ceilings, the trust fund can support the highway program with a relatively low cash balance of approximately $2 to $3 billion.

  The budget problems which have faced this country since the late 1960s, however, have had a detrimental effect on the ability of the federal government to let the trust fund work in the manner in which it was intended. Since 1969, artificial spending restraints have caused the Highway Trust Fund balance to grow dramatically to a current balance of over $15 billion, including the mass transit account.

  A first step in addressing this issue would be to expend the trust fund balances for their intended purposes. Since the trust fund receipts can be used for no other purpose than transportation, bankrolling these trust funds is not only a breach of faith with the transportation users of this country, but is merely postponing work that should be done now to prevent more costly repairs later.

A longer term solution to this issue is to take the trust funds out of the unified budget. These programs have not contributed to the deficit. The large cash balances are the very proof of that. The user-fee financed transportation programs of this country should be funded at the level their trust funds can support. The receipts should not be loaned to other programs while vital transportation needs of this country are neglected.

AGC Recommendation

AGC continues to endorse the House Public Works and Transportation Committee's initiatives to take the transportation trust funds out of the unified budget process.

- Special Preference Programs - In conjunction with AGC concerns about preservation of the open competitive bidding system, AGC has an ongoing concern with the continuation of special preference programs within DOT's federally assisted construction programs. Beginning with the Department of Transportation's 1980 Minority Business Enterprise regulations and continuing with the statutory requirements for Disadvantaged Business Enterprise (DBE) participation in the highway, transit, and airport improvement programs which were enacted in 1982 and 1987, AGC is very concerned that the Department's DBE programs are compromising the competitive bidding system.

  Although the notion exists that the apparent lack of minority-owned construction firms proves there has been discrimination in the award of public construction contracts, AGC believes that the open competitive bidding system, by its nature, is race and gender blind. If construction contracts are publicly advertised, bids accepted from all qualified bidders and read aloud publicly, there is no chance that a public agency can discriminate in the award of their contracts.

  AGC Recommendation

  AGC urges the Congress to sunset the current DBE program which results in the denial of subcontracts to many individuals because of their race, gender, or national origin. Instead, the Congress should explore means of promoting the participation of disadvantaged business enterprises in the federal-aid highway program that will not be subject to constitutional challenge.

- Highway program funding sanctions - Over the past several decades, the highway program has been used as leverage to force compliance with other federal mandates. From highway beautification to clean air, there are currently at least 11 different highway program sanctions ranging from withholding project approval to withholding of highway apportionments which may be imposed. Given the pressing need to adequately fund our nation's highway program, it is counterproductive, at best, to impose highway sanctions on states and jeopardize their ability to meet growing highway needs.

AGC Recommendation

AGC recommends that the Congress remove the current sanctions and penalties affecting the highway program and explore alternate means to achieve appropriate state compliance.

- **Federal/State Roles** - As other major changes in the program are considered, it is an opportune time to reassess the current federal/state/local roles in the nation's highway program. AGC believes that the federal/state partnership that has existed in the highway program has generally worked well. AGC believes, however, that a refinement of the federal and state roles should be examined, as follows: There is a legitimate role for the federal government to establish national priorities and conduct oversight of federal expenditures. However, AGC believes there has been too much federal intrusion into state decisionmaking and the administration of the highway program.

AGC Recommendation

AGC recommends the Congress consider a reduced federal role in highway program administration, particularly with respect to project by project decisionmaking, and endorse increased flexibility in program administration by the states.

In closing, AGC acknowledges that the Congress faces a tremendous challenge in balancing interests in the future legislation and stands ready to work with the Congress as it develops solutions to the nation's transportation infrastructure crisis. The immediate challenge is to make transportation a top priority on the national agenda. Only then, can a common political will be mustered to begin to address our critical transportation needs and ensure the future economic growth and competitiveness of this nation.

AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS

KERMIT H. JUSTICE, President
Secretary
Delaware Department
of Transportation

FRANCIS B. FRANCOIS
Executive Director

STATEMENT BEFORE

THE SURFACE TRANSPORTATION SUBCOMMITTEE
OF THE
HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

Relating To

SURFACE TRANSPORTATION REAUTHORIZATION LEGISLATION:

FUNDING LEVELS, TRANSPORTATION RESEARCH, HIGHWAY SAFETY, AND RELATED ISSUES

By

HAL RIVES
Vice President, American Association of State Highway
and Transportation Officials
and
Commissioner, Georgia Department of Transportation

Part Two of a Three Part Presentation by AASHTO

March 13, 1990

Founded in 1914, AASHTO represents the departments concerned with transportation and highways in the fifty States, the District of Columbia and Puerto Rico, to foster the development, operation and maintenance of an integrated national transportation system. The active members of AASHTO are the duly constituted heads and other chief directing officials of the member transportation and highway agencies.

EXECUTIVE OFFICE: 444 N. Capitol St., NW, Suite 225, Washington D.C. 20001
Telephone (202) 624-5800 Telefax (202) 624-5806 Telex 4900009580 HTO

Mr. Chairman, I am Hal Rives. I am Vice-President of AASHTO, and Commissioner of the Georgia Department of Transportation. It is my privilege to present to you Part Two of the AASHTO presentation, responding to your request that we provide you with the Association's viewpoints on reauthorization of the surface transportation programs.

In Part One of our presentation, President Justice described the basic recommendations of our "New Transportation Concepts For a New Century" report.

In this Part Two, I want to address four areas. First, I would like to discuss some of the reasoning behind our federal-aid funding levels, as presented by President Justice. Second, I want to direct your attention to some of AASHTO's recommendations with regard to transportation research. Third, I will discuss AASHTO's very recent report setting out a strategic program for highway safety. Finally, Mr. Chairman, I want to address some of AASHTO's policy statements and resolutions that bear directly on the subject matter of this hearing.

AASHTO'S RECOMMENDED FUNDING LEVELS

As President Justice has described, AASHTO believes the highway and public transportation funding levels it is recommending for the next surface transportation program are both reasonable and rational. We take this position because of the methodical manner in which we developed those recommendations.

To review President Justice's testimony, AASHTO believes that the federal-aid highway program funding in FY 1992 should be at a level of about $17.6 billion, rising incrementally over four years to $25.9 billion in FY 1996. For public transportation, AASHTO recommends a federal capital funding level of $3.5 billion in FY 1992, rising incrementally to about $5 billion in FY 1996, along with a continuation of operating assistance at the current level, which is approximately $800 million per year.

Turning to AASHTO's "The Bottom Line" report, copies of which have been filed with the Subcommittee, this document was developed by AASHTO after more than a year's work involving a large number of the top transportation professionals in our member departments. Among the steps leading to publication of the report in September, 1988 were the following:

Highways:

1. A detailed analysis of the statistical information contained in the Highway Performance Monitoring System (HPMS) maintained by the Federal Highway Administration was made by transportation professionals in our member departments, during which:

    a. The extent and validity of the data, which is collected from our member departments, was examined, and strengths and weaknesses determined.

b. A number of computer runs were made of different combinations of information, to develop the first drafts of Tables 2.1 through 2.5 of "The Bottom Line" report, and the first drafts were then examined by our member departments and discussed at length. From this exercise, the final versions of the Tables were developed and approved.

2. Recognizing that the HPMS data relates only to existing highways, and that even here there are weaknesses in the information, the AASHTO committee working on this project proceeded to survey our member departments seeking additional information about their highway programs. Efforts to survey local government needs were also undertaken, which produced useful information even though data on local government highway and roads systems is very difficult to obtain. From this and other information, an estimate of the scale of needed highway improvements beyond what is contained in the HPMS was made.

3. With all available information in hand, the Task Force on a Consensus Transportation Program reviewed the results and made determinations on national needs. Throughout this process, a close working relationship with the FHWA was maintained.

Public Transportation:

1. A special committee of our Standing Committee on Public Transportation collected available information on transit funding and requirements from our member departments, the Urban Mass Transportation Administration and the American Public Transit Association, and assembled a basic set of tables showing projected requirements in large, medium and small urban areas, and in rural America.

2. The collected data was analyzed utilizing nationally-developed criteria, and the results were reviewed by transit experts in our member departments.

3. Finally, the Task Force on a Consensus Transportation Program reviewed the data, and the conclusions drawn therefrom.

Modal Interlinks:

1. After determining that no reliable data was available with respect to needed linkages between airports, harbors and railheads and the nation's highway and public transportation systems, a committee surveyed our member departments with respect to interlink needs.

2. The results of the survey were analyzed, and from this the first-ever national estimate of need was made, resulting in the findings on pages 39-42 of "The Bottom Line" report. Again, the information was reviewed by the Task Force.

With respect to the Task Force on a Consensus Transportation Program, which as Director Miller will describe was comprised of chief administrative officers from across the nation, the Task Force went beyond the statistical data to consider a number of other factors before making funding level recommendations. For example, a task force from the Standing Committee on Highways studied expected changes in highway engineering over the next few decades, and the implication of those changes on the needs of our highway system. A professional review was also made of a number of issues that can impact funding requirements, in the following areas:

- Improved Materials and Services
- Operational Changes
- Privatization
- Demand Changes
- Traffic Management

Brief findings from the examination of these areas are found on pages 43-45 of "The Bottom Line" report.

It was only after this work was accomplished that AASHTO made a determination on recommended funding levels for the federal-aid highway and public transportation programs. The discussions leading to AASHTO's recommendations also looked at historical information in the federal-state relationship, the purposes of the highway and public transportation programs, the federal interests served by these programs, and the goals, objectives and federal role principles developed by AASHTO's Task Force.

The types of needs on America's highways of course vary, particularly as between urban and rural. In "The Bottom Line" report these differences are discussed, and the two pie charts on page 24 graphically illustrate the situation. In rural America the largest need is for resurfacing and pavement reconstruction, reflecting older highways that have not received their full share of attention in recent years. For urban America, the greatest need is for widening type work, to accommodate requirements for new capacity.

Mr. Chairman, I trust this explanation will help explain why AASHTO believes its recommended funding levels are sound. The work AASHTO has done parallels to a great extent the findings of the Federal Highway Administration for the nation's highways, and is generally accepted by other experts, except by some who hold our funding levels may be too conservative.

To help place our funding recommendations in perspective, it might be helpful to review some basic information about changes in America's highway system between 1967 and 1987. During this 20 year period:

- Surfaced highway and road mileage - Up 25 percent
- Licensed drivers - Up 55 percent
- Motor vehicle registrations - Up 95 percent
- Vehicle miles of travel - Up 105 percent
- Total highway disbursements - Up only 8 percent, in constant dollars

Mr. Chairman, it is the last item on this list that is at the root of our problems. It is true that both the federal government and our state and local governments increased highway program revenues over this 20 year period, in some states through several motor fuel and other user fee increases. But because of delays in legislative action these revenue increases have usually lagged behind inflationary cost increases. Overall, the nation's total expenditures for highways have increased from $16.669 billion in 1967 to $66.385 billion in 1987, in current dollars, or about 298 percent. During this same period the highway maintenance and operations cost index maintained by the FHWA increased by 305 percent. But at the 1987 expenditure level of $66.385 billion, America is simply not keeping up with the national growth in traffic, and the rehabilitation costs of an aging highway system and its 571,308 bridges.

Of the many issues facing America, transportation is one that we can do something about - if we have adequate funding. We believe that the federal funding levels AASHTO is recommending are reasonable, and that they will help to keep America moving.

AASHTO'S TRANSPORTATION RESEARCH RECOMMENDATIONS

Mr. Chairman, it is a fact that over the past decade our nation has spent less - much less - on transportation research than any of the other leading industrial nations. In the United States spending for research in the highway industry is about 0.2 percent of our highway expenditures, lower than the average in even our most basic low technology industries, which on the average spend more than eight times as much as we do on highway research. We believe this situation must be remedied, if we are to properly address the highway and other transportation problems facing America.

Over the past several years AASHTO's member departments have become more involved with and supportive of transportation research, recognizing the role it can play in helping to meet our transportation needs. In the 1980s AASHTO gave leadership to establish the Strategic Highway Research Program (SHRP), which the Congress strongly supported and funded in the 1987 Act. Recently, we created a new Standing Committee on Research, and gave it a broad charge to provide leadership in this increasingly important area.

As part of AASHTO's Transportation 2020 effort, the Standing Committee on Research developed the most comprehensive report on the status and needs in transportation research every produced. Titled "Innovation," the report was endorsed by the AASHTO Policy Committee, and copies have been provided to the Subcommittee. Based on this report, AASHTO adopted a number of specific recommendations, which are included in Chapter 6 of the "New Concepts" report.

Mr. Chairman, I would like to emphasize some of AASHTO's transportation research recommendations, while directing your attention both to the complete list of recommendations in the "New Concepts" report, and the backup material in the "Innovations" report.

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AASHTO believes that:

- The Long Term Pavement Performance (LTPP) component, and some other continuing research projects, of the SHRP program should be supported in the next surface transportation legislation.

  The important LTPP research program requires another 15 years to gain the full benefits it promises. In a recent survey of our member departments there was strong support for continuing this research, and for conducting it in a manner that will assure: continued top level involvement of our member departments; integrity of the research program; availability of a capable, dedicated research staff; and establishment of an implementation program to place the results into practice.

  The National Academy of Sciences (NAS) has indicated it will not be available to manage this continuation of the SHRP program, but that it will lend its presence to help assure the continued integrity of the research. What is necessary is legislation that will assure adequate funding, and which will enable AASHTO, the NAS and FHWA to enter into an operational agreement that will give the assurances needed by all three parties for a successful conclusion to this effort.

- Overall, the funding provided to support transportation research and technology transfer activities should be substantially increased, to perhaps double current levels. The federal government has a long tradition of supporting transportation research, reaching back to 1893 in highways, and its leadership and funding support is vital.

- A major public-private research effort on intelligent vehicles and intelligent highway systems (IV/HS) should be undertaken, so that the benefits of technology can be applied to solving our congestion and highway safety problems.

  The United States currently lags far behind both Europe and Japan in this important research area. AASHTO is working with industry and the Federal Highway Administration to develop plans for a public-private effort that will put the United States in its rightful leadership position on IV/HS, and the next surface transportation bill should include strong federal support.

- A research program for public transportation should be established, perhaps patterned after the highway research program, and intermodal research should be encouraged.

HIGHWAY SAFETY

Mr. Chairman, the issue of improving the safety on our highways continues to have a prominent place on AASHTO's agenda. We have made some

progress in recent years in reducing the mortality rate on our highways, but we feel that we need to do more.

Over the past year our Standing Committee on Highway Traffic Safety has been developing a "Highway Safety Strategic Plan 1991-2000." When our Policy Committee met on February 23, 1990, it accepted this Plan by more than a two-thirds vote as a working document, from which to develop recommendations to further improve safety on our nation's highways. AASHTO will shortly be publishing this Plan, and copies of the report as considered by our Policy Committee are being provided to the Subcommittee.

The Plan suggests a proposed annual authorization in the range of $1.465 billion for highway safety, an increase of $940 million over the amount of federal safety funds in the reauthorization Act of 1987. It states that "While the fatal accident rate has been declining over the past several years, total highway deaths have been steadily climbing since 1983." If trends continue:

- Over 500,000 Americans will perish on the nation's highways;
- Over $1.2 trillion will be lost in highway accidents; and
- One in every 19 children born this decade will die, be permanently disabled or suffer a life-threatening injury in a highway accident during his/her lifetime.

Mr. Chairman, as this Subcommittee is aware and as our Standing Committee on Highway Safety recognizes, accident prevention is a complex issue. The Plan identifies 19 specific safety strategies to be addressed in the areas of people, vehicles, highway environment, post accident, and safety management. In each of the strategies the report identifies opportunities which have the potential to reduce the frequency or severity of future accidents.

The ten major areas of recommendations in the report address:

- Safe Driving Performance
- Improved Pedestrian Safety
- Corridor Safety Improvements
- Improved Highway Safety
- Enhanced Vehicle Safety
- Safe Commercial Motor Vehicle Operations
- Vehicle Crash Avoidance
- Enhanced Rural Emergency Medical Services
- Strategic Research for Safety
- Safety Management

Mr. Chairman, I want to make clear that AASHTO is not endorsing ten separate safety programs in the highway portion of the next surface transportation program, or safety program funding levels precisely as stated in the Plan. Rather, we believe that highway safety should be an eligible item for expenditure in both the Categorical Highway Program and the Flexible State and Local Highway Program, centered around these ten areas. It should

be left to each state to devise its own specific safety program, designed to fit the conditions and needs of that state.

AASHTO is strongly committed to improving safety on our nation's highways, and we offer the suggestions in this new AASHTO report for your consideration.

RELATED ISSUES

Mr. Chairman, I would now like to address a number of related issues that AASHTO believes are important in considering surface transportation reauthorization legislation.

The Highway Trust Fund

As the Subcommittee knows, over the past few years AASHTO has repeatedly expressed its concern about the future of the Highway Trust Fund, and has approved and forwarded to the Congress several policy resolutions relating to this issue.

The Association is committed to the user fee concept for supporting transportation programs, strongly supports continuation of the federal Highway Trust Fund, and believes it should be made permanent.

We also believe that the balance in the Highway Trust Fund should be utilized for the purposes for which the revenue was collected, including the accumulated interest on funds contributed by the nation's highway users. We also strongly oppose using transportation user fee revenue for any other purpose than transportation, such as reducing the federal deficit. Like this Subcommittee, we want to put "trust back into the Highway Trust Fund," and we strongly applaud your efforts toward that end.

Finally, the Association believes that the gasohol exemption from the federal motor fuel tax should be ended, especially if in the process of enacting Clean Air legislation gasohol fuels become mandated in some metropolitan areas. In addition, every effort should be made to eliminate the raiding of motor fuel tax revenues by organized crime. These actions could result in from $1 to $2 billion additional being available for America's highways, according to reliable estimates, without any increase in the levels of taxation.

Toll Roads and Bond Financing

While our "New Transportation Concepts For a New Century" report does not specifically mention toll roads, current AASHTO policy does. Specifically, the following two policy statements represent the Association's current position on toll roads:

> "H37 State transportation agencies should be permitted to develop new toll highways in conjunction with use of federal funds on federally aided projects, as they are now permitted to do with regard to toll bridges and toll tunnels."

"H38 The Secretary of Transportation should be granted the authority to allow the imposition of tolls on federal aid highways where uniquely high maintenance, construction or reconstruction costs exist. There should be no obligation to repay federal-aid highway funds which may have been expended on the facility."

Tolls are one mechanism for state and local governments to use in responding to highway needs in certain situations. The option for their use should be available, and federal law should enable this.

AASHTO also believes that federal law should encourage, not discourage, the use of bond financing. Effectively utilized, bond financing can reduce the overall cost of transportation facility construction during an inflationary period, and can result in projects being placed in service much sooner than would otherwise be possible, resulting in economic benefits to the users. We support other state and local governmental organizations in urging that the Congress not unduly limit the availability of bond financing.

Sanctions

It has been and continues to be AASHTO policy that sanctions should be avoided, as a tool to seek state compliance with federal goals. In the end they are counterproductive, and can deny the federal funds that are needed to alleviate the very problem being sanctioned. Often the issue subject to sanction is one that is not in control of the highway agency, which makes it impossible for the affected agency to remedy the sanctioned situation.

AASHTO does support incentives, as a far better tool than sanctions for achieving national policy goals.

Environmental Regulation

Like all Americans, AASHTO's members are concerned about clean air, preservation of wetlands, and related environmental matters. But at the same time, we also know from experience that environmental regulations are advanced by those unfamiliar with meeting transportation requirements, and who do not take necessary trade-off issues into account.

We support rational environmental legislation, as we know the member of this Subcommittee do. We urge that pending Clean Air and other environmental legislation be carefully reviewed by the Subcommittee, however, from the standpoint of its impacts on the transportation programs within your jurisdiction.

Scenic Byways

Mr. Chairman, a number of organizations have expressed support for adding a scenic byways element to the next surface transportation legislation. The Association does not believe that a separate scenic byways category of funding is appropriate or required in the federal-aid highway program. Currently, scenic highways are already eligible for the categories of primary

and secondary federal-aid highway funds, and the AASHTO State and Local Highway Program would provide a mechanism in the future to accommodate such facilities.

AASHTO does support the updating of the national scenic road study. We also support securing of states' exclusive authority in scenic route designation, and preservation of the state's authority for the selection and construction of improvement projects receiving federal-aid highway funds within existing environmental constraints and system categories.

Summary

Mr. Chairman, I trust that this testimony will be of help to the Subcommittee. I have not, of course, addressed all the issues that will be before you during the reauthorization process. As President Justice has said, we stand ready to respond to questions or to provide further information at any time.

In closing, let me also commend the Subcommittee for initiating the surface transportation reauthorization process with these hearings. We in reality have a short time before the expiration of the current highway and public transportation programs on September 30, 1991, and we are very pleased to see progress being made.

# # # #

TESTIMONY
OF
ALAN SMITH
EXECUTIVE VICE PRESIDENT
GENERAL MOTORS CORPORATION
AND
CHAIRMAN
HIGHWAY USERS FEDERATION FOR SAFETY AND MOBILITY
TO THE
SURFACE TRANSPORTATION SUBCOMMITTEE
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
U.S. HOUSE OF REPRESENTATIVES

ON THE
REAUTHORIZATION
OF THE
FEDERAL-AID HIGHWAY PROGRAM

MARCH 13, 1990

Mr. Chairman, my name is Alan Smith. I am Executive Vice President of the General Motors Corporation and Chairman of the Highway Users Federation for Safety and Mobility. With me today is Lester Lamm, President of the Federation. We are very pleased to be here and appreciate the Subcommittee's early attention to the very important issue of surface transportation legislation reauthorization.

The Highway Users Federation is a national coalition of businesses, industries and associations, working to improve the safety and efficiency of America's highway transportation system. Our membership consists of more than 400 companies and associations representing 27 industrial and commercial categories, 63 state and local conferences, and 2,000 individual members. Our members, in turn, speak for more than 30 million commercial and private users of the nation's highway system.

The Federation's members comprise the largest group of highway users and suppliers of highway services and products. By their highway usage, this group also represents the primary source of income for the Highway Trust Fund. In other words, our members are the principal payers of state and federal highway user fees.

GM involvement in the Federation

General Motors has been a supporter of the Highway Users Federation and its predecessor organizations from the beginning. Alfred P. Sloan, GM's Chairman for nearly two decades, helped found the National Highway Users Conference in 1932. He remained the Conference Chairman until 1948 and was succeeded by several GM executives.

GM has continued its high-level involvement in the Federation. My participation with the Federation started in 1981. I have served as Treasurer, Vice Chairman, and am now Chairman. Roger Smith (GM's current Chairman) was active in the organization as well for several years.

GM dependence on effective transportation

As our commitment to the Federation demonstrates, GM is as interested in the use of cars and trucks as we are in their production. Albert Bradley, a leader of the highway user community and Chairman of GM, said in 1951 (and these words are still true today):

> "We may think we sell cars and trucks. But what we are really selling is mobility. Our cars and trucks must be well designed and well built, but if they cannot be used efficiently and enjoyably, they will be of no more value than a canoe in the desert."

Our participation in the Highway Users Federation is only one example of our long interest in the transportation and highway system. GM's exhibit at the 1939 New York World's Fair -- Futurama -- demonstrated our perception of the highway system of the future. Our visionary model was a precursor to the Interstate Highway System and suggested ideas now included in current transportation technology. GM is now looking to the future as a U.S. leader in the development of intelligent vehicle and highway systems -- so called "smart cars."

GM is concerned about more than future technology in highway use. We have also contributed to safer roadway design and highway systems. For example, GM pioneered the concrete median barrier now widely used on our highway system. We also helped develop shear-based utility poles, breakaway traffic signs, and the "forgiving highway", with wider right-of-way and a gradual recovery slope to eliminate drainage ditches. All of these GM efforts worked to assure safer roadways.

As the world's largest supplier of vehicles and also one of the largest shippers, GM takes a keen interest in the nation's transportation system. An efficient, effective transportation system is vital to the production and distribution of our vehicles and service parts.

General Motors has 141 facilities in the U.S. that ship or receive component parts, raw materials, and/or finished vehicles. We are the largest customer of many U.S. motor carriers -- spending nearly $2 billion dollars annually. Good access to safe, well maintained highways is vital to our remaining competitive in an expanding world market.

Of the 141 facilities, 29 are car and truck assembly plants located throughout the U.S. A typical plant receives and unloads an average of 120 truckloads of component parts and supplies daily. The plant then ships approximately 480 vehicles (one-half of its daily production) direct to dealers using 60 haulaway trucks. An additional 480 vehicles leave the plant site loaded on multilevel railcars destined to rail unloading ramps located in major market areas. Upon arrival, the railcars are unloaded and the 480 vehicles are delivered to dealers by another 60 haulaway trucks.

Through the process just described, approximately 240 trucks are required to support the daily activity of a typical assembly plant (material and supplies inbound, finished vehicles outbound). Taken in total, approximately 7,000 trucks provide daily support to our 29 assembly plants. We estimate that an additional 7,000 trucks are involved daily when GM's manufacturing and stamping plants are considered.

General Motors dependence on effective highway transportation has increased substantially during the past decade. On any given work day, trucks carrying GM materials or finished vehicles are operating on the streets and highways of all 50 states.

The percentage of our transportation dollar spent in the U.S. for motor carrier service has increased from 45 percent in 1979 to 56 percent in 1989. Much of this increased dependence upon highway transportation is the result of efforts to remain competitive. The GM quality network production system is being used to facilitate the shipping of components "just-in-time" to meet very precise production schedules.

One goal of "just-in-time" is to minimize in-plant inventory and in-transit inventory. Making smaller, more frequent shipments is a method used to control and reduce in-plant inventory. Likewise, in-transit inventory can be minimized by reducing the time shipments are in transit. Motor carrier transportation is generally faster than rail. Consequently, business that was traditionally thought to be rail captive is now handled over the highway. Speed, consistency, and reliability are all factors in this transition.

As stated earlier, we estimate 14,000 trucks on the highway support GM's daily business. If the trend of the last few years continues, we can expect even greater reliance on a sound highway system.

GM believes that a good, safe highway transportation system is the cornerstone of our economic future and necessary for a successful competitive position. Virtually all American business and industry depends on a safe, efficient highway system. In 1987, highway freight and passenger transportation expenditures accounted for 15 percent of GNP. This represented $814 billion -- a clear statement of the importance of the highway system to the total U.S. economy.

I will now ask Lester P. Lamm, Federation president, to briefly describe the Future Highway Program we recommend.

The Federation 9-point program proposal

The Federation has developed this 9-point highway program proposal to reflect the concerns expressed by the public in 65 public forums, and look to new approaches and technologies that address both today's problems and those we expect in the future. We would like to briefly review the program; a comprehensive written summary is provided for the Subcommittee's review.

The Federation proposes a four-year reauthorization with annual funding of $22.9 billion for federal-aid highways and transit through 1995. We believe these funding levels can be supported without an immediate increase in user taxes, if balances in the Highway Trust Fund are used for their intended purpose and the special tax treatment of gasohol is eliminated.

1. Protect the Interstate System

Over the past 35 years, the United States has invested more than $133 billion to create the Interstate Highway System. Interstate highways carry more than 22 percent of all travel, though they consist of about one percent of the nation's road system.

The physical and operational condition of the Interstate System must be kept to a very high level through an ongoing program of restoration, rehabilitation, resurfacing and reconstruction. The Federation recommends that completion of the system be fully funded and an additional annual federal-aid commitment of $4 billion for these activities.

2. Create a National Arterial System

Another three to four percent of the nation's highway system carries another 30 percent of vehicle travel. A program is needed to upgrade these priority routes with safer designs, controlled access and additional lanes where needed and bypasses and arterial roadways in growth areas.

The Federation urges the maximum use of new engineering techniques to make travel on this National Arterial System safer and more energy efficient, help to reduce traffic congestion and help to improve urban air quality. The Federation recommends an annual federal-aid budget of $6 billion for this program.

3. Restore Metropolitan Mobility

Throughout the U.S. there are areas where billions of dollars have been invested in homes, offices and factories but not enough in needed transportation infrastructure, including roads, bridges, parking facilities, traffic control facilities and public transit.

The Federation proposes a five-fold increase in the federal commitment to helping people "get around town" through a Metropolitan Mobility Program for areas with populations over 50,000. This would be a different type of program, reducing red-tape by allowing local authorities more flexibility to spend the funds on any surface transportation capital investment, provided that investment fits into a 10-year development plan developed locally and approved by the state. We feel this would reverse the past trend toward under-investment in transportation infrastructure and improve urban mobility.

The Federation recommends annual federal funding of $4 billion for these efforts from the Highway Trust Fund, coupled with $3 billion per year from general funds for high cost transit programs such as subway systems.

4. Connect Rural America

Access to major highways is critical to millions of Americans living on farms and in small cities and towns. Although daily traffic mileage on these non-arterial roads is small, the total sum of rural road mileage is large. These roads are vital to the distribution of produce from the nation's agricultural sector to consumers throughout the country.

Local governments cannot provide for our rural mobility needs alone; major assistance is needed to keep rural roads and bridges safe and serviceable. The Federation recommends the establishment of a Rural/Small City Program to support highway or public transportation improvements in rural areas and cities with populations below 50,000. The projects would be selected by local officials, following state-approved long-range improvement plans. federal-aid funding for this program should be $2 billion annually.

5. Keep Bridges Safe

Bridges are vital to all our road systems and the members of this Subcommittee are very familiar with the vast number of America's bridges which are outmoded, obsolete and increasingly unsafe.

The Federation proposes a state-managed bridge program which would use federal-aid funds to ensure that all highway bridges receive proper inspection, maintenance and rehabilitation or replacement, regardless of what system they might be on. We recommend annual federal-aid funding for this effort of $2.5 billion.

6. Improve Traffic Safety

The United States has the lowest highway fatality rate for travel of any industrialized nation in the world: 2.2 deaths per 100 million miles of travel. The number of traffic fatalities, exceeding 45,500 in 1989, is still too high.

While each of the elements of our proposed highway program would bring additional safety benefits, additional federal funding is justified to eliminate roadside hazards, improve signs, signals and markings, and to support non-engineering activities such as safety belt and child safety system use, alcohol and drugged driving countermeasures, driver education, traffic law enforcement and the regulation of commercial vehicles.

Speaking of safety belt use, the Federation and the auto industry, working with Traffic Safety Now, are proud of the role we played in bringing about passage of state safety belt use laws throughtout the country. These laws are now in effect in 33 states and the District of Columbia, and the increased safety belt use they have produced has been credited with saving more than 10,000 lives. More can and should be done to increase enforcement of safety belt laws, and to bring about their passage in those states which do not have them. In this regard, we support the Administration`s goal of increasing belt use from the current level of just under 50 percent to 70 percent by l992.

7. Research and Development

Research can provide major dividends in the form of better highway operations and safety. We realize it is not possible in all cases to address traffic congestion through the addition of more lanes. We will have to augment traffic capacity through the use of new technologies which allow the road system to be used more efficiently and make it safer for all drivers.

The Federation recommends the establishment of a 10-year public/private development program dedicated to putting smart cars on smart roads, which will provide drivers with electronic aids to warn of hazards, give locations and provide destination headings in all weather and traffic conditions. The focus of this program should include the research and development of new technologies but also place as much emphasis on the implementation of current technology wherever possible. We recommend an annual federal budget of $100 million per year for the smart car-smart road program, to be matched by the commitments of private industry in a ten year program. Other FHWA research activities should also be expanded.

8. Develop Scenic and Public Lands Roads

Millions of acres of scenic and public lands should be opened to the American public and foreign visitors through the environmentally-sensitive development of recreational highways.

Tourism is a major source of income for many states and we recommend that the existing programs for the development of park, parkway, public land and scenic/recreational routes be closely coordinated with our suggested rural and arterial highway programs. The nation needs a coordinated program of scenic roadways to enhance tourism. Greater access to the nation's mineral, livestock and timber resources is also needed through the development of ecologically benign roads to remote areas. The Federation recommends $300 million in annual federal funding for the federal lands access efforts. The scenic roads program should be eligible for all regular federal-aid programs, rather than having a new program of specific funding.

9. Assure Better Planning

The $22.9 billion in total federal expenditures recommended under the Federation program demands more and better coordination of transportation and private

development decisions to assure that both support community goals. This is a process which has failed too often in the past. It must be improved without eroding the rights of local citizens to decide their own development futures.

State and local planning should be strengthened by this proposal and federal-aid transportation projects would have to conform to an established long-range plan meeting specific, locally set development goals and priorities. This effort would be funded by an increased percentage of highway and transit program funds.

Funding Recommendations

While recommending higher expenditures for highways in order to meet existing and future highway needs, the Federation is not suggesting a change in the historical proportions of federal, state and local funding; that is, roughly, 25 percent from the federal government, 50 percent from state governments, and 25 percent from local governments.

We believe our recommended programs and funding levels can be supported through 1995 without any additional federal highway user taxes. It would require that current funds available in the Highway Trust Fund be fully utilized, elimination of the excise tax exemption for gasohol (almost $500 million in 1989), making full use of the interest earnings of the Trust Fund (more than $1 billion annually), and drawing the balance of the Highway Trust Fund down over the reauthorization period to a reasonable level of $2 to $3 billion. We believe any proposals to increase federal highway user taxes should be deferred until the present excessive Trust Fund balances are drawn down, and the funds productively used for their intended purposes. State and local governments can use this four-year "window" to reexamine and adjust their user fees if necessary to fund their portion of an expanded program.

The Federation recommends a minor departure from the existing requirements for state matching funds on highway projects. We would establish a standard 25 percent state (or

local) matching requirement with the following exceptions: limited access projects (15% state/85% federal), safety activities (0% state/100% federal) and safety construction projects (10% state/90% federal). Matching requirements in states with large federal land holdings should be reduced, as is the current practice.

Funds should continue to be apportioned to the states on the basis of simple and equitable formulas, and the states should receive no less than 90 percent of the funds their citizens contribute to the Highway Trust Fund.

We congratulate you, Mr. Chairman, and members of the Subcommittee, for your leadership in reserving transportation fees for transportation purposes. We have been pleased to help gain the support of more than half of the House membership in opposing the concept of fuel taxes for non-transportation purposes as expressed in House Resolution 41.

Transportation 2020

In developing the Federation's highway program proposal, we have relied heavily on information developed through our participation in several major consensus-building efforts -- Transportation 2020, the Advisory Council on Highway Policy (ACHP), and the Transportation Alternatives Group (TAG). We believe our proposal is entirely consistent with the positions developed in these other efforts.

The Transportation 2020 process, led by the American Association of State Highway and Transportation Officials (AASHTO) and the Federation, sought to identify the surface transportation policies that the national economy will need in the year 2020. This effort consisted of a series of 65 public forums, conducted throughout the U.S. in 1987 and 1988.

The Advisory Council on Highway Policy (ACHP), a subgroup of Transportation 2020 which includes more than 100 organizations interested in transportation, was established to

conduct the public forums, evaluate policy options, and begin the consensus building process.

The ACHP has developed a consensus on a wide range of policy issues as shown in the responses to a group survey in late 1989. Of 67 specific questions relating to the future highway program, 49 were supported by 70 percent or more of the respondents. The questions and responses are contained in the attached report of the ACHP, "Is Consensus Possible?" We commend this report and its recommendations to the Subcommittee. In our opinion, the proposals represent good public policy.

The Federation also participated in the Transportation Advisory Group (TAG), a coalition of public and private interest groups which developed a series of consensus policy recommendations that provide another valuable asset for Congress' consideration as the reauthorization process moves forward.

Mr. Chairman, this has been a brief summary of the Federation's specific legislative proposals. Our Chairman, Mr. Smith, has a few closing comments.

Federation reaction to DOT policy

We were pleased by the recent White House release of the National Transportation Policy, an event that all of us in the transportation community had been eagerly awaiting. Secretary Skinner is to be commended for completing this process, and helping to move transportation to a higher position on the nation's policy agenda.The findings of the DOT's public outreach effort confirmed much of what the Federation and others found through the Transportation 2020 process in 1987 and 1988. A more detailed reaction is contained in the enclosed Federation summary to its membership. We specifically commend the Administration for recognizing the need to invest in America's transportation and for the promise to "fully use the funds that people have paid in transportation user charges for

investments in transportation." Our private sector members completely support the concept of greater public, private cooperation for a more effective future highway program. We will do our part to make this work.

The need for early, effective action on the highway bill

Mr. Chairman, we have already reviewed the efforts of the surface transportation community to document the nation's transportation needs and develop the remarkable degree of consensus for action which now exists as you begin the legislative process towards reauthorization.

These efforts have been made with the aim of reducing the number of conflicting issues which will be brought to your attention in the coming months.

The nation is poised to move forward in protecting and enhancing our surface transportation system. We have seen several unusual occurrences which bode well for our efforts in the next several months;

* the successful development of a consensus in the transportation community regarding those issues of greatest importance to the nation,

* the release of the National Transportation Policy, which provides a unified framework for improving all of our national transportation modes, and,

* the high degree of interest which highway legislation enjoys in Congress, coupled with the broad experience and knowledge of the Subcommittee members and staff.

But we are very pleased by these events and happy to see the reauthorization process underway. But we are also concerned that issues already under Congressional consideration

-- such as the revision of the Clean Air Act, or recurring notions for a gasoline tax to fund non-highway activities, may move forward in the near future and preempt our efforts to develop a thoughtful and comprehensive highway measure by limiting individual mobility, altering the basic financing structure of the Highway Trust Fund, or tapping directly into traditional sources of highway revenues.

The need for government/private sector cooperation

By virtue of our diverse membership, which includes private and corporate interests, and our strong ties to state and federal highway program managers, the Highway Users Federation is in a unique position to review the current program and offer suggestions regarding the next highway bill.

The Federation welcomes the opportunity to serve as an interface between public and private interests in developing an even stronger cooperative approach for the future national highway program. For example, the Federation, in conjunction with General Motors and the Department of Transportation, is sponsoring a leadership conference this May on the implementation of Intelligent Vehicle Highway Systems. This event, to be held in Orlando, Florida, will bring together the business and government policy-makers who will actually put such technology into production and use. Rather than focusing on the technical aspects of IVHS systems, this conference is intended to develop a systematic plan for the implementation of existing technologies and those which will become available in the future.

We hope this event will provide a model for future cooperative efforts to address other major issues facing the highway program.

We offer you the full cooperation and resources of the Highway Users Federation in the coming months. We are actively working to heighten the nation's awareness of highway needs at many levels, from individual drivers to the officers of corporate America. We know that all

Americans are all dependent on safe and reliable transportation for our health and welfare and a growing economy.

Mr. Chairman, we appreciate this opportunity to review the Federation's highway program proposal with you and we would be pleased to answer any questions you might have.

STATEMENT OF MS. JUDY WRIGHT

THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
BEFORE THE SURFACE TRANSPORTATION SUBCOMMITTEE
OF THE HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
March 13 1990

THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) APPRECIATES THE OPPORTUNITY TO SUBMIT THIS TESTIMONY WHICH ADDRESSES ONE OF THE MOST IMPORTANT ISSUES DETERMINING THE QUALITY OF LIFE IN SOUTHERN CALIFORNIA -- THE FEDERAL, STATE AND LOCAL ROLES IN THE FUNDING OF POST INTERSTATE HIGHWAY AND TRANSIT PROGRAMS.

SCAG IS THE LARGEST METROPOLITAN PLANNING ORGANIZATION IN THE UNITED STATES WITH A PROJECTED POPULATION THAT WILL EXCEED 18 MILLION BY 2010. THE REGIONAL MOBILITY PLAN DEVELOPED BY SCAG IN COOPERATION WITH PRIVATE SECTOR REPRESENTATIVES AND EFFECTED COUNTIES AND CITIES REFLECTS THE INTEREST OF THE REGION IN ENSURING ADEQUATE FUNDING FOR ENHANCED MOBILITY, IN INCREASING THE EFFICIENCY AND FLEXIBILITY OF THE FEDERAL PROGRAM TO FUND PROGRAMS ON DIFFERENT SYSTEMS AND FOR DIFFERENT MODES, AND IN THE EXPANSION OF EFFORTS TO DEVELOP IMPROVED TECHNOLOGIES.

AT THE OUTSET, WE WOULD LIKE TO APPLAUD THE EFFORTS TO DEVELOP A COMPREHENSIVE NATIONAL TRANSPORTATION POLICY. WE SUPPORT A GREATER LOCAL, REGIONAL AND STATE ROLE IN PLANNING TRANSPORTATION, A GREATER PRIVATE SHARE OF THE INVESTMENT IN TRANSPORTATION, AND A STRONG FEDERAL EMPHASIS ON SAFETY AND RESEARCH. WE AGREE ALSO ON THE NEED TO MAKE BETTER USE OF AVAILABLE RESOURCES AND FACILITIES, AND IN FACT, THE LOS ANGELES REGION LEADS THE WAY IN MANY OF THESE DIRECTIONS ALREADY, SPURRED ON AS WE ARE BY THE HIGHEST CAR OWNERSHIP PER CAPITA IN THE NATION, THE NATION'S WORST CASE OF AIR POLLUTION, 50% OF WHICH COMES FROM AUTOMOBILES, AND THE WORST CONGESTION IN THE NATION AS MEASURED IN HOURS OF DELAY, MILES OF DELAY OR ANY OTHER INDEX YOU MAY CHOOSE.

WE ARE NOT PROUD OF THESE STATISTICS: BUT THEY ARE A TREMENDOUS SPUR TO INNOVATIVE THINKING AND ACTIONS. WITNESS OUR PROPOSED NEW TOLL ROADS, TO BE BUILT WITH PRIVATE INVESTMENT, OUR AGRESSIVE CAR-POOLING PROGRAMS, AND OUR STRONG ENCOURAGEMENT TO THE PRIVATE SECTOR TO PARTICIPATE IN SHARING THE RESPONSIBILITY THROUGH RETHINKING THE STRUCTURE OF THE WORKPLACE BOTH IN TIME AND IN SPACE: THROUGH ALTERNATIVE WORK TIMES AND TELECOMMUTING. OUR STUDIES UNDERTAKEN IN SUPPORT OF OUR REGIONAL MOBILITY PLAN PROPOSE THAT FULLY THIRTY PERCENT OF ALL JOURNEY TO WORK TRIPS BE AVOIDED ENTIRELY THROUGH FLEXIBLE WORK SCHEDULING AND

TELECOMMUTING, AND THAT ANOTHER 20% OF THE REMAINING TRIPS BE IN SHARED AUTOMOBILES AND VANS, A FIGURE WHICH WE BELIEVE IS AT THE PRACTICABLE LIMIT OF CAR AND VAN POOLING IN A WORKFORCE AS LARGE AND DIVERSE AS OURS.

BUT DESPITE ALL THESE EFFORTS, WHICH WILL INVOLVE A MASSIVE CHANGE OF LIFESTYLE FOR THE SOUTHERN CALIFORNIAN WHO IS REPUTEDLY MORE HOOKED ON THE AUTOMOBILE THAN ANY OTHER IN OUR NATION, WE MUST STILL LOOK TO A SIGNIFICANT INCREASE IN FACILITIES, AND A MASSIVE EFFORT TO MAINTAIN EXISTING FACILITIES IF WE ARE TO REMAIN MOBILE AND PRODUCTIVE. SHEER POPULATION GROWTH DICTATES OUR GOALS. AS A RESULT, WE HAVE THOUGHT LONG AND HARD ON OUR FUTURE, AND ON THE MOST APPROPRIATE ROLES FOR FEDERAL, STATE, LOCAL AND REGIONAL PUBLIC SECTOR PROGRAMS, AS WELL AS THAT OF THE PRIVATE SECTOR IN MEETING THE TREMENDOUS CHALLENGES BEFORE US.

SCAG HAS, FOR INSTANCE, DEVELOPED A SPECIFIC SET OF PRINCIPLES REGARDING THE POST INTERSTATE PROGRAM, ADOPTED FORMALLY BY OUR EXECUTIVE COMMITTEE WHICH REPRESENTS A CONSENSUS OF LOCAL AND COUNTY ELECTED OFFICIALS. THESE ARE:

1. RETAIN A FEDERAL ROLE IN PRESERVING THE INTERSTATE SYSTEM THROUGH A CONTINUED COMMITMENT TO MAINTENANCE AND REHABILITATION.

2. RETURN HIGHWAY TRUST FUNDS TO THE SOURCE PROMPTLY AND EQUITABLY. THE HIGHWAY TRUST FUND SHOULD BE EARMARKED FOR TRANSPORTATION PURPOSES ONLY AND NOT USED FOR DEFICIT REDUCTION.

3. INCREASE FUEL TAXES WITH A PRIORITY FOR A STATE-LEVEL INCREASE. RESERVE ALL FUEL TAXES FOR TRANSPORTATION PURPOSES ONLY.

4. CREATE A MORE EQUITABLE, FLEXIBLE SYSTEM OF ALLOCATING FUNDS TO THE STATES, WITH PROGRAMMING AND FUNDING DECISIONS MADE AT THE STATE, REGIONAL/MPO AND LOCAL LEVELS. PERMIT COST-EFFECTIVE INVESTMENTS ACROSS A RANGE OF IMPROVEMENTS INCLUDING FREEWAYS, EXPRESSWAYS, ARTERIALS AND OPERATIONAL IMPROVEMENTS. PRESERVE THE 85% MINIMUM RETURN-TO-SOURCE POLICY.

5. ENSURE ADEQUATE TRANSIT FUNDING AND AUTHORIZE MORE FLEXIBLE USE OF FUNDING FOR CAPITAL OUTLAY AND OPERATING COSTS. TRANSIT SHOULD RETAIN THE CURRENT ONE CENT OF THE FEDERAL GAS TAX AND RECEIVE A PROPORTIONATE SHARE OF ANY NEW MONEY FROM AN INCREASE IN THE FEDERAL GAS TAX.

6. WORK IN PARTNERSHIP WITH STATE AND LOCAL INTERESTS TO DEFINE A SYSTEM OF REGIONAL SIGNIFICANCE THAT CLEARLY REPRESENTS LOCAL CONCERNS. THE SYSTEM SHOULD INCLUDE

AND RECOGNIZE THE COMPLEMENTARY FUNCTION OF THE INTERSTATE, PRIMARY AND SECONDARY SYSTEMS AND ARTERIALS AS WELL AS RAIL, MAJOR TRANSIT LINES, INTERMODAL FACILITIES, AND LAND-SIDE ACCESS TO PORTS AND AIRPORTS. FEDERAL CATEGORICAL FUNDING SHOULD BE LIMITED TO PLANNING, RESEARCH AND DEVELOPMENT, TRANSIT AND SAFETY, FEDERAL AID URBAN AND SECONDARY. AT A MINIMUM, CURRENT FUNDING LEVELS FOR MAINTENANCE AND OPERATION OF THE HIGHWAY AND TRANSIT SYSTEMS SHOULD BE MAINTAINED.

7. INCREASE THE FEDERAL COMMITMENT TO APPLIED RESEARCH, TECHNOLOGY TRANSFER, AND DEVELOPMENT OF ADVANCED TRANSPORTATION TECHNOLOGIES AND SYSTEMS.

8. DISCONTINUE THE PRACTICE OF CALCULATING HIGHWAY DEMONSTRATION PROGRAMS AGAINST THE STATES' MINIMUM ALLOCATIONS.

9. SUPPORT NEW SOURCES OF FUNDING FOR MEETING TRANSPORTATION-RELATED AIR QUALITY REQUIREMENTS.

AS CURRENTLY STATED, THE PRINCIPLES DO NOT FULLY FUND THE REGIONAL MOBILITY PLAN AND DEPEND UPON SIGNIFICANT STATE AND LOCAL EFFORTS IN CONJUNCTION WITH REVISIONS TO THE FEDERAL PROGRAM. THE REGION WILL CONTINUE TO REFINE ITS POSITION ON THE FEDERAL FUNDING PROGRAM AS ISSUES EVOLVE.

THE NEEDS OF THE REGION DO NOT NICELY MATCH THE CURRENT FEDERAL CATEGORIES AND PROGRAMS. THE REGIONAL MOBILITY PLAN PLACES MAJOR NEW EMPHASIS ON TRANSIT AS CONTRIBUTING TO SOLVING MOBILITY PROBLEMS ARISING FROM CONTINUED STRONG GROWTH IN ONE OF THE LARGEST METROPOLITAN AREAS OF THE COUNTRY.

SOUTHERN CALIFORNIA IS IN THE GRIP OF BOTH MOBILITY AND CLEAN AIR CRISES. THE PRIMARY SOURCE OF BOTH OF THESE CRISES LIES IN OUR NEAR TOTAL RELIANCE ON THE AUTOMOBILE, AND THEREFORE TO THE STATE AND FEDERAL POLICIES WHICH HAVE SUPPORTED AND ENCOURAGED ITS UNIVERSALIZATION TO THE EXCLUSION OF OTHER MODES. THE TIME HAS COME, IN FACT, IT CAME A LONG TIME AGO, TO MAKE A SERIOUS EFFORT TO REVERSE THIS SITUATION AND BRING A BALANCE INTO THE SUPPORT FOR TRANSIT SO THAT WE MAY NOT ONLY ENJOY MOBILITY, BUT CAN SERIOUSLY ATTACK OUR AIR QUALITY PROBLEM AT THE SAME TIME. THE MOST STRIKING CHARACTERISTIC OF THE TRANSPORTATION SYSTEM IN SOUTHERN CALIFORNIA TODAY IS THAT MORE THAN 95% OF ALL TRIPS IN OUR ARE REGION MADE IN AUTOMOBILES, AND LESS THAN 3% BY TRANSIT OF ANY FORM. WHEN WE PREPARED OUR REGIONAL MOBILITY PLAN, OUR STUDIES SHOWED THAT THERE WAS SIMPLY NO WAY TO BUILD OURSELVES OUT OF OUR WOES: THE ANTICIPATED 40% INCREASE IN POPULATION WOULD OVERWHELM ANY PROGRAM OF CONSTRUCTION WE INITIATED. ONLY IF WE

SIMULTANEOUSLY ATTACKED THE PROBLEM ON A WIDE RANGE OF FRONTS INCLUDING DEMAND MANAGEMENT, SYSTEM MANAGEMENT, GROWTH MANAGEMENT AND TRANSIT PROMOTION COULD WE HOPE TO MEET OUR GOALS. SO WHILE WE ARE ASKING FOR ASSISTANCE TO HELP MAINTAIN THE HIGHWAYS WE ALREADY HAVE, WE ARE ALSO ENGAGED IN A MAJOR EFFORT TO PERSUADE OUR POPULATION TO LIVE CLOSER TO WORK, AND TO MAKE BETTER USE OF THEIR PRIVATE TRANSPORTATION THROUGH SHARING.

THE NEED FOR TRANSIT IN SOUTHERN CALIFORNIA

BUT, THIS IS NOT ENOUGH. WE MUST HAVE A VASTLY EXPANDED TRANSIT SYSTEM AS WELL, A SYSTEM WHICH ALTHOUGH EXPENSIVE, WE ARE CONVINCED WILL REPAY ITS INVESTMENT MANY TIMES OVER THROUGH SUPPORTING THE CONTINUED PROSPERITY OF SOUTHERN CALIFORNIA.

OUR TRANSIT OBJECTIVE IS TO TRIPLE THE RUSH HOUR SHARE OF TRIPS FOR TRANSIT OVER THE NEXT TWENTY YEARS. THIS TRANSLATES INTO THE CONSTRUCTION OF NEARLY FOUR HUNDRED MILES OF EXCLUSIVE MASS TRANSIT LINES, BOTH RAIL AND BUS, A DOUBLING OF THE EXISTING BUS FLEET, AND THE CREATION OF A SIGNIFICANT COMMUTER RAIL SYSTEM AS WELL. THIS, WE ANTICIPATE, WILL COST US MORE THAN $30 BILLION OVER THE NEXT 20 YEARS IN CAPITAL COSTS. OF COURSE, WE DO NOT EXPECT THAT ALL OF THIS MONEY WILL ALL COME FROM THE FEDERAL BUDGET.

ALTHOUGH THE SHORTFALL ANTICIPATED IS AROUND $18 BILLION IN CAPITAL AND AS MUCH AS 50% OF THE OPERATING COSTS, WE ARE MAKING A MAJOR EFFORT AT THE STATE AND LOCAL LEVELS TO NARROW THIS GAP. ALREADY, THREE OF OUR FIVE METROPOLITAN COUNTIES HAVE IMPOSED 1/2 CENT SALES TAX SURCHARGES FOR TRANSPORTATION. THE OTHER TWO ARE ATTEMPTING TO DO SO THROUGH THE BALLOT BOX, AND ONE COUNTY IS ALREADY CONSIDERING A SECOND 1/2 CENT MEASURE TO DOUBLE THEIR EFFORT.

FINANCING TRANSIT IMPROVEMENTS

FURTHER, THE STATE OF CALIFORNIA HAS PROPOSED TO DOUBLE THE STATE GAS TAX (TO BE USED FOR BOTH HIGHWAYS AND TRANSIT). BUT PERHAPS EVEN MORE SIGNIFICANTLY, THIS MEASURE IS TIED TO BOTH A LIFTING OF THE STATE CONSTITUTIONAL LIMIT ON EXPENDITURES AS IT CURRENTLY APPLIES TO TRANSPORTATION, AND TO A STATE-WIDE PROGRAM OF CONGESTION MANAGEMENT, LOCALLY ENFORCED, WHICH WOULD BEGIN TO MAKE A SIGNIFICANT IMPACT ON THE PACE AND STYLE OF DEVELOPMENT IN THE REGION BY SPECIFICALLY TYING DEVELOPMENT TO MAINTENANCE AND EVEN IMPROVEMENTS IN TRAFFIC SERVICE.

THE NEED FOR FEDERAL SUPPORT

ALL THIS IS BY WAY OF LEADING UP TO OUR MAJOR POINT, WHICH IS THAT EVEN WITH THIS SIGNIFICANT LOCAL EFFORT, WE LACK THE NEEDED SUPPORT AT THE NATIONAL LEVEL, BOTH FOR EXISTING PROJECTS AND FOR OUR FUTURE WORK. LOS ANGELES TODAY CONSUMES ABOUT 30% OF THE NATIONAL BUDGET FOR MASS TRANSIT GUIDEWAY CONSTRUCTION: YET THIS SUM, VAST THOUGH IT MAY SEEM, WILL ONLY BUILD US ABOUT 30 MILES OF LINE IN 20 YEARS, AND THAT TO SERVE A REGION WITH MORE THAN 18 MILLION PEOPLE COVERING AN URBANIZED AREA OF MORE THAN 8000 SQUARE MILES. I MENTIONED BEFORE THAT WE DO NOT ANTICIPATE THAT FEDERAL FUNDING WILL MEET OUR REQUIREMENTS AND TAKE US OFF THE HOOK: TO THE CONTRARY, OUR PLANS MUST BE BASED ON A MAXIMUM OF LOCAL INITIATIVE. BUT FEDERAL POLICY MUST BE RE-WRITTEN TO FACILITATE OUR MAKING THE BEST USE OF AVAILABLE RESOURCES, AND, PERHAPS MORE IMPORTANTLY, TO STIMULATE LOCAL EFFORTS TO REVERSE THE DEPENDENCE ON THE AUTOMOBILE THOUGH REVISIONS IN TAX CODES, THROUGH ENCOURAGING - EVEN INSISTING - ON ALTERNATIVE ANALYSES WHICH EXAMINE TRANSIT ALTERNATIVES TO HIGHWAY PROJECTS AND THROUGH FUNDING FLEXIBILITY WHICH ASSURES THAT SOLUTIONS WHICH BEST MEET LOCAL NEEDS CAN BE IMPLEMENTED REGARDLESS OF WHICH SPECIFIC MODE IS ADOPTED. FURTHER, FEDERAL ASSISTANCE MUST ENCOURAGE AND PROMOTE REAL INTERMODAL PLANNING, SO THAT ONCE AGAIN THE MOVEMENT OF PERSONS (AND GOODS), RATHER THAN VEHICLES BECOME THE PRIMARY

GOAL OF THE TRANSPORTATION SYSTEM.

THE ROLE OF MARKET INCENTIVES

FURTHER, IT HAS BECOME ABSOLUTELY CLEAR THAT PUBLIC FUNDS ALONE WILL NEVER BE SUFFICIENT TO DO THE JOB. NOR DO WE THINK THAT THEY SHOULD. THE NEARLY TOTAL RELIANCE ON PUBLIC FUNDS IN THE RECENT PAST HAS BEEN FOR SIMPLICITY AND EXPEDIENCE, OR ELSE BECAUSE WE THOUGHT THERE WAS NO OTHER WAY. THE PUBLIC TRANSIT SYSTEMS OF TODAY ARE BUILT ON THE SKELETONS OF THE GREAT PRIVATE SYSTEMS OF THE PAST. THAT TRANSIT WAS ONCE PROFITABLE ENOUGH TO INVITE GREAT CORPORATIONS IN THE PAST TO INVEST HEAVILY IN ITS CONSTRUCTION IS CERTAINLY SUGGESTIVE THAT WE HAVE OVERUSED THE AUTOMOBILE, OR AT LEAST SUBSIDIZED IT SO HEAVILY THAT IT HAS EFFECTIVELY DRIVEN TRANSIT FROM THE MARKET. WE MUST REVERSE THIS SITUATION, SO THAT ONCE AGAIN TRANSPORTATION COSTS ARE FAIRLY BORNE BY USERS IN ALL CASES, AND THE PRIVATE SECTOR CAN AGAIN BE DRAWN INTO INVESTING WITH THE ANTICIPATION OF A FAIR RETURN ON THEIR INVESTMENT.

IN OUR REGION, WE PROPOSE TO DO THIS THROUGH SIGNIFICANT INCREASES IN PARKING CHARGES IN OUR MAJOR ACTIVITY CENTERS AND CONGESTION CHARGES ON THE FREEWAYS, THE FUNDS FROM WHICH WILL BE USED TO ALLEVIATE CONGESTION THROUGH INVESTMENT IN TRANSIT. IT IS HOPED THAT THE COMBINATION OF INCREASED

TRANSIT USAGE, AND THE INCREASED COST OF OPERATING AN AUTOMOBILE (TO MAKE IT MORE NEARLY PAY ITS WAY) WILL OPEN UP THE MARKET TO PRIVATE INVESTMENTS AS WELL, PARTICULARLY THROUGH JOINT DEVELOPMENT OF STATIONS AND STATION AREAS, BUT ALSO IN THE POTENTIAL OF MULTIPLE USE OF THE RIGHTS OF WAY. WE WOULD ENCOURAGE YOU TO INCLUDE CONSIDERATION OF SUCH JOINT PUBLIC/PRIVATE PARTNERSHIPS IN THE DEVELOPMENT OF TRANSIT SYSTEMS THROUGH INCENTIVES FOR IMAGINATIVE MULTIPLE USES OF FACILITIES.

ADDITIONALLY, THE FEDERAL GOVERNMENT HAS A CLEAR RESPONSIBILITY IN FOUR AREAS OF MAJOR IMPORTANCE:

1. RESEARCH AND DEVELOPMENT IN TRANSPORTATION SYSTEMS. THE PRESENT FUNDING ALLOCATIONS FOR RESEARCH AND DEVELOPMENT ARE PITIFULLY INADEQUATE, AND ARE RESULTING IN NOT ONLY A LOSS OF TECHNOLOGICAL LEADERSHIP, BUT EVEN WORSE, A FAILURE TO HAVE SOLUTIONS AVAILABLE FOR OUR PRESSING PROBLEMS. RESEARCH OF THIS TYPE IS BEING UNDERTAKEN IN THE PATH PROGRAM OF CALTRANS AND THE UNIVERSITY OF CALIFORNIA. IT SHOWS DEFINITE PROMISE, BUT IN THE ABSENCE OF FEDERAL SUPPORT IS PROCEEDING FAR TOO SLOWLY TO MEET THE URGENCY OF OUR SITUATION.

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2. SUPPORT AND, WHERE NECESSARY, INCENTIVES TO INCREASE UTILIZATION OF TRANSIT AND CLEAN AIR TECHNOLOGIES.

3. A RECOGNITION OF THE FEDERAL RESPONSIBILITY FOR RESPONDING TO THE GLOBALIZATION OF THE ECONOMY, AND ITS DISPROPORTIONATE IMPACT ON PORT (AIR AND SEA) CITIES. IN PARTICULAR, THIS MEANS THAT THERE IS A CLEAR FEDERAL ROLE FOR ASSISTING PORT CITIES TO DEAL WITH THE FLOWS OF GOODS AND PEOPLE INVOLVED IN INTERNATIONAL MOVEMENTS ON THE LAND SIDE WHERE THE IMPACTS PLACE MAJOR BURDENS ON LOCAL TRANSPORTATION ARTERIES.

4. FEDERAL AGENCIES MUST BETTER COORDINATE THEIR PROGRAMS TO ASSURE THAT ACTIONS TAKEN IN SUPPORT OF ONE SET OF OBJECTIVES DO NOT CONFLICT WITH OTHERS. A CLEAR EXAMPLE OF THIS IS THE OFTEN CONFLICTING RELATIONSHIP BETWEEN EPA AND DOT, WHERE EPA MANDATES CERTAIN ACTIVITIES WHICH CANNOT BE ACCOMPLISHED WITHIN THE RESTRICTIVE PROGRAM CATEGORIES OF DOT. IN OUR REGION, THE SWITCH TO TRANSIT, MANDATED BY THE CLEAN AIR ACT, IS BEING HELD UP BY THE LACK OF SUPPORT FOR CAPITAL AND OPERATING EXPENSES. EVEN SUCH A SIMPLE ITEM AS SWITCHING TO CLEAN FUELS REQUIRES

CHANGES IN DOT POLICY TO ASSURE THAT REVENUES PREVIOUSLY DERIVED FROM GASOLINE SALES ARE REPLACED BY EQUIVALENT TAXES ON ALTERNATIVE FUELS.

FINALLY, THE FEDERAL ROLE MUST BECOME PROACTIVE RATHER THAN REACTIVE AS IT HAS BEEN FOR FAR TOO LONG. ECONOMIC VIABILITY, SOCIAL CONDITIONS, AND GLOBAL ENVIRONMENTAL CONSIDERATIONS ALL DICTATE THAT THE UNITED STATES ONCE AGAIN BECOME A LEADER IN THE DEVELOPMENT OF NEW TECHNOLOGIES, ATTITUDES AND APPROACHES.

IN SUM, WE SUPPORT BROADENING THE PARTNERSHIP RESPONSIBLE FOR OUR NATION'S SURFACE TRANSPORTATION AND TRANSIT PROGRAMS TO INCLUDE THE FEDERAL GOVERNMENT, STATE, AND LOCAL GOVERNMENTS ALONG WITH THE PRIVATE SECTOR AS FULL PARTNERS, EACH SHOULDERING A MAJOR SHARE OF THE RESPONSIBILITY FOR PLANNING AND FUNDING THE SYSTEMS WHICH ARE REQUIRED TO ASSURE OUR CONTINUED PROSPERITY AS A NATION. WE URGE THE FEDERAL GOVERNMENT TO CONTINUE ITS ROLE AS A MAJOR LACTOR, WHILE AT THE SAME TIME, WE PLEDGE, AS LOCAL GOVERNMENTS TO MEET OUR END OF THE BARGAIN. BUT WE CANNOT GO IT ALONE, AND TO DEVOLVE ALL RESPONSIBILITY TO STATE AND LOCAL GOVERNMENT, WOULD, IN OUR OPINION, LEAVE US VULNERABLE

NOT ONLY AS A REGION BUT ALSO AS A NATION.

WE THANK YOU FOR THIS OPPORTUNITY TO APPEAR BEFORE YOU AND TO HAVE OUR TESTIMONY INCLUDED IN YOUR DELIBERATIONS.

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ADDITION TO THE RECORD

Statement of the U.S. Chamber of Commerce

ON: FEDERAL AID HIGHWAY REAUTHORIZATION

TO: SUBCOMMITTEE ON SURFACE TRANSPORTATION OF THE HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

BY: WILLIAM D. KELLEHER

DATE: MARCH 13, 1990

The Chamber's mission is to advance human progress through an economic, political and social system based on individual freedom, incentive, initiative, opportunity and responsibility.

The U.S. Chamber of Commerce is the world's largest federation of business companies and associations and is the principal spokesman for the American business community. It represents nearly 180,000 businesses and organizations, such as local/state chambers of commerce and trade/professional associations.

More than 93 percent of the Chamber's members are small business firms with fewer than 100 employees, 45 percent with fewer than 10 employees. Yet, virtually all of the nation's largest companies are also active members. We are particularly cognizant of the problems of smaller businesses, as well as issues facing the business community at large.

Besides representing a cross section of the American business community in terms of number of employees, the Chamber represents a wide management spectrum by type of business and location. Each major classification of American business--manufacturing, retailing, services, construction, wholesaling, and finance--numbers more than 10,000 members. Yet no one group constitutes as much as 32 percent of the total membership. Further, the Chamber has substantial membership in all 50 states.

The Chamber's international reach is substantial as well. It believes that global interdependence provides an opportunity, not a threat. In addition to the 59 American Chambers of Commerce Abroad, an increasing number of members are engaged in the export and import of both goods and services and have ongoing investment activities. The Chamber favors strengthened international competitiveness and opposes artificial U.S. and foreign barriers to international business.

Positions on national issues are developed by a cross section of its members serving on committees, subcommittees and task forces. Currently, some 1,800 business people participate in this process.

STATEMENT
on
FEDERAL AID HIGHWAY REAUTHORIZATION
for submission to the
SUBCOMMITTEE ON SURFACE TRANSPORTATION
of the
HOUSE COMMITTEE ON PUBLIC WORKS AND
TRANSPORTATION
for the
U.S. CHAMBER OF COMMERCE
by
William D. Kelleher*
March 13, 1990

The U.S. Chamber of Commerce appreciates this opportunity to express its views on surface transportation infrastructure crisis and the reauthorization of federal highway programs.

America's transportation infrastructure is crumbling. Decaying and overburdened roads, bridges, highways, airports, waterways and railroads are robbing the nation of economic vitality. Mobility, the ability to move people and goods, has always been important to the U.S. because of its size and dispersion of economic activity. In a global economy, an efficient and cost-effective transportation network is a key to international competitiveness.

As economic boundaries disappear and economic opportunities develop overnight, the U.S.'s ability to move people and goods quickly will play a major role in shaping its economic future.

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* Manager, Community Resources Section

In the 1950s and 1960s, America had a transportation network that was the envy of the rest of the world. This network played an important role in enhancing productivity and keeping costs low. Today, the U.S. faces a gridlock crisis in its transportation network.

Three important trends have come together to create this situation.

- The U.S. has not maintained its existing infrastructure; it has delayed and postponed repair and rehabilitation work.

- The country's demographic and economic patterns have shifted dramatically. The U.S. has not built the new facilities necessary to accommodate new growth or changes in lifestyles and locational patterns.

- The public sector decision making process has malfunctioned continuously. Congress and the Administration have eroded the user fee concept for transportation trust funds by shifting dollars to other areas and allowing large paper surpluses to develop. State and local governments, along with federal officials, have lacked the political will to undertake long-term projects that impose immediate costs but provide major long-term benefits.

Solving all of the U.S.'s infrastructure problems will require an approximately $3 trillion investment by 2020. A combination of federal user fees, state and local revenues, and privatization can help to meet the financial needs of the system. It will take major coalition-building efforts to forge the public-private partnerships necessary to exercise the political will to accomplish the job.

Over the past year, the Chamber has worked to promote grass-

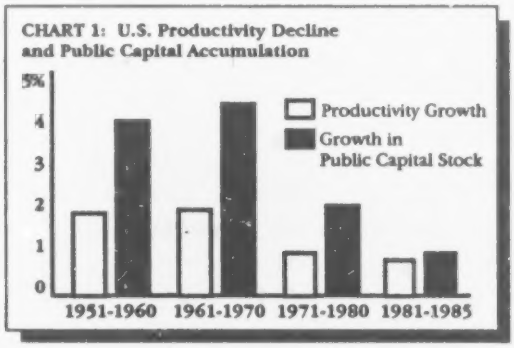
roots business involvement in this issue. The August 1989 edition of Nation's Business, the Chamber's monthly magazine had a cover story on this issue (see attachment A) and Services Watch, the Chamber's newsletter on service sector issues, had a special report (see attachment B) and a series of articles on the subject. In addition, the Chamber produced an eight-minute video outlining the nation's infrastructure crisis that has been distributed to over 350 business organizations. The National Chamber Foundation in collaboration with Eno Foundation for Transportation, Inc., a nonpartisan foundation dedicated to improving the nation's transportation system, produced Keep America Moving, a one-hour television special that discusses the role of transportation in community economic development. It has been distributed to public television stations covering approximately 70 percent of the nation's households.

Infrastructure Investments

By almost every measure, the U.S. has been reducing its investment in infrastructure. As a share of gross national product (GNP), spending on public capital has dropped from 2.3 percent of GNP in 1960 to less than 1.1 percent in 1985. The U.S. ranks 55th in the world in capital investment in infrastructure. It spends a smaller share of its resources on highway investments than Japan spends, which relies more heavily on rail transportation than the U.S. does.

As noted by David A. Aschauer, senior economist at the Federal Reserve Bank, the net result is a decline in U.S. competitiveness. "A root cause of the decline in the competitive position of the United States in the international economy may be found in the low rate at which our country has chosen to add to its stock of highways, port facilities, airports and other facilities which aid in the production and distribution of goods and services."

As shown in chart 1, as the U.S. investment in infrastructure has fallen, so has its productivity.



Other measures show a decline in infrastructure investment as well. Absolute dollar amounts invested in infrastructure when measured in 1972 constant dollars fell by 17 percent between 1964 and 1985. When measured on a per capita basis, spending has dropped by 40 percent since 1964. Perhaps the clearest way to demonstrate the decline in surface transportation infrastructure investment is to compare some numbers from the 1960s and 1980s. In the 1960s, 12 cents of every dollar spent on automotive transportation went toward roads. In the 1980s, only six cents of every dollar has gone toward the U.S.'s road network - a 50 percent reduction at a time of escalating road use.

Between 1968 and 1988, the private sector invested in new plants and equipment at a much higher rate than the public sector invested in infrastructure. Private-sector spending on capital rose from just over $4 trillion dollars in 1982 to $7.3 trillion in 1988 while non-military public capital stock increased from $1.2 trillion to $1.7 trillion. The ratio of public to private fixed capital stocks sunk from over 30 percent in 1968 to

approximately 23 percent by the end of 1988.

As Mr. Aschauer noted in a March 14, 1990, Wall Street Journal editorial, "Public Spending and Private Profit":

> Countries that sustain a high level of public investment relative to output experience higher productivity growth than other countries. For example, during the past two decades Japan has invested about 5.1% of output in public works and achieved productivity growth of 3.1% per annum while the U.S. has maintained a low public investment ratio of 0.3% and seen inferior productivity growth of 0.6% per year. A part of the explanation of the decline in the competitive position of the U.S. may be found in the low rate at which it has added to its stock of ports, highways, airports and other facilities that aid in the production and distribution of goods and services.
>
> Yet physical capital investment slid from 24.3% of total federal outlays in 1960 to 11% in 1990 and is scheduled to fall to 10.7% in 1991. Similarly, total federal investment has slumped from 34.1% of outlays in 1960 to 19.4% in 1990 and, if the president's proposed budget were adopted, would decrease to 19.2% in 1991.

Twenty years of underinvestment has led to the wearing out of the basic systems necessary to support economic growth.

America's Changing Transportation Needs

The 1980s was been the decade of the suburbs in terms of economic growth. Since 1950, 86 percent of the U.S.'s population growth has taken place in the suburban areas surrounding its central cities. While Americans were deciding that they liked

the lower density of suburban living, they were also choosing to live in larger metropolitan areas. By the mid-1980s, approximately half of the U.S. population lived in 35 areas with 1 million or more people and one of three Americans lived in areas with 2.5 million or more people. (Seventy-five percent of all Americans live in metropolitan areas.)

In 1950, only 14 American metropolitan areas had populations of one million or more. These areas contained less than 30 percent of the nation's population. Jobs moved with population. Between 1960 and 1980, over 60 percent of all job growth took place in suburban areas. In 1960, American suburbs had about 14 million jobs or 35 percent of the U.S.'s employment base. By 1980, the number of jobs had more than doubled to 33 million. Today, as we enter the 1990s, businesses in the suburbs employ 60 percent of all workers and are responsible for 67 percent of all job growth.

The impact of these trends can be seen in communities around the country.

- In Gwinnett County, 18 miles outside of Atlanta, the population has grown from 72,000 in 1970 to 250,000 in 1987.

- Oakland County, near Detroit, has been responsible for 40 percent of all job growth in Michigan since 1982.

- Tysons Corner, a sprawling Washington, D.C. suburb in Fairfax County, Virginia, has more office space than either Baltimore or downtown Miami.

- This growth in the number of people and jobs in new suburban locations has doubled commuting time and has led to rush hours in the New York metropolitan area that will last for 15 hours a day by 2000.

In addition to shifts in population and job locations, there continues to be a major social change in the composition of the work force, as the Eno Transportation Foundation Report Commuting in America points out.

- Between 1960 and 1980, the working-age population increased by 40 million, an increase of 38 percent, compared to an overall population growth of 26 percent.

- More than twice as many people entered the working-age group between 1970 and 1980 as did in the 1950 to 1960 period. Total population is projected to grow by another 40 million by 2010.

- In 1950, about one-third of working age women were in the labor force. By 1985, that figure had jumped to almost two-thirds. Of the 50 million new entries into the labor force since 1950, 30 million were women. Women represented only 28 percent of the labor force in 1950; today they exceed 44 percent.

- In those metropolitan areas experiencing high rates of population growth in the 1970s, the growth in the number of workers was far in excess of population growth.

- Phoenix, the fastest-growing large metropolitan area in the nation, increased in population by 55 percent between 1970 and 1980. The worker increase was 80 percent, 25 percentage points higher.

This explosion of workers has led to an explosion in commuters, and the U.S. is more dependent than ever on the automobile. We are faced with a national gridlock problem that is threatening our quality of life and economic vitality.

Public Sector Problems

What happened to the coalitions and programs that built the interstate highway network? At the federal level, efforts to reduce the deficit have led Congress and the Administration to use revenues from transportation user fees for other purposes. Because these user fees count as revenues to the government, they can be used to make the deficit look smaller. The government has placed IOUs in the transportation trust funds that finance federal highway, airport and waterway programs.

The result of this policy has been the accumulation of a $29 billion surplus in trust funds at a time when bridges and roads are collapsing.

At the state and local levels, the shortage of funds has been matched by the expansion of forces that oppose change and development. Groups, popularly known as NIMBY, "Not In My Back Yard," seem to oppose any major public capital investment project. They have halted or delayed major road and transportation projects in all parts of the country and have made orderly planning and implementation extremely difficult. State and local elected officials under pressure from these groups often ignore transportation needs and realities. Business needs to help to build the public-private partnerships that can respond to anti-growth forces and support public efforts to meet the nation's infrastructure needs.

Consequences

Can the U.S. afford to ignore these problems? If it wants to remain competitive in a global economy and enjoy safe and timely travel, the answer is no. The infrastructure problem is at a crisis level now.

- More than 60 percent of the miles of paved highways in the U.S. need some form of surface rehabilitation.

- More than 40 percent of bridges over 20 feet long are structurally deficient or functionally obsolete.

- Highway congestion already is serious in many areas, and the total number of miles travelled annually by vehicles will increase by one-third over the next decade, to 3 trillion.

- By 2005, traffic delays caused by inadequate roads will cost the U.S. $50 billion a year in lost wages and wasted gas. Continued neglect of infrastructure is also costing jobs and increasing costs. The Port Authority of New York and New Jersey estimated that the region has lost 600,000 jobs as a result of infrastructure deterioration. In Pittsburgh, U.S. Steel estimated that it pays at least $1 million a year in additional costs to detour its trucks 18 miles around a major bridge closed by the state for lack of repair.

The American Society of State Highway and Transportation Officials has estimated that surface transportation demand will at least double by 2020. If the U.S. wants to continue to maintain at least the current level of service, it must increase its spending to $95 billion a year, up from the current $81 billion being spent by federal, state and local governments (see chart 2).

CHART 2: Surface Transportation Annual Expenditure Requirements, 1988-2020

Transportation Area	Investment Range (billions)		
	Current	Low	High
Highways, Roads & Bridges	$66.0	$80.0	$100.5
Transit	14.5	15.1	15.8
Linkage to Other Modes	N.A.	1.0	1.0
Total	80.5	96.1	117.3

In order to maintain its economic leadership in the world economy and avoid the negative and costly effects of inaction, the U.S. must commit the required funds to improve its transportation system.

Key Considerations

National transportation gridlock and decay are threatening the livability of communities and the economic vitality of the nation. Urban and suburban areas are being choked by traffic congestion, and rural communities are being isolated by collapsing bridges and inadequate roads. For over 30 years, the focal point of transportation policy has been the building of the National System of Interstate and Defense Highways. With the completion of the Interstate System in expected in 1991, it is time for the U.S. to redirect its transportation policy. The process will require concerted efforts by all levels of government and the private sector. In formulating a new national transportation strategy, the Chamber urges Congress to consider these key points:

- Preservation of the existing road network is vital to improving mobility and is key to investing in a cost-effective transportation strategy.

- Congestion relief is vital to both improving the quality of community life and moving goods efficiently in commerce. Moving goods both through and in metropolitan areas has become extremely time-consuming and costly. The nation's surface transportation system should use a mix of highway construction, transit improvements and the application of emerging systems management technologies. States and localities should be given the flexibility to develop programs that meet local needs and conform with national goals to improve mobility.

- User and beneficiary fees should be instituted to cover the economic costs of surface transportation facilities. Local general fund commitments to public transportation should be considered.

- The multi modal nature of transportation services must be recognized in surface transportation policy. Links to airports, railways and ports must be included in developing specific transportation programs and projects.

- Safety, planning, research and development are as vital a part of the U.S. transportation needs as building roads and transit facilities. The Chamber recommends that specific funds be set aside to deal with these issues.

- Economic development-- providing employment, reducing transportation costs, improving freight movement, increasing productivity, revitalizing rural America, rejuvenating blighted urban areas, supporting existing facilities, attracting new economic growth, providing for rapidly expanding regions and improving international competitiveness--needs to be a key concern in developing transportation policy.

- Reasonable and responsible concern for the environment and energy conservation are vital parts of any realistic transportation strategy.

- Partnerships between different levels of government and the public and private sectors will be necessary in order to achieve the maximum utilization of limited transportation resources. Because of the fragmented nature of transportation, federal policy should encourage cooperation and coordination. Improving the nation's mobility will be a

shared responsibility of all the participants in this enterprise. Currently, state and local governments and the private sector are increasing their efforts in this field. The federal government should not attempt to ignore its part of this effort. Federal policy should also support and encourage entrepreneurial actions in the area of transit. Attachment C lists specific steps that the Urban Mass Transit Administration can take to encourage grass roots solutions to meeting transit needs.

The Transportation 2020 Project, a coalition of more than 100 national associations representing public and private transportation interests, issued a final report entitled Is Consensus Possible? As part of that coalition, the Chamber supports the work of the group. It believes that there is a consensus in the business community for a strong and vigorous federal role in the transportation field consistent with the above outlined principles.

The Chamber is committed to the concept of a national transportation network that can move people and goods to all parts of this nation in an efficient and effective manner. Proposals such as that of the American Association of State Highway and Transportation Officials (AASHTO) for establishing a Highway System of National Significance matched with a flexible Highway Program to assist in more specific state, local and regional needs represent a sound application of the concepts supported by the Chamber.

The Bush National Transportation Strategy

Ten months ago, U.S. Department of Transportation Secretary Samuel K. Skinner set out to develop a strategic plan for meeting the nation's transportation needs. Secretary Skinner undertook the effort with great energy, and he is to be commended for

focusing the nation's attention on this vital issue. He organized a massive effort and coordinated a study that tapped some of the best thinking in both the public and private sectors.

However, although the Administration's national transportation plan lists many of the hard questions facing the transportation community, it fails to provide the tough answers that we need.

A strategic plan is judged by how it is implemented and by the level of commitment given to it by a firm's Chief Executive Officer. To date, the Administration has shown that it is failing in both these areas. It has not developed a reasonable approach to dealing with transportation trust funds and continues to sacrifice transportation priorities by abusing transportation user fees to cover up the budget deficit.

For the plan to succeed, it has to gain the support and cooperation of the private sector and state and local governments. These are the groups being asked to take much of the responsibility for implementing the plan and providing the resources to fund it. All these groups are disappointed with the plan's lack of vision and abdication of leadership. Regrettably, the plan does not encourage any of these groups in their hope for a new and effective partnership with the federal government in the transportation area.

Chamber Position

The Chamber supports continued federal action to provide a transportation system that meets the nation's mobility needs. In shaping actions in this area, it supports the following principles:

o There is an immediate need to begin to restore those

portions of the basic infrastructure that have fallen into dangerous disrepair. In addition, every effort must be made to begin constructing those projects needed to provide the services required to accommodate growth. Programs to better use the existing infrastructure network should be encouraged.

- Infrastructure plans must include adequate methods to finance not only initial construction but also ongoing maintenance. Much of the current infrastructure problem is the result of neglected maintenance.

- User fees should play a central role in financing infrastructure construction, rehabilitation and maintenance.

- Within the context of a national transportation program, the design and construction of infrastructure are primarily the responsibility of state and local governments.

- The federal role in infrastructure rehabilitation and development should be focused on capital financing.

- The massive infrastructure needs of the nation will require the establishment and enforcement of priorities for repairing, rebuilding and developing the public works needed to support commerce and protect the public health and safety.

- Where appropriate, provision of public infrastructure services through private means or local authorities should be considered on a cost-effective basis. Privatization can and should play a key role in meeting public capital needs.

- Establishment of a federal infrastructure bank should be considered by Congress as a method for improving the

management of federal contributions to state and local efforts. Federal user fee-financed trust funds for infrastructure, such as those earmarked for highways and aviation facilities, should be taken off budget to ensure that the moneys raised through this method are spent efficiently and effectively and with a minimum of political interference. Capital budgeting should also be considered in managing federal infrastructure investments.

Next year, Congress faces one of its most important challenges in 25 years. The basic legislation covering highway and transit programs will expire. The interstate highway system, which has provided a focal point for this legislation, will be declared complete. This will provide Congress, the Administration and the business community with an opportunity to establish new directions and develop new priorities.

The key question underlying all debate in this field is whether Congress has the will to find ways to improve the nation's transportation infrastructure to meet the needs of the 21st century. Without a sound infrastructure network, the U.S. cannot have a strong economy or a high level of productivity.

Attachments

COVER STORY

ATTACHMENT A

Our Crumbling Infrastructure

The crumbling of America's overburdened infrastructure looms as one of the nation's costliest and most serious problems.

By Joan C. Szabo

A bolt in the substructure of the bridge carrying Interstate Highway 95 over the Mianus River in southwestern Connecticut sheared off early in the morning of June 28, 1983.

Weakened by the loss of support from a steel rod that the bolt had anchored, a 100-foot section of the span collapsed. Two tractor-trailer trucks and two cars went over the edge, dropping 75 feet to the muddy river banks. Three people were killed, and three were critically injured.

It was six months before the 31-year-old bridge was fully reopened to its normal daily traffic of 100,000 vehicles. Repairs cost $20.6 million.

There was also a substantial economic loss to businesses in the area. They were hit hard by massive traffic jams that resulted when cars and trucks were rerouted from I-95, the principal highway between Maine and Florida and one of the most heavily traveled segments of the interstate system.

Griffin Harris, owner of a travel agency in Greenwich, Conn., said his business fell 40 percent because clients were unable to get to his office through the congestion. "It was just a nightmare," he recalls.

Other spectacular bridge collapses in this decade have included the 50-year-old Hatachie River Bridge about 45 miles north of Memphis, Tenn., and a Great Miami River bridge in Ohio, both this year, and a New York State Thruway bridge west of Albany in 1987. A total of 20 people were killed in the three incidents.

These bridge collapses were among the developments that have spotlighted in recent years one of the most serious problems facing the nation today—the crumbling of the American infrastructure and the cost of neglect of the nation's highways, bridges, airports, water systems, sewage-treatment facilities, and other vital public works.

Economic health is directly dependent upon the condition of this infrastructure. Just how much so was described in these terms by the National Council on Public Works Improvement, which Congress created to appraise the condition of America's public-works structure:

"The quality of a nation's infrastructure is a critical index of its economic vitality. Reliable transportation, clean water, and safe disposal of wastes are basic elements of a civilized society and a productive economy.

"Their absence or failure introduces an intolerable dimension of risk and hardship to everyday life and a major obstacle to growth and competitiveness."

And how does this nation's infrastructure measure up to that standard at a time when demands on it are greater than ever? The council's basic finding was not encouraging: "The quality of America's infrastructure is barely adequate to fulfill current requirements and is insufficient to meet the demands of future economic development."

The council, established under the Public Works Improvement Act of 1984, reached that conclusion after two years of extensive research to develop a base for priority recommendations on bringing public works into line with current and future needs.

In addition to that government panel, private-sector voices have joined in the growing effort to alert the nation to its infrastructure problems. Says the U.S. Chamber of Commerce: "There is an immediate need to begin to restore those portions of basic infrastructure that have fallen into dangerous disrepair. ... Investment in public works is as vital for national economic revitalization as investment in our industrial plants. In a modern society, private economic growth is based on sound public works."

A wide range of other organizations share that view. Some snapshots:

- More than 60 percent of the miles of paved highways in the U.S. need some form of surface rehabilitation.
- More than 40 percent of U.S. bridges over 20 feet long are either structurally deficient or functionally obsolete.
- Highway congestion already is serious in many areas, and the total number of miles traveled annually by vehicles using U.S. roads will increase by one-third over the next decade, to 3 trillion miles.
- By the year 2000, traffic delays caused by inadequate roads will cost the U.S. $50 billion a year in lost wages and wasted gasoline.
- The Associated General Contractors of America, the largest organization of construction firms, puts the cost of infrastructure needs at $3.3 trillion, which includes $1.6 trillion for highways, $52 billion for bridges, and $142 billion for water supplies.
- Airports are crowded, airways are congested, and the air-traffic-control system needs substantial upgrading to maintain safety. The Federal Aviation Administration estimates that the number of "seriously congested" airports will soar to 58 by the year 2000, up from 16 in 1986, and the congestion by the turn of the century will affect 74 percent of passengers, compared with 39 percent in 1986.
- Water storage and distribution systems are deteriorating in some older cities, such as New York, Newark, N.J., Cleveland, and Boston. In a certain two-

Our Crumbling Infrastructure

year period, 34 cities suffered an average of 229 water-main breaks per 1,000 miles of main. In addition, leaky pipes cause some major cities to lose as much as 30 percent of their daily water supply.

● Despite a $44-billion federal investment in sewage treatment since 1972, it will take $82.5 billion to meet wastetreatment requirements of the Clean Water Act by 2005, the Environmental Protection Agency estimates.

The massive problem that has developed in these and other areas of the national infrastructure raises the same two questions that are raised by any problem of any magnitude: How did it occur? What must be done to correct it?

A principal reason for neglect of the infrastructure, many experts suggest, is that it is relatively easy to ignore. The Associated General Contractors says: "The nation assumes that drinking water is safe, bridges are structurally sound, the transportation network will be efficient, and rivers, bays, and streams will be clean and suitable for both fishing and recreation.

"Unfortunately, it is only when an infrastructure failure occurs, when we see this quality of life threatened, that most Americans become aware of the necessity of adequate public works."

The National Council on Public Works Improvement puts it this way:

"Of all public services, infrastructure may be the easiest to take for granted. When it functions best, it is noticed least." The infrastructure thus becomes a prime target for economy. The annual increase in total government spending on the infrastructure dropped from 4.5 percent per year during 1961 to 1970 to an average of 0.8 percent per year from 1981 to 1987.

The key factor in this decline has been competition among various public sectors in an era of fiscal retrenchment.

Ironically, the restraint has been extended to various transportation trust funds established to guarantee financing for construction and repair of highways, air-travel facilities and other parts of the infrastructure. Those funds contain earmarked revenues from users of the facilities to be financed. But succeeding Congresses and presidents have employed a fiscal strategy of reducing the federal deficit by retaining substantial surpluses in the transportation accounts, rather than committing money to the designated purposes.

Currently, the Treasury Department estimates, nearly $29 billion in user-paid revenues to the federal transportation trust funds have not been put to work.

The "squeaky-wheel" factor also has come into play as governments have shifted priorities, notably toward social programs. Sally Brain, an economist for the Associated General Contractors, says that many government entities see maintenance as an expense that can be put off until another year.

At the same time, conditions continue to worsen in many areas of the infrastructure because of either neglect or increasing demands.

Airline-passenger traffic has climbed 68 percent since deregulation in 1978, but the number of major airports has not increased. Although several airports have been expanded, no commercial airports have been built at new sites since 1974, and air traffic continues to climb.

Many U.S. bridges designed and built 50 years ago are now reaching the end of their useful lives. Under the Highway Bridge Replacement Program, about 2,871 bridges are repaired or replaced each year. But at that rate, it will take an estimated 80 years to clear the current backlog of bridge-repair needs, according to The Road Information Program. TRIP is a Washington, D.C., nonprofit organization that researches, evaluates, and distributes economic and technical data on highway transportation issues.

The Federal Highway Administration (FHWA) projects that by the year 2000,

Continued on Page 21

Congested highways such as Interstate 95 near Springfield, Va., mean higher costs for businesses that depend on roads for transporting raw materials and finished goods.

Nation's Business August 1989

The Private Path To New Highways

To pay for restoring roads, bridges, and other parts of the nation's crumbling infrastructure at a time of budget constraints, several states are considering various types of arrangements with private entities that would build and run public-works facilities.

These private parties would assume varying degrees of responsibility for highway construction, for example. As in the case of privatization generally, advocates of that course in infrastructure development say that the private sector can complete projects more efficiently and economically than government agencies.

The privatization of public works is not new, by any means. Privately built and operated roads were common in colonial days. Most bridges were in private hands until the early 1930s, and some remain so today. They include the Ambassador Bridge connecting Detroit and Windsor in Canada's province of Ontario and the recently opened toll bridge linking Fargo, N.D., and Moorhead, Minn.

There are scattered instances of private ownership of roads, many of them providing access to and within tourist attractions and real-estate developments.

The possibility of broader use of privatization in public works is receiving increased attention as governments try to cope with infrastructure demands against growing resistance to higher taxes.

In Virginia, for example, the Virginia Highway Corporation Act of 1988 opened the way for private companies to seek authority to construct and operate roads in the state. Soon after the law was enacted, a newly created private firm, the Toll Road Corporation of Virginia (TRCV), submitted a proposal to the Virginia Commonwealth Transportation Board to build and maintain an extension of the publicly run Dulles Toll Road.

TRCV's founder and president is Ralph Stanley, who left the position of head of the Urban Mass Transportation Administration in the U.S. Department of Transportation to enter into private road-building ventures.

The existing Dulles Toll Road is used primarily by commuters living between the Capital Beltway and Dulles International Airport, near Washington. The proposed, privately funded 14-mile road would extend the toll road to serve a fast-growing suburban population.

TRCV developed its proposal with the help of Goldman, Sachs & Co. of New York, an investment banking firm, which produced a plan for financing construction and maintenance costs until toll revenues can pay for upkeep of the road.

Travelers pay as they go on the moneymaking Dulles Toll Road, which serves suburban communities near Washington, D.C.

In reviewing the toll-road proposal, the Commonwealth Transportation Board asked Virginia's Department of Transportation to develop an alternative plan as a way to determine the relative value of the private proposal.

Under the VDOT proposal, $188.4 million in capital funds generated through publicly issued general-obligation bonds would be required for initial development, and a $51.6-million subsidy from the existing toll road would be used to cover a portion of the debt service for the first seven years. The goal for completion of the highway would be June 1993.

The TRCV proposal, however, estimates total costs for construction and initial maintenance would not exceed $145.6 million—financed through a Goldman, Sachs series of bonds issued on behalf of TRCV—and the road would be open by December 1991.

Approval depends on two rulings expected imminently—one from the Commonwealth Transportation Board, the other from the State Corporation Commission.

In Colorado, an unusual mixture of public funding and private development is being used in a project to construct and operate the E-470 Beltway, a section of a business tollway that eventually will encircle Denver.

The E-470 Public Highway Authority (PHA), representing a broad range of regional interests, was formed in 1986 to succeed a coalition of four local governments.

The PHA is to supervise construction and maintenance, and it will serve as liaison between the public and the private sectors.

The project's engineering, construction, financial matters, legal details, environmental requirements, and public-relations efforts are being handled by private firms under contract.

The initial financing will come from a $10-a-vehicle increase in automobile registration fees. Those revenues and the projected income from tolls enabled the E-470 Authority to draw $63 million from an escrow account established by Arapahoe County.

These funds will finance construction of the first section of the beltway, a 5.5-mile stretch to be completed by late 1991.

The $63 million then will be paid back to the county, with interest, and toll revenues will be used to pay for construction of the final three sections of the beltway.

"Over the long term, we estimate that 92 percent of the total funding will come from toll revenue," says Robin McHenry, a spokeswoman for the E-470 Public Highway Authority.

"Only about 5 percent of the total cost will be financed by the vehicle-registration-fee increase, which we secured through a public election," continues McHenry. "The remaining costs will be absorbed by developer impact fees, donations, and designations of the right of way."

The state with more people (25 million) and more cars (22.4 million) than any other is also considering a role for the private sector in meeting its massive transportation needs. The California legislature has approved a plan to "utilize the expertise and financial resources of the private sector to design, build and pay for new transportation projects." The law authorizes four demonstration projects in which private entities will be permitted to lease state-highway rights of way to build toll routes.

—*David J. Ward*

SINCE PASSAGE OF THE 1985 FARM BILL, THE COTTON TARGET PRICE HAS DECLINED FROM 81 CENTS PER LB. TO 72.385 CENTS PER LB., OR 10.8%, AND THE LOAN PRICE HAS DECLINED FROM 57.3 CENTS PER LB. TO 50.27 CENTS PER LB., OR 12.3% IN FIVE YEARS (SEE ATTACHMENT #2).

AT THIS POINT IN THE HISTORY OF AGRICULTURE, AND ESPECIALLY COTTON, PRODUCERS ARE FACING AN INSIDIOUS ILLNESS---THE SO-CALLED "COMPETITIVE" OR "FREE MARKET" PRICE USED AS THE BASIS TO DETERMINE THE TARGET AND LOAN RATES WHICH, IN TURN, DICTATES THE CASH MARKET PRICE.

THE FORMULA USED TO COMPUTE TARGET AND LOAN RATES WERE INTENDED TO PROVIDE ORDERLY MARKETING AND TO KEEP COTTON COMPETITIVE, REFLECTING THE AVERAGE ADJUSTED COST OF PRODUCTION.

HOWEVER, THE LOAN PRICE FORMULA USED IN THE 1979 FARM BILL WAS 48 CENTS PER LB., MUCH LOWER THAN ANTICIPATED. THE CONTINUED USE OF THESE PRICE QUOTATIONS TO ESTABLISH COTTON TARGET AND LOAN PRICES KEEPS LOAN RATES CHEAP, RESULTING IN CHEAP SPOT MARKET PRICES.

USING THESE ARBITRARY, RIGID AND INFLEXIBLE LOAN PRICE COMPUTATIONS, THE LOAN PRICE REMAINS LOW - TOO LOW FOR PRODUCERS TO SURVIVE. THE RESULTING NET INCOME GENERATED IS TOTALLY INADEQUATE TO KEEP UP WITH INFLATION AND PROVIDE ENOUGH EQUITABLE RETURN TO STAY IN BUSINESS.

gestion is adding to the cost of doing business in the U.S." In Los Angeles alone, Lamm says, the out-of-pocket cost of traffic congestion for both business and commuter travelers was more than $500 million in 1988.

Another stake for business is that of the small firms—particularly construction-related companies—that build public-works facilities, from designing them to landscaping them. "Many small businesses will benefit from infrastructure rebuilding," says Peter T. Ruane, president and chief executive officer of the American Road and Transportation Builders Association.

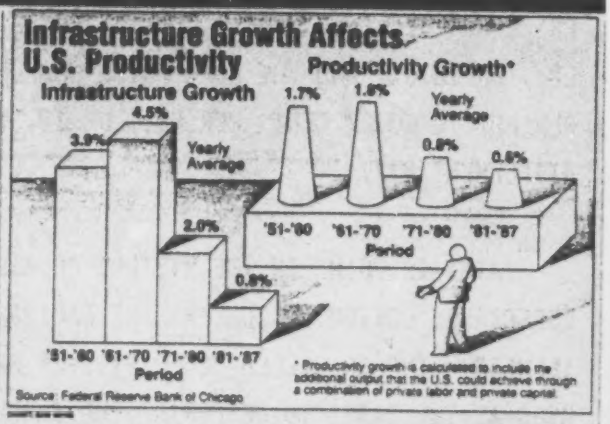
Robert L. Turner, president of the Associated Builders and Contractors, says, "Some of the businesses directly affected include road contractors, pipe manufacturers, cement producers, structural-steel and guardrail firms, painting contractors, and landscapers." ABC represents more than 18,000 merit-shop contractors, subcontractors, materials suppliers, and associated firms.

The Associated General Contractors says that the industry "is typified by family-owned businesses that work in an extremely competitive and open environment."

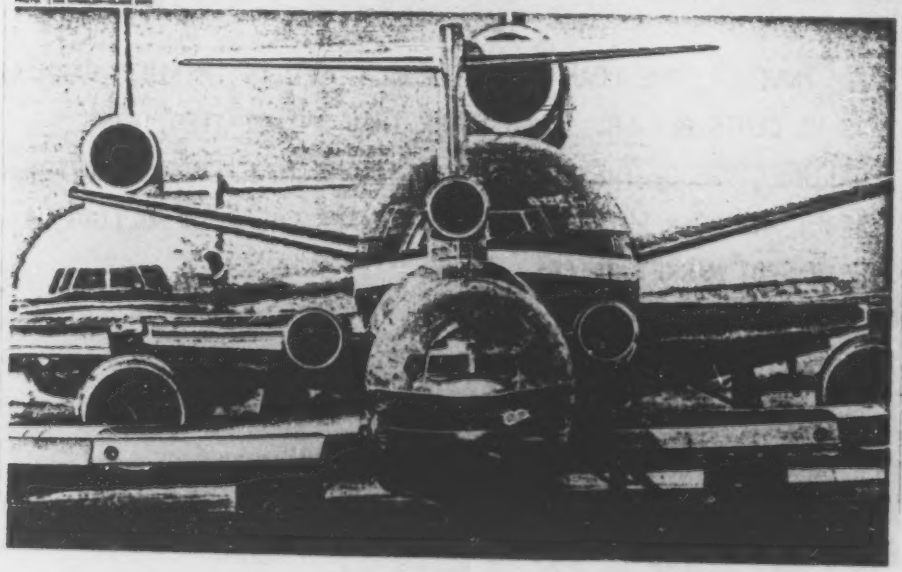
One of business's most extensive involvements in the nation's infrastructure relates to the second question—how infrastructure problems are to be solved. The answer involves money, lots of it.

The business role will include projects financed directly by companies, and it also will involve payment of the tolls and user fees expected to be an increasing part of public-works financing as governments seek alternative revenue sources to broad-based taxation. Sally Thompson, director of research for TRIP, points out that Texas, California, Colorado, Florida, and Virginia are among the states that have turned to various forms of private financing, "shifting more and more of the capital costs of growth to developers and residents."

One example of this is private-sector financing of specific projects. Data General Corp., for example, is negotiating with local authorities on a plan under which it would finance construction to relieve traffic congestion around its Westboro, Mass., headquarters, about 30 miles west of Boston. "The problem has developed as a result of an explo-



Planes in line to take off from Los Angeles illustrate worsening air-travel tie-ups. Seriously congested airports will soar to 58 by 2000, up from 16 in 1986, says the FAA.



sion in development of the land where Data General is located without any parallel enlargement in the state's public-access highway system," says Brad Stroup, director of public affairs for Data General.

In a number of jurisdictions, impact fees are assessed as a mandatory form of cost sharing. According to a TRIP report, "In Orange County, Calif., for example, developers in three corridors in which freeways are to be built are required to pay impact fees in proportion to the amount of traffic their project is expected to generate."

For some state governments, greater use of toll roads is viewed as one way to address the financing dilemma of rebuilding and expanding the road network. (See the box on Page 19.)

There is growing support among business people for shifting more public-works costs from taxpayers generally to users of the facilities: Eighty-two percent of the delegates to the 1989 annual meeting of the U.S. Chamber of Commerce said they would favor increased user fees to provide better highways.

Yet even as business groups press Congress to preserve the integrity of the trust funds, some lawmakers are calling for higher gasoline taxes that would be used as general revenue to reduce the federal budget deficit and would not be earmarked for highways.

Any such tax increase would derail many initiatives for increasing funding for state highway-improvement programs, particularly in those states that use fuel taxes for funding highway projects, says William Kelleher, manager of community resources for the U.S. Chamber of Commerce.

The Chamber's plan for restoring the infrastructure is generally representative of proposals being advanced by the many other organizations involved in this key public-policy issue. The principal elements:

- Establishment of a mechanism, such as a federal infrastructure bank, to bring effective management to federal contributions to public works, with any new financing arrangement to protect trust funds from political interference and provide that outlays focus on facilities needed in interstate commerce.
- A central role for user fees, wherever possible, in financing construction, maintenance, and rehabilitation.
- Assigning to state and local governments the primary responsibility for design and construction of projects and limiting the federal role in infrastructure rehabilitation to capital financing on a cost-sharing basis with states and localities.
- Where appropriate, providing public infrastructure services through private means or local, self-supporting government agencies on a cost-effective basis.

Several bills to achieve those and other goals for dealing with infrastructure problems are pending in Congress and are expected to get increasing attention as business presses its case for action on this national problem.

Whatever the specific strategies adopted, rehabilitation of the infrastructure will be not only a formidable challenge but also an extremely expensive undertaking.

Richard H. Stanley, president of Stanley Consultants, in Muscatine, Iowa, and a member of the U.S. Chamber's Construction Action Council, says that although the cost is high, the need to mobilize is critical. "We must confront the issue and be prepared to pay the costs," he says.

The Associated General Contractors sums up the issue this way: "The basic reality [is] that America's essential public works are continuing to wear out faster than they are being repaired and replaced. . . . An enormous portion of U.S. economic growth will be lost if steps are not taken immediately to rebuild the infrastructure." ■

The cave-in of a New York City sidewalk after a water-main break last year was a reminder of trouble down below: crumbling water-supply systems in some major cities.

To order reprints of this article, see Page 72.

Special Report

ATTACHMENT B

by William D. Kelleher

Crumbling America

The U.S. Surface Transportation Infrastructure Crisis

America's transportation infrastructure is crumbling beneath our feet. Decaying and overburdened roads, bridges, highways, airports, waterways and railroads are robbing us of economic vitality.

Mobility, the ability to move people and goods, has always been important to the U.S. because of its size and dispersion of economic activity. In a global economy, making our transportation network efficient and cost-effective is a key to international competitiveness.

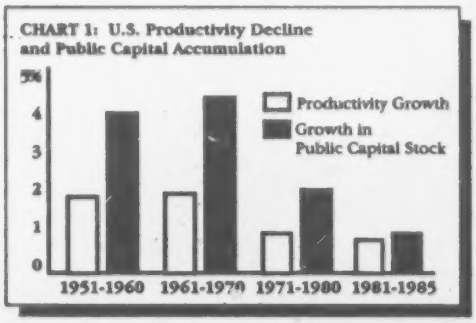
As economic boundaries disappear and opportunities spring up overnight, the capacity to move quickly will play a major role in shaping our economic future.

In the 1950s and 1960s, America had a transportation network that was the envy of the rest of the world. It played an important role in enhancing our productivity and keeping costs low. Today, we face a gridlock crisis in our transportation network.

What Went Wrong

Three important trends have come together to create this situation.

- We have not maintained our existing infrastructure, and therefore we have a past due bill for delayed and postponed repair and rehabilitation work.
- The country's demographic and economic patterns have shifted dramatically. We have not built the new facilities to meet the needs of either new growth or the change in our lifestyles or locational patterns.
- The public sector decision-making process has malfunctioned continuously. Congress and the administration have eroded the user fee concept for transportation trust funds by shifting dollars to other program areas and allowing large paper surpluses to develop. State and local governments, along with federal officials, have lacked the political will to undertake long term projects that impose early costs, but provide major long-term benefits.



To solve our total infrastructure problems will require an approximately $3 trillion investment by the year 2020. With a combination of federal user fees, state and local revenues, and privatization, we can meet the financial needs of the system. It will take major coalition building efforts to forge the public-private partnerships necessary to express the political will to get the job done.

Infrastructure Investments

By almost every measure, the U.S. has been reducing its investment in infrastructure. As a share of gross national product (GNP), spending on public capital has dropped from 2.3 percent of GNP in 1960 to less than 1.1 percent in 1985. The U.S. ranks 55th in the world in capital investment in infrastructure. We spend a smaller share of our resources on highway investments than Japan, which relies more heavily on rail transportation than we do.

The net result, said David A. Aschauer, senior economist at the Federal Reserve Bank, is a decline in U.S. competitiveness.

"A root cause of the decline in the competitive position of the United States in the international economy may be found in the low rate at which our country has chosen to add to its stock of highways, port facilities, airports and other facilities which aid in the production and distribution of goods and services."

As shown in chart 1, as our investment in infrastructure has fallen, so has our productivity.

Other measures show a decline in infrastructure investment as well. Absolute dollar amounts invested in infrastructure when measured in 1972 constant dollars fell by 17 percent between 1964 and 1985. When measured on a per capita basis, spending has dropped by 40

(continued on page 6)

Special Report

Infrastructure: Keeping Up with Growth

(continued from page 5)

percent since 1964. Perhaps the clearest way to demonstrate the decline in surface transportation infrastructure investment is to compare some numbers from the 1960s and 1980s. In the 1960s, 12 cents of every dollar spent on automotive transportation went toward roads. In the 1980s, only 6 cents of every dollar has gone toward our road network -- a 50 percent reduction at a time of escalating road use.

Twenty years of underinvestment has lead to the wearing out of the basic systems to support economic growth.

Metropolitan America

The 1980s has been the decade of the suburbs in terms of economic growth. Since 1950, 86 percent of our population growth has taken place in the suburban areas surrounding our central cities. While Americans were deciding they liked the lower density of suburban living, they were also choosing to live in larger metropolitan areas. By the mid-1980s, approximately half the U.S. population lived in 35 areas of 1 million or more and one of three Americans lived in an areas of 2.5 million or more. (Seventy-five percent of all Americans live in metropolitan areas.)

In 1950, only 14 American metropolitan areas had populations of one million or more. These areas contained less than 30 percent of our nation's population.

Jobs moved with population. Between 1960 and 1980, over 60 percent of all job growth took place in suburban areas. In 1960, American suburbs had about 14 million jobs for 35 percent of our employment base. By 1980, the number of jobs had more than doubled to 33 million. Today, as we enter the 1990s, suburbs have 60 percent of all workers and are receiving 67 percent of all job growth.

The impact of these trends can be seen in communities around the country.

- In Gwinnett County, 18 miles outside of Atlanta, the population has grown from 72,000 in 1970 to 250,000 in 1987.
- Oakland County, near Detroit, has [illegible]ived 40 percent of all job growth in Michigan since 1982.
- Tysons Corner, a sprawling Washington, D.C. suburb in Fairfax County, Virginia, has more office space than either Baltimore or downtown Miami.
- This growth in the number of people and jobs in new suburban locations has doubled commuting time and has led to rush hours in the New York metropolitan area that will last for 15 hours a day by the year 2,000.

In addition to shifts in population and job locations, there continues to be a major social shaping of the work force, as the Eno Transportation Foundation Report *Commuting in America* points out.

- Between 1960 and 1980, the working-age population increased by 40 million, an increase of 38 percent, compared to an overall population growth of 26 percent.
- More than twice as many people entered the working-age group between 1970 and 1980 as did in the 1950 to 1960 period.
- In 1950, about one-third of working age women were in the labor force. By 1985, that figure had jumped to almost two-thirds. Of the 50 million new entries into the labor force since 1950, 30 million were women. Women represented only 28 percent of the labor force in 1950; today they exceed 44 percent.
- In those metropolitan areas experiencing high rates of population growth in the 1970s, the growth in workers was far in excess of population growth.
- Phoenix, the fastest growing large metropolitan area in the nation, increased in population by 55 percent between 1970 and 1980. The worker increase was 80 percent, 25 percentage points higher.

This explosion of workers has led to an explosion in commuters. Because of where people are working, we are more dependent than ever on the automobile. We

Special Report

Infrastructure: Tapping the Trust Fund

are faced with a national gridlock problem that is threatening our quality of life and economic vitality.

Public Sector Problems

What happened to the coalitions and programs that built the interstate highway network? At the federal level, efforts to reduce the deficit have led Congress and the administration to use revenues from transportation user fees for other programs. Because these user fees count as revenues to the government, they can be used to make the deficit look smaller. The government has used these funds for other purposes and placed government IOUs in the transportation trust funds that finance federal highway, airport and waterway programs.

The result of this policy has been the accumulation of a $29 billion surplus in trust funds at a time when our bridges and roads are collapsing from under us.

At the state and local level, the shortage of funds has been matched by the expansion of forces that oppose change and development.

Popularly known as NIMBY, Not In My Backyard, these groups seem to oppose any major public capital investment project. They have halted or delayed major road and transportation projects in all parts of the country and have made orderly planning and implementation extremely difficult. State and local elected officials under pressure from these groups often turn their backs on transportation needs and realities. Business needs to help build the public-private partnerships that can respond to anti-growth forces and support public efforts to meet our infrastructure needs.

Consequences

Can we afford to ignore these problems? If we want to remain competitive in a global economy

and enjoy safe and timely travel, the answer is no. The infrastructure problem is at a crisis level now.

- More than 60 percent of the miles of paved highways in the U.S. need some form of surface rehabilitation.
- More than 40 percent of bridges over 20 feet long are structurally deficient or functionally obsolete.
- Highway congestion already is serious in many areas, and the total number of miles travelled annually by vehicles will increase by one-third over the next decade, to 3 trillion.
- By the year 2005, traffic delays caused by inadequate roads will cost the U.S. $50 billion a year in lost wages and wasted gas.

Continued neglect of infrastructure is also costing us jobs and increasing costs. The Port Authority of New York and New Jersey estimated that the region has lost 600,000 jobs as a result of infrastructure deterioration. In Pittsburgh, U.S. Steel estimated that it paid at least $1 million a year in additional costs to detour its trucks 18 miles around a major bridge closed by the state for lack of repair.

The American Society of State Highway and Transportation Officials has estimated that surface transportation demand will at least double by 2020. If we want to continue to maintain at least the current level of service, we must increase our spending to $95 billion a year, up from the current $81 billion being spent by federal, state and local government. (See chart 2 on page 8.)

For America to maintain its economic leadership in the world economy and avoid the negative and costly effects of inaction, we must commit the required funds to improve its transportation system.

Chamber Position

The U.S. Chamber supports continued federal action to provide a transportation system that meets our nation's mobility needs. In shaping actions in this area, we support the following principles:

- There is an immediate need to begin to restore those portions of our basic infrastructure that have fallen into dangerous disrepair. In addition, every effort must be made to begin constructing those projects needed to provide services required to accommodate

(continued on page 8)

Special Report

Infrastructure: Does Congress Have the Will?

(continued from page 7)

growth. Programs to better utilize the existing infrastructure network should be encouraged.

- Infrastructure plans must include adequate methods to finance not only initial construction, but also ongoing maintenance. Much of our current infrastructure problems are the result of neglected maintenance.
- User fees should play a central role in financing our infrastructure construction, rehabilitation and maintenance.
- The design and construction of infrastructure is primarily the responsibility of state and local government.
- The federal role in infrastructure rehabilitation and development should be limited to capital financing.
- The massive infrastructure needs of our nation will require that we establish and enforce priorities for repairing, rebuilding and developing the public works needed to support commerce and protect the public health and safety.
- Where appropriate, provision of public infrastructure services through private means or local authorities should be considered on a cost-effective basis. Privatization can and should play a key role in meeting our public capital needs.
- Establishment of a federal infrastructure bank should be considered by Congress as a method for improving the management of federal contributions to state and local efforts. Federal user fee-financed trust funds for infrastructure such as those for highways and aviation facilities should be taken off budget to ensure that the moneys raised through this method are spent efficiently and effectively and with a minimum of political interference. Capital budgeting should also be considered in managing federal infrastructure investments.

Congressional Outlook

Next year, Congress faces one of its most important challenges in 25 years. The basic legislation covering highway and transit programs will expire. The interstate highway system, which has provided a focal point for this legislation, will be declared complete. This will provide Congress, the administration and the business community with an opportunity to establish new directions and develop new priorities.

Transportation Secretary Samuel K. Skinner is developing a national transportation strategic plan while public and private groups are forming research efforts such as Transportation 2020 to develop input from highway users. Congress will be faced with the challenge of fighting the urge to do business as usual -- funding pork barrel projects and misallocating user fee revenues.

Congress has the opportunity to develop a transportation program that can play a role in restoring our competitive edge and improving the life of every American commuter. To do this, it must clearly define the federal role in transportation to programs of national significance, establish a sound financial base for the program based on user fee financing, and ensure that privatization options exist.

New legislation also should encourage the formation of public-private partnerships at the federal, state and local levels.

Other initiatives in this area include proposals from Rep. William Clinger for capital budgeting and Sen. Daniel Moynihan for establishing an infrastructure bank. Both proposals are efforts to rationalize the spending process and provide stability in resources allocated for public works.

The key questions underlying all debate in this field is whether Congress has the political will to find ways to improve our transportation infrastructure to meet the expectations of the 21st century. Without a sound infrastructure network, we cannot have a strong economy or productive nation. *SW*

CHART 2: Surface Transportation Annual Expenditure Requirements, 1988-2020

Transportation Area	Investment Range (billions) Current	Low	High
Highways, Roads & Bridges	$66.0	$80.0	$100.5
Transit	14.5	15.1	15.8
Linkage to Other Modes	N.A.	1.0	1.0
Total	80.5	96.1	117.3

For more information on infrastructure and transportation, contact William D. Kelleher at the U.S. Chamber, (202) 463-5533.

Sec. 301: To establish a voluntary program which: improves farm income; reduces government costs through higher market prices and targeted program benefits; and recognizes that demand includes an adequate reserve supply.

Sec. 302 et seq.: Voluntary supply management program, using an ARP based on domestic, export, and reserve needs. Payments should be based on total bushels, rather than acreage. Producers should be given the opportunity to prove their actual yields. Effective loan rates should be raised and repeal the Findley amendment. There should be a cap on the total amount of loans and target deficiency available to an individual producer. Provision should be made for a strategic reserve, with any farmer-owned reserve storage payments paid at the same rate as commercial storage. The program would have a cap on target deficiency payments. When a producer elects to stay out of the program one year he must stay out the following year with a loss of 10% base per year.

Subtitle B: Feedgrains

Sec. 401: To establish a voluntary program which: improves farm income; reduces government costs through higher market prices and targeted program benefits; and recognizes that demand includes an adequate reserve supply.

Sec. 402 et seq.: Voluntary supply management program, using an ARP based on domestic, export, and reserve needs. Payments should be based on total bushels, instead of acreage. Producers should be given the opportunity to prove their actual yields. Effective loan rates should be raised and repeal the Findley amendment. There should be a cap on the total amount of loans and target deficiency available to an individual producer. Traditional price relationships among grains need to be recomputed to avoid artificially over encouraging one commodity, e.g. corn, over another, e.g. soybeans. A strategic reserve should be established, with farmer-owned reserve storage payments paid at the same rate as commercial storage. When a producer elects to stay out of the program one year he must stay out the following year with a loss of 10% base per year.

Subtitle C: Effective Dates and conforming amendments

<u>Title 4 Cotton</u> (Staff Contact: Howard Lyman)

Sec. 401: (a) Reauthorize the marketing loan established by the Food Security Act of 1985, with loan rates raised to the target price.

* The changing marketplace is also characterized by new fiscal constraints. Federal financial assistance to mass transportation is on the decline and state and local budgets are heavily constrained. The public dollars that financed the massive growth of public transit over the past two decades are not available to underwrite further expansion of public transit service. Even in jurisdictions that have a dedicated source of revenue to support mass transportation, transit authorities, faced with rising costs and declining ridership, experience difficulties maintaining existing routes, much less aggressively pursuing new markets.

However, not all indicators are negative. The changing marketplace and new transportation demands have also given rise to new entrepreneurial initiative and innovation:

* Public transportation has acquired new sponsors. Transit service is no longer financed solely with tax dollars, but is increasingly underwritten by private sponsors who perceive a benefit from such participation. Private beneficiaries/sponsors include corporate employers who wish to provide commute alternatives to their workers, developers who desire to increase the leasing potential of their properties by providing public transit access to them, and neighborhood groups looking for ways to facilitate inner city residents' access to suburban jobs.

* Secondly, the marketplace has become more competitive. In many communities the public transit authority no longer enjoys a monopoly position. Competing transportation services are being offered by a variety of private and nonprofit providers, including charter bus operators, taxicab companies, specialized transportation providers, social service agencies, business organizations, and community groups.

The Need for Entrepreneurial Transit

In sum, the transportation market has changed fundamentally since the mid-1960s when Congress first enacted the Urban Mass Transportation Assistance Act. Today's travel demands are too diverse and too segmented to be served only by systems that offer a uniform standard of service to all customers. The public utility model created by the 1964 legislation has lost much of its significance in a marketplace characterized by diverse demands, new sponsors, and by user expectations of a high standard of service. Contemporary urban areas need systems that are more market-oriented and offer "customized" services providing a close fit to the needs of particular groups of consumers. In other words, today's circumstances require a more customer driven system of service delivery and a more entrepreneurial approach to service marketing than has typically been provided by traditional transit systems.

Fortunately, private carriers have stepped into the breech and are demonstrating the needed innovation and entrepreneurship. According to an UMTA-sponsored study, Unsubsidized Transit Services: Potential to Meet Public Needs and Reduce Subsidy Requirements (Urban Mobility Corporation, December 1985), no less than 10 metropolitan areas have significant

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commuter bus operations run by private carriers. Among them are New York City, Northern New Jersey, Connecticut, Boston, Chicago, Los Angeles, San Francisco, and Washington D.C. These services, operated with little or no public subsidy, provide a much needed supplement to regular transit services by concentrating on new suburb-to suburb markets that are too small or too distant to be effectively served by public transit systems.

Express commuter services to suburban employment centers are but one type of a growth market served by private entrepreneurs. Other new markets served by private operators include "suburban downtowns," feeder systems to and from suburban commuter rail stations, and reverse commute systems that link central city neighborhoods with suburban employment centers. UMTA's Entrepreneurial Services Program has spawned a number of services in each of these growth markets.

Conclusion

Entrepreneurial services deserve strong federal encouragement and support for several reasons:

- They are customer-driven and are sensitive to the changing demands of the marketplace; thus, they respond more effectively to the changing demographics of urban America;
- They provide a higher standard of service and thus a more meaningful alternative to the automobile;
- They bring creative service approaches and cost-saving management practices to mass transit operations;
- They require little or no government subsidy;
- They open up opportunities for small and minority businesses;
- They supplement rather than replace ongoing public transit services and thus do not threaten existing public transit jobs.

With little likelihood of public transit expansion, and with a progressive diversification of metropolitan travel demand, market-oriented, self-sustaining transit services offer a much needed response to the growing needs for urban mobility and deserve strong federal support and encouragement.

Recommendations

In light of the above, the Entrepreneurial Services Council recommends:

1. The National Transportation Policy should acknowledge the success and importance of entrepreneurial transit services and recognize its potential for improving transit service and reducing transit operating subsidies.

2. There is a need to strengthen the programmatic framework to foster Entrepreneurial Services activities. Specifically:

* The Urban Mass Transportation Administration should strengthen its office of Private Sector Initiatives and provide it with sufficient resources to support an expanded program;

* A legislative set-aside for Entrepreneurial Services projects should be established in the reauthorized Surface Transportation and Relocation Assistance Act. The set-aside should be akin to that created for E&H vehicles under Section 16(b)(2), and for rural transportation under Section 18 of the UMT Act. Initial annual authorization level should be set at a sufficient level to fund a national program.

3. Where public transit authorities are reluctant to sponsor Entrepreneurial Services projects, special efforts should be made to strengthen the capacity of local government to serve as "public sponsors" of Entrepreneurial Service projects. In addition, UMTA should seek legislative authority to broaden the eligibility of recipients authorized to receive Entrepreneurial Services grants. Eligibility should be extended to Metropolitan Planning Organizations, municipal and county Economic Development Agencies, Chambers of Commerce, and other private and non-profit bodies concerned with local economic development.

The environment for this program should reflect a venture capital approach at the federal level, recognizing market discipline and risk/reward consideration. At the local level, a business incubator style is more appropriate. Local sponsors should provide a nurturing and supportive environment for transit entrepreneurs.

4. UMTA should seek a legislative exemption for Entrepreneurial Services grants from the requirements of Section 13(c) of UMT Act. There is no rational basis for requiring a 13(c) sign-off for Entrepreneurial Services projects, since they involve non-traditional services in new markets that do not threaten existing public transit jobs.

The Entrepreneurial Services Council, an independent, non-partisan body, was established in March 1989 to foster development of self-sustaining, market-oriented urban transportation services, and to encourage greater participation of small businesses, community and neighborhood groups, business associations and minority enterprises in the delivery of such services. Council members represent diverse interests, including private providers, minority organizations, consumer groups and neighborhood organizations. The Council pursues its goals through a four-pronged program consisting of:

* *Information exchanges on implementation strategies*
* *Outreach activities designed to enlist new participants in entrepreneurial services activities*
* *Evaluation of the Entrepreneurial Services Program*
* *Elimination of barriers to implementing entrepreneurial services*

The Council is an independent, non-partisan body dedicated to research and educational activities

Chairman: Stephen Blake, National Association of Regional Councils
National Transportation Policy Committee Chairman: William D. Kelleher, U.S. Chamber of Commerce

REAUTHORIZATION OF THE POST-INTERSTATE SURFACE TRANSPORTATION PROGRAMS

THURSDAY, MARCH 15, 1990

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON SURFACE TRANSPORTATION,
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, DC.

The subcommittee met, pursuant to recess, at 10:20 a.m. in room 2167, Rayburn House Office Building, Hon. Norman Y. Mineta (chairman of the subcommittee) presiding.

Mr. MINETA. The Subcommittee on Surface Transportation will please come to order.

This morning we will continue the hearings relative to the establishment of legislation dealing with surface transportation. All of you are very well aware that the Surface Transportation Assistance Act of 1987 expires on the 30th of September, and for the next year and a half or so we will be having hearings, as well as markup sessions, on this issue, a very important one.

During the early phase of this program we will have a number of Members coming to us relative to things that they are interested in terms of that policy. We are pleased to continue having these Members come before us.

Before I proceed let me ask my very fine Republican leader on this subcommittee, Bud Shuster, if he has any opening remarks.

Mr. SHUSTER. Thank you, Mr. Chairman. I am just pleased that we are proceeding. Thank you. If I could, I would like to ask that an opening statement by the distinguished ranking member of the full committee, Congressman Hammerschmidt, be entered in the record.

Mr. MINETA. Without objection, so ordered.

[Mr. Hammerschmidt's prepared statement follows:]

PREPARED STATEMENT OF HON. JOHN PAUL HAMMERSCHMIDT ON REAUTHORIZATION OF THE POST-INTERSTATE SURFACE TRANSPORTATION PROGRAMS

Thank you, Mr. Chairman. I want to commend you, Mr. Chairman and Congressman Shuster, for scheduling this third hearing to take a further look at reauthorization of the Federal Highway and Mass Transit Programs.

Based on the testimony already presented to this subcommittee, it is clear that the transportation community has devoted a great deal of time to debating the future of the Federal Highway Program. We see that States are making every effort to solve their transportation problems but feel hamstrung by Federal barriers to the timely and efficient use of Federal funds. We see there are areas of the country that were overlooked in designing the Interstate System and areas where high growth has pressured current systems beyond their capacity.

Today, we will hear from those who move people and goods on our Nation's highways and from those who build them. You are very welcome before our committee, and I look forward to hearing your recommendations.

I also want to extend a warm welcome to my congressional colleagues and our distinguished guest, the Governor of Virginia. I am anxious to hear your suggestions on shaping the future of our highway and transit programs.

Mr. MINETA. At this time we have the very fine gentleman from Alabama, Mr. Erdreich.

Mr. Erdreich, we are pleased to have you here. We have your statement. It will be made a part of the record, so if you would go ahead and proceed in your own fashion.

TESTIMONY OF HON. BEN ERDREICH, A REPRESENTATIVE FROM ALABAMA

Mr. ERDREICH. Thank you, Mr. Chairman. I appreciate the courtesy of letting me testify today, and I thank you and your committee for holding these important hearings.

I am here today to urge that as you move forward with your legislation, the proposed Northern Beltline Freeway in Jefferson County, Alabama, the area that I represent, be included in any surface transportation authorization bill.

A partial beltway currently exists to the south of the city of Birmingham, I-459, which connects I-59 to I-20. We believe that the Northern Beltline, which would be a proposed 41-mile highway designed to complete the loop around the Birmingham area by a northern equivalent of I-459, is essential and important to the growth of our community and important to the national network of road systems that we have across America.

As the initial proponent of this effort in Congress, I am well aware of the vital importance of the project to improving the flow of traffic in and around Jefferson County. But the completion of this freeway, as I said, is also vital to our county and our Nation and our State's economic growth and job development. Again, I would urge that the committee look at this as it proceeds through this deliberation.

Mr. Chairman, local elected officials, under the leadership of the Jefferson County Commission, are committed to the construction of this highway link. Its completion would be a great boost to commercial and residential development in the vicinity of the beltway interchanges and along major corridors. It would also enhance the industrial potential of the area and expand the economic base of the entire metropolitan area.

The Northern Beltline is important to our future, Mr. Chairman. I also believe it is important, as I said, to the continued development of our national network of roads across America.

I thank the subcommittee members for the opportunity to testify. I would ask permission, Mr. Chairman, to also submit for the record a summary of supporting justification for this project that has been prepared by the Metropolitan Planning Organization of the metropolitan area in Birmingham, Alabama.

Mr. MINETA. Without objection, that will be entered into the record.

[The supporting data follow:]

PROPOSED
NORTHERN BELTLINE FREEWAY

BIRMINGHAM, ALABAMA METROPOLITAN AREA

A SUMMARY OF SUPPORTING JUSTIFICATION

PREPARED BY THE
METROPOLITAN PLANNING ORGANIZATION

MARCH 1990

Section 1

INTRODUCTION

On a wall in the Smithsonian Institution's Museum of American History in Washington D.C., hangs a 1921 front page from the old Birmingham Post. The one local story featured on it deals with a dispute over a road; whether a planned U.S. highway should pass through Trussville or Chalkville in northeast Jefferson County. Almost eight decades later no one has found a formula for avoiding pitched battles over the location of highways in the Birmingham Area as the controversy over the location of an Appalachian Highway (Corridor X) has set the project back years.

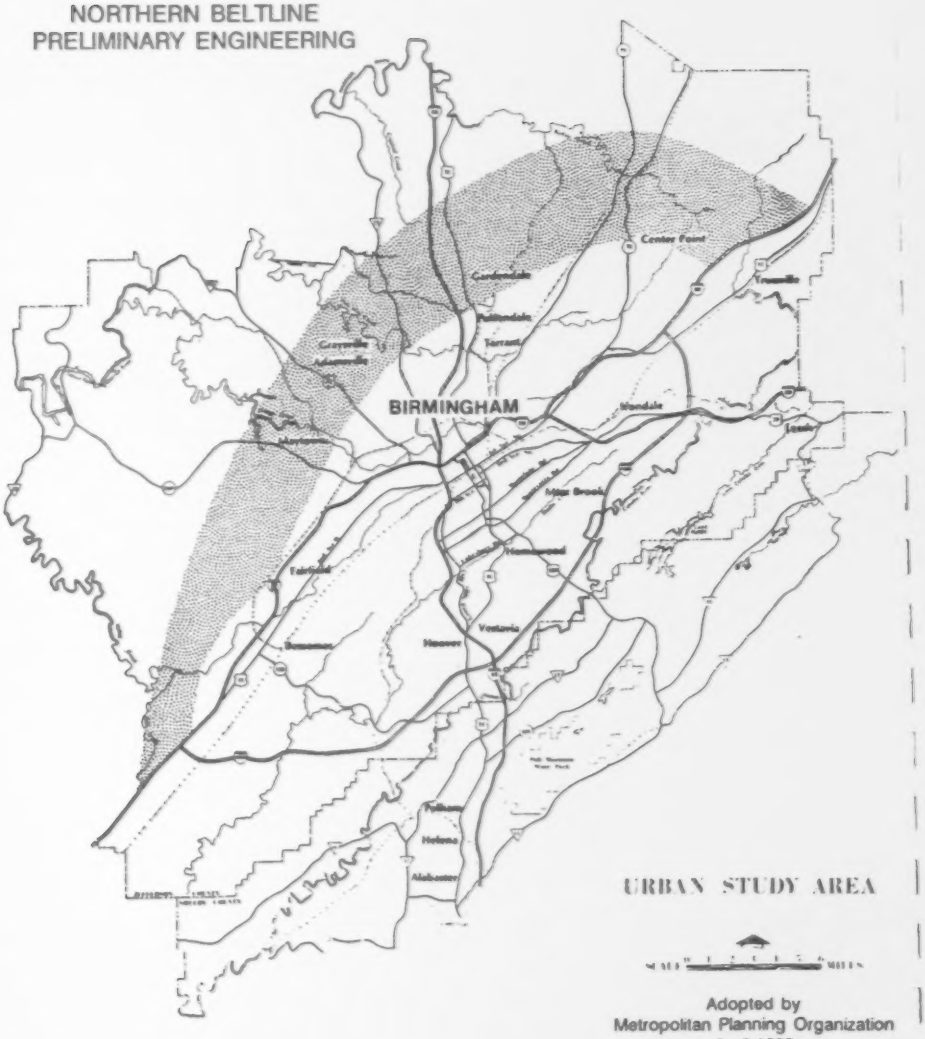
Unity, however, has been the key word for a project in the Birmingham Area that has been talked about since the days of the identification of the interstate highway system. The Northern Beltline is a proposed 41.3 mile highway designed to complete the loop around the Birmingham Area by being a northern equivalent to I-459.

During the past 20 years, new growth and development in the Birmingham Metropolitan Area has been concentrated primarily in the southern and eastern portions of the urban county (Jefferson). The southern portion of Jefferson County has been in such demand that development has spilled into northern Shelby County for the past decade. Development in the eastern portion of the County accelerated with the completion of I-59 in that area.

Growth in the northern and western portion of the County has occurred at a slower rate in comparison to the southern and eastern areas, inhibited by the lack of an east-west highway (such as the Northern Beltline), land held in large ownership, mining activity in the area, topographic constraints and utility availability.

A "loop" around the northern part of the Birmingham Urban Area will result in a complete beltway. The local elected officials, under the leadership of the Jefferson County Commission, is committed to plan for infrastructure improvements, such as water and sewer, in order that a more balanced pattern of development can take place.

PROPOSED CORRIDOR
FOR
NORTHERN BELTLINE
PRELIMINARY ENGINEERING



Adopted by
Metropolitan Planning Organization
April 1989

Section 2

CONGRESSIONAL FUNDING

In recognition of the realities of highway funding, local elected officials involved in the Metropolitan Planning Organization process under Department of Transportation guidelines have maintained unprecedented unity among local, county and state officials. Starting in 1985, three reports documenting the feasibility of the Northern Beltline were prepared:

(1) Northern Beltline Toll Feasibility Study, prepared for the Jefferson County Public Works Department by PRC Engineering, September 1985.

(2) Northern Beltline Freeway, Technical Analysis for a Year 2000 Transportation Plan Modification, prepared by the Birmingham Regional Planning Commission, March 1986.

(3) Northern Beltline Highway, Jefferson County, Alabama, prepared by Jefferson County Public Works Department, 1988.

Following the lead of the Jefferson County Commission and supported by the technical reports prepared under the guidelines of the local urban transportation planning process, support from Federal sources was requested early in 1988.

In September 1988, the House authorized $675,000 for "expenses necessary to carry out the Alabama Feasibility Study as authorized by section 350 of the Department of Transportation and Related Agencies Appropriations Act, 1988, Public Law 100-202, as amended". Local match in the amount of over $500,000 has been provided in order to conduct the environmental assessment, economic analysis and engineering.

The Alabama Highway Department has contracted with a national transportation engineering firm in order to identify feasible alternates and complete the corridor engineering by late 1991. Included in the scope of work are the following tasks:

- Phase I - base mapping, environmental constraints identification, alternates definition, ground/grade profiles.

- Phase II - interchange location identification, traffic volume projections, traffic analysis.

- Phase III - right-of-way requirements; cost estimates for roadway, bridges and utilities; road user costs; potential economic development; matrices identifying advantages and disadvantages of alternates; public involvement meetings; written analysis on alternates to be carried forward.

- Phase IV - development of selected alternates to determine workability, refinement of preliminary estimates of cost, benefit/cost analysis.

- Phase V - social, economic and environmental studies; draft environmental impact statement; corridor public hearing; final environmental impact statement.

Section 3

SUMMARY OF SUPPORTING TECHNICAL DOCUMENTS

Since 1985, three major supporting technical documents as identified in Section 2 have been prepared as justification for obtaining preliminary engineering funds from Congress. The major findings of these documents are included in this section.

Northern Beltline Toll Feasibility Study, prepared for the Jefferson County Public Works Department by PRC Engineering, September 1985.

In the process of identifying the financial resources available for funding the Northern Beltline the feasibility of using tolls was investigated. The major findings of this study are as follows:

- The total cost to build the Northern Beltline, including engineering, right-of-way and utility relocation costs, is at least $260 million. The cost could be higher if the chosen route is farther from the City, adding to the length of the road.

- If the toll road were financed entirely by 30-year revenue bonds bearing 10 percent interest, the annual debt service would be about $27 million per year.

- Traffic on the Beltline will initially be low, as is natural on a road intended to speed the development of a sparsely populated region. By the year 2000, travel on a free Beltline would be about 448 million vehicle-miles annually.

- If tolls were at levels found acceptable in similar facilities elsewhere, travel in the year 2000 would be about 211 million vehicle-miles annually, producing toll revenues of about $23 million in inflated dollars.

- When adjusted for inflation between now and the year 2000, the toll road operating cost would be about $4 million, assuming highway maintenance and police services are provided by other public agencies. Subtracting this operating cost from the expected revenue leaves about $19 million available to pay debt service in the year 2000. In earlier years with lower traffic, the money available for debt service is even lower.

- Over 30 years, the funds available for debt service are only 65 percent of the amount needed to repay bonds counting the full cost of one road. This percentage varies with the assumptions, but the general conclusion is the same for each scenario: Northern Beltline Toll revenue bonds covering the entire cost of the freeway would be much too risky to attract the necessary funds.

- Tolls can play a role in making the Beltline a reality. They may be able to cover as much as 65 percent of the cost if (1) a credit worthy government pledges its full faith and credit to repay the bonds, (2) other funding sources are found for the remaining 35 percent of the capital cost, and (3) a government agency provides certain services, such as police and roadway maintenance, at no cost to the toll road.

Northern Beltline Freeway, Technical Analysis for a Year 2000 Transportation Plan Modification, prepared by the Birmingham Regional Planning Commission, March 1986.

This report documents the findings of a proposed modification to the Year 2000 Transportation Plan to include the Northern Beltline as a freeway facility within the Birmingham Urban Area.

Before any Federal monies can be expended for engineering, right-of-way, or construction, new major highway projects must be in conformance with the adopted long-range transportation plan for the Birmingham Urban Area. The long-range plan transportation plan identifies major roadways that need to be widened to provide additional capacity between now and the year 2000 and new highway facilities that need to be built to satisfy projected demand.

Four test alternates were presented for consideration and traffic projections developed utilizing modelling based upon demographic information. Population and employment trends from 1974-2010 are outlined as follows:

Year	1980	1987	2010
Population	96,700	102,300	118,700

Year	1974	1984	1989	2010
Employment	18,500	17,000	18,400	23,000

Most of the segments contained in the four alternates tested were viable for freeway-type operation (minimum of 25,000 vehicles per day), with traffic projections in excess of 60,000 vehicles per day in the I-65/Gardendale/U.S. 78 area. Traffic reductions for roadways in the urban area due to the Northern Beltline are significant as outlined as follows:

roadway	reduction (vehicles per day)	% reduction
I-59 West	20,000	20 %
I-59 downtown	10,000	8 %
Carson Rd.	8,600	80 %
East Lake Blvd.	5,000	20 %
U.S. 31	5,000	20 %
Sunhill Road	5,000	50 %
25th Av. NW/NE	5,000	50 %
Lawson Road	4,700	65 %

Northern Beltline Highway, Jefferson County, Alabama prepared by the Jefferson County Public Works Department, 1988

This document is intended to provide information concerning funding options, the economic impact, and actions needed to advance the Northern Beltline.

Concerning funding options, the following alternatives have been analyzed:

- Total Local Government Funding. This concept has been explored; however, revenue levels of the needed magnitude are simply not available and this option has been eliminated.

- Total State Government Funding. This was considered based on the availability of the oil lease windfall funds. This source, combined with some other program, could be feasible, especially under the state's developmental highway program.

- Toll Road Funding. Although a toll facility will not generate sufficient funds to construct the facility, tolls could possibly be combined with some other source of funding to form a realistic funding package.

- Total Federal Funding. Including the project as a line item in the next Surface Transportation Act should be pursued with Congress to supplement the other funding options identified.

The development factors impacting the Northern Beltway include topography; water; sewer; transportation; residential, commercial and industrial land use; and large landholders. The conclusions made from the economic analysis are as follows:

- Limited intensive residential, commercial and industrial development exists primarily in the eastern area and along major U.S. highways.
- East-west access is limited.
- Access to the Tennessee-Tombigbee Waterway via Port Birmingham is provided.
- Railway access is ample.
- Majority of the land is undeveloped and controlled by large corporate land owners.
- Much of the land is relatively steep.
- The area generally lacks public sanitary sewers.
- The area is generally experiencing a growth in population, although at a slower rate than the southern and eastern portion of the county.
- Significant commercial and single-family/multifamily residential development would occur in the vicinity of the beltway interchanges and along major corridors.
- Growth will be promoted only if large landowners give up mineral rights.
- Sewers should follow the growth of the highways and should extend with the extension of water lines.
- The industrial potential of the area would be significantly enhanced, especially in northern Pinson Valley and in the vicinity of Port Birmingham, Appalachian Regional Commission Corridor X and the Northern Beltway.

- The impetus for development would extend beyond Jefferson County into southern Blount and Walker Counties.
- Due to the increased development the tax base of the area would increase accordingly.
- The urban image of the Birmingham Area would be enhanced with the perception of an adequate interstate system complete with a beltline to funnel traffic from the downtown area.
- The economic base of the entire Metropolitan Statistical Area and especially the impacted area would be expanded and strengthened.
- Many of the now isolated communities would be presented with new opportunities for survival.

Section 4

COMPATIBILITY OF NORTHERN BELTLINE WITH NATIONAL TRANSPORTATION STRATEGY PROPOSED BY DOT

In the early 1980s, the job of deciding what to do with the billions of dollars in gas tax revenues, once the Interstates were completed, seemed like deciding on a change of course for an ocean liner steaming through calm seas. But as 1991 approaches and the highway and transit program authorizations are subject to major revisions, it has become apparent that any course will be difficult.

Metropolitan development in the Birmingham, Alabama Metropolitan Area has brought new demands from businesses and their workers, who want roads to link suburbs with other suburbs just as high-speed multi-lane radial routes now link suburbs with the central area.

The documented shortage in "primary and urban" funding for non-interstate roadways has resulted in some major developmental roadways within the Birmingham Area, including the Northern Beltline, to be essentially unfundable.

The national transportation strategy announced by Department of Transportation Secretary Samuel Skinner in January 1990 calls for (1) a stronger, healthier partnership among federal, state and local governments, (2) creative ways to apply the time tested user fee principle, (3) more private investments, (4) removal of unnecessary regulations, and (5) new technology and more support for efforts in research and development.

Though suburban traffic congestion and traffic demand make the proposed Northern Beltline Freeway feasible, the real demand for this type of highway project is economic vitality. The national surface transportation program should preserve and enhance the economic vitality of this nation by providing employment, reducing transport costs, improving freight movement productivity, revitalizing rural areas, rejuvenating blighted urban areas, attracting economic development and providing transportation for rapidly growing regions. These policies, recommended for the future federal surface transportation program by the American Association of State Highway and Transportation Officials, are supported in the goals for the proposed Northern Beltline.

Mr. ERDREICH. Thank you, Mr. Chairman. Those are my entire oral remarks. I thank you for the courtesy of letting me attend.

Again, I would urge the committee's favorable consideration of this project and projects like it as you move forward in what I believe are very critical deliberations for surface transportation for this country's future through the 1990s and into the 21st century.

Thank you very much, Mr. Chairman.

Mr. MINETA. Thank you very much, Mr. Erdreich, for your fine statement.

During the last several years, with your leadership, this committee has attempted to support your efforts to advance this project within the State of Alabama. I'm just wondering, given the fact that studies have shown that the Northern Beltline is not feasible as a toll facility, do you think that the use of Federal funds here along with toll revenues would enhance the viability of this project as a toll facility?

Mr. ERDREICH. That is certainly a possibility. Indeed, the summary of supporting justification that I submitted for the record indicates that as one path that could be taken, Mr. Chairman. I know that is one of the options that the committee and the Congress are being asked to look at. It could not support itself as a toll road solely. Federal funds are direly needed in order to supplement what could be that local match coming from toll or other resources. That would be an option that the local governing body would view as an option. It could be partially funded by that method. They would certainly look with favor upon that sort of opportunity if such a program were put in place, Mr. Chairman.

Mr. MINETA. Very well.

Mr. Shuster?

Mr. SHUSTER. Thank you for your testimony. I have no questions.

Mr. ERDREICH. Thank you.

Mr. MINETA. Mr. Rahall?

Mr. RAHALL. I have no questions, Mr. Chairman.

Mr. MINETA. Mr. Grant?

Mr. GRANT. No questions, Mr. Chairman.

Mr. MINETA. Mr. Bosco?

Mr. BOSCO. No questions, Mr. Chairman.

Mr. MINETA. Mr. Clement?

Mr. CLEMENT. Tell me exactly where this road would run.

Mr. ERDREICH. This is the completion of—what we have in Jefferson County, Alabama, Bob, is really half a beltway. We've got a southern beltroad that is in the south of Jefferson County, Alabama. This would continue that and complete it as the so-called Northern Beltline. It would be in the north of Jefferson County. It would provide tremendous new access through the county, relieve what really is an overly congested center county interstate system, which is I-59 and I-20 running through the center of our county. It would provide access toward Nashville. It would provide a better transportation net, really, from the north of our county to our neighboring counties and neighboring States.

Again, to me it would be an enhancement of our existing interstate system, make that more efficient, and be a benefit not just to Jefferson County and Alabama but to neighboring States such as Tennessee and throughout the interstate network system.

Mr. CLEMENT. Thank you.

Mr. MINETA. Very well. Thank you very much, Mr. Erdreich.

Mr. ERDREICH. Thank you very much, Mr. Chairman, for your courtesy. Thank you all.

[Mr. Erdreich's prepared statement follows:]

STATEMENT OF
THE HONORABLE BEN ERDREICH
before the
SUBCOMMITTEE ON SURFACE TRANSPORTATION
OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

Thursday, March 15, 1990
10:00 a.m.

MR. CHAIRMAN, I AM HERE TODAY TO REQUEST THAT THE PROPOSED NORTHERN BELTLINE FREEWAY IN JEFFERSON COUNTY, ALABAMA, WHICH I REPRESENT, BE CONSIDERED FOR INCLUSION IN THE NEXT SURFACE TRANSPORTATION AUTHORIZATION BILL.

A PARTIAL BELTWAY CURRENTLY EXISTS TO THE SOUTH OF THE CITY OF BIRMINGHAM, I-459, WHICH CONNECTS I-59 TO I-20. THE NORTHERN BELTLINE IS A PROPOSED 41.3 MILE HIGHWAY DESIGNED TO COMPLETE THE LOOP AROUND THE BIRMINGHAM AREA BY BEING A NORTHERN EQUIVALENT TO I-459.

AS THE INITIAL PROPONENT OF THIS EFFORT IN CONGRESS, I AM WELL AWARE OF THE VITAL IMPORTANCE OF THE PROJECT TO IMPROVING THE FLOW OF TRAFFIC IN AND AROUND JEFFERSON COUNTY. BUT THE COMPLETION OF THIS FREEWAY IS ALSO VITAL TO OUR COUNTY'S ECONOMIC GROWTH AND JOB DEVELOPMENT, PARTICULARLY IN THE NORTHERN PART OF THE COUNTY.

NEW GROWTH AND DEVELOPMENT IN THE BIRMINGHAM, ALABAMA METROPOLITAN AREA MAKES THE COMPLETION OF THIS ROADWAY A PRIORITY FOR FURTHER ECONOMIC DEVELOPMENT OF OUR AREA.

DURING THE PAST 20 YEARS, THIS GROWTH AND DEVELOPMENT HAS BEEN CONCENTRATED PRIMARILY IN THE SOUTHERN AND EASTERN PORTIONS OF THE URBAN COUNTY. THE SOUTHERN PORTION OF JEFFERSON COUNTY HAS BEEN IN SUCH DEMAND

THAT DEVELOPMENT HAS SPILLED INTO NORTHERN SHELBY COUNTY FOR THE PAST DECADE. DEVELOPMENT IN THE EASTERN PORTION OF THE COUNTY ACCELERATED WITH THE COMPLETION OF I-59 IN THAT AREA.

GROWTH IN THE NORTHERN AND WESTERN PORTION OF THE COUNTY HAS OCCURRED AT A SLOWER RATE IN COMPARISON TO THE SOUTHERN AND EASTERN AREAS, DUE IN LARGE PART TO THE LACK OF AN EAST-WEST HIGHWAY, SUCH AS THE NORTHERN BELTLINE, LAND HELD IN LARGE OWNERSHIP, MINING ACTIVITY IN THE AREA, TOPOGRAPHIC CONSTRAINTS AND UTILITY AVAILABILITY.

IN SEPTEMBER 1988, THE HOUSE AUTHORIZED $675,000 FOR A FEASIBILITY STUDY, AND WITH A LOCAL MATCH OF OVER $500,000, EFFORTS ARE CURRENTLY UNDERWAY TO COMPLETE THAT STUDY AND CORRIDOR ENGINEERING BY LATE 1991.

LOCAL ELECTED OFFICIALS, UNDER THE LEADERSHIP OF THE JEFFERSON COUNTY COMMISSION, ARE COMMITTED TO THE CONSTRUCTION OF THIS HIGHWAY LINK. ITS COMPLETION WOULD BE A GREAT BOOST TO COMMERCIAL AND RESIDENTIAL DEVELOPMENT IN THE VICINITY OF THE BELTWAY INTERCHANGES AND ALONG MAJOR CORRIDORS. IT WOULD ALSO ENHANCE THE INDUSTRIAL POTENTIAL OF THE AREA AND EXPAND THE ECONOMIC BASE OF THE ENTIRE METROPOLITAN AREA.

THE NORTHERN BELTLINE IS IMPORTANT TO THE FUTURE OF JEFFERSON COUNTY, ALABAMA. I THANK THE SUBCOMMITTEE MEMBERS FOR THIS OPPORTUNITY TO TESTIFY THIS MORNING, AND URGE YOU TO INCLUDE THE PROPOSED NORTHERN BELTLINE FREEWAY IN THE NEXT SURFACE TRANSPORTATION AUTHORIZATION BILL.

Mr. MINETA. At this time I would like to call forward the very distinguished gentleman from Pennsylvania, Congressman Schulze. Congressman Schulze, as all of you know, is a very powerful member of the Ways and Means Committee.

It is nice to have you before us, Congressman. Your statement will be made a part of the record. You may go ahead and proceed in your own fashion.

STATEMENT OF HON. RICHARD T. SCHULZE, A REPRESENTATIVE IN CONGRESS FROM PENNSYLVANIA

Mr. SCHULZE. Thank you very much, Mr. Chairman. It is a privilege and an honor to appear this morning before this distinguished, powerful, august committee.

Mr. Chairman, I do appreciate and thank you for the opportunity to testify today on the most urgent transportation need of southeastern Pennsylvania, the building of the Exton Bypass. This bypass would help a region that is an excellent case study in how transportation problems can gridlock suburban mobility.

In 1792, the Philadelphia and Lancaster Turnpike Road Company began construction of the first turnpike in America. The 50-foot-wide, 62-mile-long turnpike cost $465,000 and opened in 1795. In Chester County the alignment of that road roughly parallels what is now U.S. Route 30. Where 200 years ago the travelers had a reliable east-west roadway through the region, today they do not. Let me explain why.

From 1970 to 1990, Chester County's population increased about 30 percent. Employment rose more than 60 percent. In the past 10 years both Chester County vehicle registration and vehicle miles of travel increased 30 percent. The percentage of urban area in the county has gone from 22 percent in 1980 to approximately 45 percent today.

As these statistics suggest, development has been intense, if not severe. Chester Valley has become the "high tech" corridor of the Philadelphia area. Development proposals over the last three years alone could consume 19 percent of the county. In fact, within the five-mile alignment of the bypass, 8,500 dwelling units and 18.5 million square feet of additional office, commercial, or industrial space are proposed. This would generate another 375,000 trips per day. Add that to the 110,000 trips per day already passing through Exton. Of these trips, about 60 percent of the traffic comes from vehicles having neither an origin nor a destination in the area.

During this dynamic expansion, where U.S. 30 simply continued to carry a heavier traffic burden without improvement, the community did not ignore the growing problem. Instead, the community pleaded for State funds. For more than 25 years the residents of Chester County have asked the Commonwealth of Pennsylvania to alleviate the heavy traffic.

This could easily be accomplished by extending U.S. Route 202 at its interchange with existing U.S. Route 30 west for five miles, past Pennsylvania Route 100, to the interchange of the Downingtown Bypass and U.S. Route 30. In effect, the residents want the three limited access highways directly linked by a four-lane divided highway. This would end the highway gap that generates extreme sub-

urban mobility problems. For now, regrettably, the residents continue to wait.

Mr. Chairman, U.S. Route 30 needs help and it needs it now. The corridor is the most significant non-toll roadway west from Philadelphia to south-central Pennsylvania, and is a critical link to Harrisburg, York, and Lancaster.

The construction of the Exton Bypass is the number one transportation priority of the Chester County government. The community support is unanimous. The new highway has been formally supported by regional councils, chambers, business organizations, and regional planning commissions.

Local business interests, worried about workforce accessibility and potential for growth, have also united behind the project, committing themselves to financing a portion of the utility relocation. In fact, from the Ports of Philadelphia and Wilmington to central Pennsylvania, commerce is relying on the construction of this bypass.

In Harrisburg, the State Department of Transportation designated the Exton Bypass as a "Highway of National Significance." The Pennsylvania Secretary of Transportation wrote to me this past December that he and Governor Casey will "continue to work cooperatively at the Federal, State, and local levels to find ways to advance this important project."

Noting the hazard of mixing high-density local and regional traffic on a three-lane highway, the State has also identified the U.S. Route 30 corridor as one of the 55 highest accident corridors in Pennsylvania.

The United States Congress has recognized the need for the Exton Bypass, as well. The Interstate Transfer-Highway Allocations section of the Department of Transportation and Related Agencies appropriation bill in 1990 says, "The committee directs that of the amount allocated to Pennsylvania, priority consideration should be given to the completion of the Exton Bypass." The Senate version of the same bill says, "The committee is aware of the traffic congestion in the Exton, Pennsylvania area and recommends that discretionary funding be expended to alleviate this problem."

I refer you to the map, put up by my assistant, entitled "Modal Integration Concept." As you can see, the point where the bypass and U.S. Route 202 connect holds great potential as an interchange area, ideal for modal integration, a concept included in the U.S. Department of Transportation's national strategy. You are well aware of that.

Presently, there are three public transportation systems which operate through the area: train and bus lines of Southeastern Pennsylvania Transportation Authority, and Amtrak. Negotiations are already underway for a privately-financed commuter rail station on the land immediately adjacent to the Exton Bypass/U.S. Route 202 interchange.

Mr. MINETA. Dick, before you proceed could you have one of your assistants point that out for us, the SEPTA/Amtrak routes?

Mr. SCHULZE. That's what he's now doing. This initiative is exactly the type of intermodal improvement critical to meeting the ob-

jectives that Secretary Skinner and this subcommittee have pointed out time and time again.

Rarely in our public lives do we encounter such total agreement on any topic. This is one case. So why do the travelers of Chester County continue to be stranded daily in traffic stand-stills? The answer is funding.

Currently, the bypass is in phase one of a three-phase, twelve-year plan which began in 1988. The total cost is approximately $100 million. The money for phase one that comes from the interstate transfer program will be spent with a formula of 85 percent Federal and 15 percent State. Other available money for phase one will be split 75 percent Federal and 25 percent State, from the Federal-aid Primary Fund. The second and third phases will be spent 75 percent Federal and 25 percent State, and local money will cover portions of the utility relocation.

Complete design, environmental impact studies, and acquisition of right-of-way comprise phase one, which began in 1988 and ends in 1992. Slated for second phase work is utility relocation and construction. Phase three will complete construction, hopefully by the year 2000.

Well, there are two major problems with this schedule. For one, the construction costs exceed the program MED funds by $20 million to $25 million. Secondly, money that is programmed is not available soon enough to make a difference. At this rate, it will probably take 35 years to build just 5.5 miles of essential highway.

As I sit before this subcommittee today, the environmental impact statement has already been signed by the Federal Highway Administration. The right-of-way acquisition is 99 percent complete. The design aspects are more than 50 percent finished. The utility relocation will be accomplished by 1991.

Mr. Chairman, the Exton Bypass is ready to be constructed next year. I propose to this subcommittee that the Exton Bypass receive $73.7 million in Federal funds. This money would enable the Pennsylvania Department of Transportation to award construction contracts for the entire five-mile highway. At the latest, the citizens and businesses throughout the corridor would be utilizing their new highway by 1994.

Mr. Chairman, I thank the subcommittee for the opportunity to detail this most pressing transportation problem in southeastern Pennsylvania. I urge the subcommittee to fund the immediate completion of this bypass, to not only relieve my constituents, but Pennsylvania drivers in that immediate area, from this massive gridlock.

Thank you for your consideration. I would be happy to answer any questions.

Mr. MINETA. Thank you very much, Congressman Schulze.

Your statement reflects strong Federal, State, and local support for the expedited completion of this Exton Bypass. There is strong support for completion of the Exton Bypass, especially in the use of Federal-aid funds for this, but I would like to ask, is it your belief that if funds were readily available to the State, that this project could be completed within the next three years?

Mr. SCHULZE. Absolutely, Mr. Chairman.

Mr. MINETA. And other than the outlining of the fund that you were talking about, in terms of the locals doing the relocation of utilities, do you think that there's any chance of any additional resources being committed from the local sector, given the fact that—you talked about the 18.5 million square feet and all the dwelling units that would be going in there—it seems to me that we have to participate in these programs, but if the surge is really coming from local development, I'm wondering to what extent there may be a stronger local commitment other than the 85/15 or 75/25?

Mr. SCHULZE. Under the modal integration concept, private funds are prepared, if this project moves forward, to build a rail station and do things which normally would come under, perhaps, public funding.

So the answer to your question is yes, I believe that it is an opportunity for some concepts—I perhaps would not use the word "experimentation," but perhaps breaking new ground in the field of transportation and related fields through cooperation with the private sector.

Mr. MINETA. Are there any local developmental funds imposed on the development community?

Mr. SCHULZE. No, there are not. That has been discussed, but most of the developers in the area have been extremely cooperative with county officials, either in changing plans or with financial contributions, so——

Mr. MINETA. They are making some form of financial commitment?

Mr. SCHULZE. Yes.

Mr. MINETA. Thank you very much, Mr. Schulze.

Mr. Shuster?

Mr. SHUSTER. Thank you very much. I certainly welcome my good friend and colleague from Pennsylvania.

Mr. Chairman, I have been to this location and have inspected it. I can underscore first hand everything that Congressman Schulze says about the vital need for this project to be completed quickly.

Congressman, I am very pleased to hear from your report that the Pennsylvania Department of Transportation has designated this as a "Highway of National Significance." I know, again first hand, of the tremendous effort on your part to make that come true and the high priority that you give to this important project.

It is my hope that as we proceed here with the authorization of new highway and transit legislation, which will probably come to fruition in 1991 legislation, that we can indeed adopt what might be called a National Highway System which will encompass the Highways of National Significance, something akin to what the Interstate System has been in the past. Of course, the first leg of that would be the Interstate System, but it would identify those other highways. The fact that you through your efforts have been able to get the State to designate this says that we should be on the way to including this, hopefully in that fashion, so that it would be designated for funding. But if for some reason not in that fashion, there are other means and ways that we will have to use, because I vigorously support what you are attempting to do.

Mr. SCHULZE. Let me just say that I not only appreciate the support that this subcommittee and the staff have given, but also per-

sonally from you, Mr. Shuster. You and your staff have been most generous with your time and cooperation.

Mr. SHUSTER. Well, thank you very much.

Thank you, Mr. Chairman.

Mr. MINETA. Mr. Bosco?

Mr. BOSCO. Thank you, Mr. Chairman.

I also thank our colleague from Pennsylvania. I have not been to the site; in fact, I can barely see it from here. [Laughter.]

But I think that you make a very strong case. Sometimes we tend to think of highways as just paving and something that doesn't affect people's lives all that much, but when you think of the wealth and prosperity that can be created for that entire region by this stretch of road, it is an investment like none other that the Government can make. I, for one, thank you for being here.

Mr. SCHULZE. If that highway had been there, George Washington would not have had to suffer that winter in Valley Forge. [Laughter.]

Mr. BOSCO. You know, our committee certainly would have wanted to prevent any suffering on his part.

Thank you very much for your presentation.

Mr. MINETA. Mr. Grant?

Mr. GRANT. No questions, Mr. Chairman.

Mr. MINETA. Mr. Laughlin?

Mr. LAUGHLIN. Dick, thank you very much for being here.

One item of your testimony that really struck a chord with me was when you were talking about the traffic delays and the cost to business in productivity. If you take that and spread it around nationwide, it really is a strong endorsement of why we have a responsibility to our country, both in the economic arena and the defense arena, for improving our infrastructure.

So I thank you for your comments and appreciate your being here.

Mr. SCHULZE. My pleasure.

Mr. MINETA. Mr. Clement?

Mr. CLEMENT. Nothing, Mr. Chairman.

Mr. MINETA. Mr. Skaggs?

Mr. SKAGGS. No questions, Mr. Chairman.

Mr. MINETA. If there are no further questions, thank you, Mr. Schulze, very, very much.

Mr. SCHULZE. Thank you, Mr. Chairman.

[Mr. Schulze's prepared statement follows:]

PREPARED TESTIMONY OF HON. RICHARD T. SCHULZE—THE EXTON BYPASS

Mr. Chairman, I want to thank you for the opportunity to testify today on the most urgent transportation need of Southeast Pennsylvania, the building of the Exton Bypass. The bypass would help a region that is an excellent case study in how transportation problems can gridlock suburban mobility.

In 1792, the Philadelphia and Lancaster Turnpike Road Company began construction of the first turnpike in America. The 50 foot wide, 62 mile long turnpike cost $465,000 dollars and opened in 1795. In Chester County, the alignment of that road roughly parallels what is now U.S. Route 30. Where two hundred years ago the travellers had a reliable east-west roadway through the region, today they do not.

Let me explain why. From 1970 to 1990, Chester County's population increased about 30 percent. Employment rose more than 60 percent. In the past ten years, both Chester County vehicle registration and vehicle miles of travel in the county

increased 30 percent. The percentage of urban area in the county has gone from 22 percent in 1980 to approximately 45 percent today.

As these statistics suggest, development has been intense. Chester Valley, of which U.S. Route 30 is an integral part, has become the "hi-tech" corridor of the Philadelphia area. Development proposals over the last three years alone could consume 19 percent of the county. In fact, within the five mile alignment of the bypass, 8,500 dwelling units and 18.5 million square feet of additional office, commercial or industrial space are proposed. This would generate another 375,000 trips per day added to 110,000 trips per day already passing through Exton. Of these trips, consider that 60 percent of the traffic comes from vehicles having neither an origin nor a destination in the area.

During this dynamic expansion, U.S. Route 30 simply continued to carry a heavier traffic burden, without improvement. The community did not ignore the growing problem; instead, the community pleaded for state funding.

For more than 25 years, the residents of Chester County have asked the Commonwealth of Pennsylvania to alleviate the heavy traffic. This could easily be accomplished by extending U.S. Route 202 at its interchange with existing U.S. Route 30 west for five miles, past Pennsylvania Route 100 to the interchange of the Downingtown Bypass and U.S. Route 30. In effect, the residents want the three limited access highways directly linked by a four-lane divided highway. This would end the highway gap that generates extreme suburban mobility problems. For now, regrettably, the residents continue to wait.

Mr. Chairman, U.S. Route 30 needs help and needs it now. The corridor is the most significant non-toll roadway west from Philadelphia to south-central Pennsylvania, and is a critical link to Harrisburg, York and Lancaster.

The construction of the Exton Bypass is the number one transportation priority of the Chester County government. Community support is unanimous. The new highway has been formally supported by regional councils, chambers, business organizations and regional planning commissions.

Local business interests—worried about workforce accessibility and potential for growth—have also united behind the project, committing themselves to financing a portion of the utility relocation. In fact, from the Ports of Philadelphia and Wilmington to central Pennsylvania, commerce is relying on the construction of this bypass.

In Harrisburg, the state Department of Transportation designated the Exton Bypass as a highway of "national significance." The Pennsylvania Secretary of Transportation wrote to me this past December that "Governor Casey and I will continue to work cooperatively at the federal, state and local levels to find ways to advance this important project."

Noting the hazard of mixing high density local and regional traffic on a three lane highway, the State has also identified the U.S. Route 30 corridor as one the 55 highest accident corridors in Pennsylvania.

The United States Congress has recognized the need for the completion of the Exton Bypass as well. The Interstate Tranfer-Highway Allocations section of the House of Representatives Department of Transportation and Related Agencie Appropriations Bill, 1990, says, "The Committee directs that of the amount allocated to Pennsylvania, priority consideration should be given to completion of the Exton Bypass."

In the Senate version of the same bill, the necessity for Exton Bypass is recognized with the following language: "The Committee is aware of the traffic congestion in the Exton, Pennsylvania area and recommends that discretionary funding be expended to alleviate this problem."

The Exton Bypass also easily lends itself to the improvement of suburban mobility. The point where the bypass and U.S. Route 202 connect holds great potential as an interchange area ideal for modal integration, a concept included in the U.S. Department of Transportation's national strategy.

Presently, three public transportation systems operate through the area: the train and bus lines of Southeastern Pennsylvania Transportation Authority (SEPTA), and AMTRAK. By train, the SEPTA commuter rail line runs between the Downingtown Borough and Philadelphia, while Amtrak provides service from Philadelphia to Harrisburg, Pittsburgh and points west. The SEPTA bus route cuts directly through this location, serving the King of Prussia area.

Already, negotiations are underway for a private financed commuter rail section on the land immediately adjacent to the Exton Bypass/U.S. Route 202 interchange. This type of intermodal improvement initiative is critical to meeting policy objectives of Secretary of Transportation Samual Skinner and this subcommittee.

Rarely in our public lives do we encounter such total agreement on any topic. This, however, is one such case. So why do the travellers of Chester County continue to be stranded daily in traffic stand-stills? The answer, of course, is funding.

Currently, the bypass is in phase one of a three-phase twelve-year plan that began in 1988. The total cost is approximately $100 million. The money for phase one that comes from the interstate transfer program will be spent with an 85 percent federal and 15 percent state formula. Other available money for phase one will be split 75 percent federal and 25 percent state, from the federal aid primary fund. The second and third phase will be spent 75 percent federal and 25 percent state. Local money will cover portions of the utility relocation.

Beginning in 1988, complete design, environmental impact studies, and acquisition of right of way comprise phase one. During the second phase, from 1992 to 1996, utility relocation and construction are slated to take place. If the money can be found, phase three will complete construction, hopefully by the year 2000. However, the construction costs exceed the programmed funds by $20 to $25 million, and the funds that are programmed are not available soon enough.

If we continue forward at this pace it will take 35 years to build just 5.5 miles of essential highway.

As I sit before this subcommittee today, the environmental impact statement is completed and signed by the Federal Highway Administration. The right of way is 99 percent complete. The design aspects are more than 50 percent complete. The utility relocation will be accomplished in 1991. Mr. Chairman, the Exton Bypass is ready to be constructed next year.

I propose to this subcommittee that the Exton Bypass receive $73.7 million in federal funds. This money would enable the Pennsylvania Department of Transportation to award construction contracts for the entire five-mile highway. At the latest, citizens and businesses throughout the corridor would be utilizing their new highway by 1994.

Again, I thank the subcommittee for the opportunity to detail the most pressing transportation need of Chester County. I urge the subcommittee to fund the immediate completion of the Exton Bypass, and relieve my constituents and Pennsylvania drivers from massive gridlock.

Thank you for your consideration.

Mr. MINETA. At this time I would like to call on a very fine Member, Mrs. Smith from Nebraska, if you would please come forward.

Mrs. Smith, do we have a copy of your testimony?

Mrs. SMITH. Yes, you do.

Mr. MINETA. Thank you. If you would go ahead and proceed, I will make your statement a part of the record.

TESTIMONY OF HON. VIRGINIA SMITH, A REPRESENTATIVE FROM NEBRASKA, ACCOMPANIED BY DAVID NITSCHKE, M.D., PRESIDENT, REGIONAL WEST MEDICAL CENTER, SCOTTSBLUFF, NE, AND KATHI SWANSON, M.D., REPRESENTATIVE, HEARTLAND EXPRESSWAY SUPPORTERS

Mrs. SMITH. Thanks, Mr. Chairman, Mr. Shuster, and all the members of the committee. I do appreciate this opportunity to appear before you this morning on behalf of two very important pieces of legislation.

First I want to briefly outline a bill I introduced last session, H.R. 368, the Rural Transportation Equity Act of 1989. This bill was designed to focus attention on the unique intercity transportation needs of rural America, which actually have been largely ignored by the Urban Mass Transit Administration.

For instance, while 38 percent of the Nation's population live in rural areas, and while rural Americans tend to be more elderly and have lower income than the population in general, rural America received 3.95 percent of total mass transit formula funds

in 1989. That's less than 4 percent of the funds for 38 percent of our population.

My bill would bring greater equity in transit funds by increasing rural America's share of mass transportation funds to 6 percent. This shift in funding would be used in conjunction with another provision of the bill, which would establish a new State-administered block grant program for rural and small urban areas, designed to raise funding for those areas by 50 percent.

In addition, my bill would establish a "Rural Mobility Working Group" within UMTA to ensure coordination of all UMTA activities with an impact on rural and specialized transportation.

Mr. Chairman, I would like to submit additional information on this bill for the record.

Secondly, I would like to tell you about an exciting project being undertaken in Nebraska's panhandle, the Heartland Expressway. This proposed four-lane expressway would stretch from Rapid City, South Dakota through western Nebraska to Interstate 80 at Kimball, and would provide a much-needed transportation and economic development link for this rural area.

Funds are needed at this point for a corridor study of the area. The local people are currently raising funds for this study, and the State has pledged $100,000.

Two Nebraskans have traveled to Washington today on behalf of the Heartland Expressway supporters. David Nitschke is the President of the Regional West Medical Center in Scottsbluff, Nebraska. This facility is very, very important to the western half of our State, people who do not have access to health care in their own small communities. An expressway through Scottsbluff would strengthen significantly the accessibility of folks in western Nebraska to quality health care. I am pleased that David has made this special effort to come and be with us today, to share in asking questions. However, he has chosen—and Dr. Kathi Swanson has chosen—that she, an official representative of the Heartland Expressway Supporters, will provide this subcommittee with testimony and additional information on the record about this endeavor, which is so important to my Congressional District. I present Dr. Kathi Swanson.

Mr. MINETA. Dr. Nitschke, Dr. Swanson, we are pleased to have you here. You are ably represented by Congresswoman Smith, so if you would go ahead and proceed in your own fashion, please.

Dr. SWANSON. Thank you very much, Mr. Chairman, and thank you, Mrs. Smith.

I would also like to introduce Wes Shelton, on your left, helping us hold our map, from our Rapid City delegation in this unified effort, and also Chuck Vanderzill.

In order to bring rural development opportunities to western Nebraska and to aid in the growth in western South Dakota, we are requesting $1 million in Federal demonstration funds for a corridor study to examine the feasibility of a proposed four-lane expressway—not interstate—route from Denver, Colorado to Rapid City, South Dakota through the panhandle of Nebraska. This proposed route would connect north-south three major interstates and cities in the west: Denver via I-25 to I-80 at Cheyenne, Wyoming, to Kimball, Nebraska, to I-90 in Rapid City, South Dakota.

The Governor and the State of Nebraska have already committed to build the first link of this expressway with State funds, the Highway 71 section between Kimball and Scottsbluff. The 22 communities along this route in the States of Nebraska and South Dakota have pledged over $220,000 for the match funding for the Federal demonstration project for the corridor study.

By examining the population density map of the western area one can see the highest population concentrations. Denver is the major trade center for this region, and most commerce flows in and out of Denver. If you overlay the current Interstate System you can see that the most dense areas in Nebraska and South Dakota, the western end, are not connected to Denver by a suitable four-lane route. This expressway would connect the four most dense population areas: Denver to Cheyenne to Scottsbluff to Rapid City, South Dakota. This expressway would connect over 3 million people and provide access to over 20 million visitors to tourism and markets.

In order for rural areas to participate in the growth in the urban centers, a recoupling between the urban and rural centers has to occur. Our areas have the advantages that today's manufacturers are looking for: efficient labor, high quality of life, cheap energy, good educational systems, and health care. However, for the rural areas to participate in the growth that the urban regional centers have been experiencing there has to be a modern highway system for the movement of people and goods into major markets.

The Black Hills area supporters view the proposed four-lane expressway, beginning at Kimball, as a natural draw for tourists into the Black Hills. Tourists would be encouraged to experience the Oregon Train, with the rich history of the old west available in the panhandle of Nebraska. The area is rich in National Parks and recreation areas and in entrepreneurial endeavors. Improvements in Scottsbluff National Monument, Chimney Rock Visitors Center, Agate Fossil Beds, and Fort Robinson are underway at local, State, and Federal levels.

The Nation's shrine of democracy, Mount Rushmore, is located in the Black Hills of western South Dakota. This awe-inspiring national memorial hosts over 2 million visitors per year. Yet, as important as it is, the American Automobile Association can't provide a trip map showing a route to reach Mount Rushmore from Denver, which is our major metropolitan market.

While some national writers deride the status of the west, the fact remains that the economy of Rapid City is outperforming the Nation's economy in several respects. Our manufacturing employment and our overall employment have been growing faster than the rest of the Nation. Pennington County, at the north end of this corridor, had a population growth rate of 16.4 percent in the 1980s. This growth is putting strains on our infrastructure, and it will continue.

People who travel one segment of this proposed highway display bumper stickers reading, "I Survived Highway 79." Current traffic counts on this two-lane section of road south of Rapid City, which would become a part of the expressway, are almost equal to the traffic counts on Interstate 90 in South Dakota.

We have reasonable access to the east and west, but north-south transportation is at a serious disadvantage. Manufactured prod-

ucts, as well as agricultural products, must be shipped hundreds of miles to the nearest markets. The current north-south routes to Denver are insufficient for our market area.

A report by an Agriculture Department task force earlier this year said the rural economy has difficulty keeping pace with national economic growth because of the small size of communities, isolation, unskilled labor, and a lack of institutional support. Improving the labor force and institutional support or activities are being addressed and improved at local and State levels. The development of highways to aid in solving the isolation problem is an activity that both urban and rural communities cannot look to the private sector to provide, but in partnership, must work with the public sector.

By enhancing the access between urban and rural areas, we believe that the expressway will create a synergy that will benefit both areas, our States, and that part of the country.

Thank you, Mr. Chairman.

Mr. MINETA. Thank you very much, Dr. Swanson.

Mrs. Smith, as the committee develops legislation for the reauthorization of this post-Interstate surface transportation program, a major focus will be to provide greater flexibility for State and local governments to address their transportation needs in rural and urban areas.

Would the authorization of a rural program that provides the States the authority to use their apportioned funds for mass transit and highway purposes address some of the transportation needs and the concerns that you are raising about rural America?

Mrs. SMITH. I think it would be a key part of addressing those concerns. For instance, perhaps we could have the flexibility to promote this study and carry it forward. We could have the flexibility under this kind of a program to keep bus lines going in Nebraska that can't make it without a little help.

I think that this is a vital part of improving the whole rural transportation picture, and I am delighted to have your expression of interest.

Mr. MINETA. Very good.

Mr. Shuster?

Mr. SHUSTER. Thank you, Mr. Chairman.

Virginia, we certainly appreciate your leadership in this area, particularly those of us who represent rural areas. We look to you for your wisdom and guidance, and I am just sorry that you're not going to be here in the next Congress because America is going to be a loser as a result of your retirement. We are certainly going to do everything we can to help you while you are here and afterwards as well, and wish you the very best in the future.

Mrs. SMITH. I thank you very much for that, and I'm going to miss you, too.

Mr. MINETA. Mr. Bosco?

Mr. BOSCO. I have no questions, Mr. Chairman.

Mr. MINETA. Mr. Grant?

[No response.]

Mr. MINETA. Mr. Clement? Mr. Packard? Mr. Skaggs?

[No response.]

Mr. MINETA. Virginia, thank you very, very much for your presentation here, and Dr. Nitschke and Dr. Swanson, thank you very much for taking time from your own valuable schedule to have this unified front before the subcommittee. Thank you very, very much.

[Mrs. Smith's prepared statement follows:]

TESTIMONY OF CONGRESSWOMAN VIRGINIA SMITH
MARCH 15, 1990
PUBLIC WORKS AND TRANSPORTATION SURFACE TRANSPORTATION SUBCOMMITTEE

Thank you so much for allowing me to testify today on two important rural transportation initiatives.

First, I want to briefly outline a bill I introduced during the last session--HR 368, the Rural Transportation Equity Act of 1989.

This bill was designed to focus attention on the unique intercity transportation needs of rural America, which largely have been ignored by the Urban Mass Transportation Administration.

For instance, while 38 percent of the nation's population lives in rural areas, and while rural Americans tend to be of lower income and more elderly than the population in general, rural America received only 3.95 percent of total mass transit formula funds in fiscal 1989.

My bill would bring about greater equity in transit funding by increasing rural America's share of mass transportation formula funds to 6 percent. This shift in funding could be used in conjunction with another provision of the bill, which would establish a new state-administered block grant program for rural and small-urban areas, designed to raise funding for these areas by 50 percent.

In addition, the bill would establish a "Rural Mobility Working Group" within UMTA to ensure coordination of all UMTA activities with an impact on rural and specialized transportation.

Mr. Chairman, I would like to submit additional information on my bill and the state of rural transportation for the record.

Secondly, I would like to tell you about an exciting project being undertaken in Nebraska's panhandle--the Heartland Expressway.

38-253 O—91——17

This proposed 4-lane expressway would stretch from Rapid City, South Dakota, through western Nebraska to Interstate 80 at Kimball, and would provide a much-needed transportation and economic development link for this rural area.

Funds are needed at this point for a corridor study of the area. The local people are currently raising funds for this study, and the state has pledged $100,000.

Two Nebraskans have traveled to Washington today on behalf of Heartland Expressway supporters.

David Nitschke is the President of Regional West Medical Center in Scottsbluff, Nebraska. This facility is very important for rural Nebraskans who do not have access to health care in their own small communities and other outlying areas. An expressway through Scottsbluff would certainly make it easier for rural citizens to get to that important facility.

I am pleased that David has taken the time out of a busy schedule to come to Washington on behalf of this worthwhile project.

Dr. Kathi Swanson, a representative of Heartland Expressway supporters, has also traveled from Scottsbluff, Nebraska, to provide the subcommittee with testimony and additional information for the record today about this ambitious endeavor.

TESTIMONY SUBMITTED FOR THE HEARING RECORD BY
CONGRESSWOMAN VIRGINIA SMITH

MARCH 15, 1990

I greatly appreciate having the opportunity to submit additional material on HR 368 and the state of rural transportation in this country for the March 15, 1990 hearing record.

On the first day of the 101st Congress, I introduced HR 368, the Rural Transportation Equity Act of 1989. This legislation seeks to:

o Increase the share of mass transportation formula funds for rural areas from 2.93 to 6 percent.

o Establish a new state-administered block grant program for rural and small-urban areas, designed to raise funding for these areas by 50 percent.

o Change the name of the Urban Mass Transportation Administration to "Public Transportation Administration."

o Establish a "Rural Mobility Working Group" within UMTA to ensure coordination of all UMTA activities with an impact on rural and specialized transportation. The group will meet with the operators of rural transit systems on a quarterly basis to discuss training and technical assistance needs and priorities, research priorities, and coordination problems.

o Require UMTA to report to Congress annually on the levels of funding and other assistance going to rural transit operations as compared to those in urban areas.

o Require the Secretary of Transportation to urge the governor of each state to appoint a state ombudsman to coordinate public and human service transportation resources in rural areas of each state.

I have had a tough time getting this moving, and time and money are short. As the federal budget tightens, the rural-urban conflict over available funding intensifies. But the transportation problems facing rural America are great, and the goals of my bill are fair and prudent in this light.

One of my goals is modest, indeed: To increase to 6 percent rural America's share of mass transportation formula funds. Among steps necessary to achieve this would be to double the amount of DOT Section 18 funding, the only source of funding specifically designated for public transportation in non-urban areas.

Rural America continues to change. Today, the number of farms is one-third what it was in 1935, and the rural nonfarm population outnumbers the farm population by a ratio of 6 to 1.

Nevertheless, census data estimate that in 1987 at least 56,767,563 Americans lived in communities of 50,000 population or less and in the countryside covering 84 per cent of the United States' land area.

While these may be the neediest rural citizens in terms of transportation, the Department of Transportation (DOT) estimates the countryside is inhabited by about 90 million rural Americans or approximately 38 per cent of the 1987 total US population of about 243,395,996.

It should shock the nation that that this 38 per cent of the population annually receives only about 3.5 per cent of federal mass transit assistance or about $66.2 million in fiscal 1989, according to DOT.

In other words, for every federal transportation dollar invested or spent in rural areas, 28 federal dollars are invested or spent in urban areas.

The Washington, D.C., Metropolitan Area Transit Authority, serving a resident population of only about 3,000,000 persons, provides an example of federal funding bias for urban needs:

In fiscal 1989, we spent about $168 million of federal construction funds on the Washington, D.C. bus and subway transportation system alone. To finish the 103-mile system would require an additional $2.2 billion of federal funds. State and local cost-sharing from the very start 20 years ago would swell the grand total construction cost to at least $9.8 billion.

And, Washington, D.C., rail and bus passenger fares probably never will provide more than about 55 per cent of the revenue toward annual system operating costs, currently about $500 million a year. Federal, state, and local tax dollars make up this staggering, annual loss.

Yes, it is the nation's capital. Yes, one million passengers a day, including hundreds of thousands of visitors from all over the country, use the Washington Metro System's buses and subways.

The Washington Metro System provides wonderful service. I wish we had comparable--and affordable, of course--service in rural areas. I think our rural citizens deserve similar federal commitment commensurate with their needs.

But how unfair it seems to allocate for transportation to just one city of 3,000,000 population--no matter how important--in fiscal 1989 more than double the amount spent to assist the transportation needs of at least 56 million rural citizens.

My bill, HR 368, the Rural Transportation Equity Act of 1989, addresses this imbalance of funding.

I have been greatly encouraged by efforts of the Urban Mass Transportation Administration (UMTA), an agency heretofore focused on urban commuting problems, to lend a hand to rural America's transportation problems.

For example, UMTA formed a Rural Working Group within the agency to focus specifically on rural problems. As a result, rural transportation projects began receiving more discretionary funding and technical assistance than ever before.

UMTA also began providing assistance to Greyhound's new Rural Connection Program, an effort to use existing transportation systems as feeders into the Greyhound routes, and for the first time is working with the US Department of Health and Human Services to coordinate transportation services for the elderly and handicapped in rural areas.

These are welcome steps in the right direction. UMTA's policymakers deserve our thanks for their concerns and their actions on behalf of rural transportation. I hope UMTA's leadership will make even greater strides to help rural areas.

Rural America is no longer entirely dependent on agriculture, but is becoming more and more economically diversified. With this diversification, the role transportation plays in building a healthy economy in turn becomes more significant and more urgent.

While best known for providing the nation's food supply, rural America also provides manufactured products, raw materials for our steel, paper, lumber, and textile mills, and power resources in the form of oil, natural gas, coal, uranium, water, and hydro-electric generation. All of these industries require a modern transportation system.

Besides business factors necessitating a comprehensive national transportation policy that includes and addresses rural needs, one must consider the impact public transportation has on the daily lives of rural people.

Rural areas have a higher proportion of children; a lower percentage of work-age population; a higher proportion of disabled; and a larger proportion of elderly than do metropolitan areas. Studies indicate that most bus passengers fall into one of the above-mentioned categories. Ridership surveys show that the typical bus passenger is either elderly or under the age of 24 and has no alternative form of transportation.

Taxicabs are few and limited to larger towns. Passenger rail service is limited or nonexistent. The only passenger trains serving Nebraska, for example, are provided by Amtrak, with middle-of-the-night stops in Omaha, Lincoln, and three cities along the southern edge of my district. Privately owned automobiles are not affordable or practical options to millions of elderly, handicapped, sick, and poor people. Driving an automobile is called a privilege, but in many areas of rural America it is a necessity.

While intercity bus service in rural America has been declining over the past 20 years, the loss has been especially dramatic since deregulation.

The US Department of Transportation reports that since 1982, when bus service was deregulated, more than 3,000 small towns have lost service. And according to a 1986 study by the Interstate Commerce Commission, 92 percent of reductions in bus service occurred in towns with less than 10,000 people.

Of utmost concern is that for many of these small communities, bus service was their last link to intercity transportation, and for many bus riders, especially the young, the poor, and the elderly, the bus was their only means of transportation.

I would like to give you an example of what I believe is fairly typical of rural bus service. Black Hills Stage Line, runs from Omaha to Rapid City, a route 564 miles long.

Most of this route runs through the northern part of Nebraska and the congressional district I represent, and it is the only bus service available.

I worked with former DOT Secretary Dole and UMTA Administrator Al DelliBovi to commission a study of the route, along with suggested alternatives to keep the route going.

The study of the ridership on the route showed that half of the riders had no other vehicle available for the trip, and two-thirds simply would not have been able to make the trip without the bus.

The study also showed that the bus passengers' median income is significantly below the average for the study area. Over one-third had household incomes under $10,000 per year.

One in five passengers used the bus to get to work, school, or Job Corps centers, and for many more, particularly the young and elderly, the bus is the only way to visit family members who live in other parts of the state.

The bus is also the only option for overnight deliveries on the western part of the route, as well as for emergency blood shipments to area hospitals.

Now, when I think of the billions of dollars spent--not only billions for urban America, but billions spent just on the Washington Metro--it seems that as a matter of equity, we must help rural Americans like these, for whom the bus is the only means of transportation available.

The revitalization of rural America will not and cannot occur until and unless we can guarantee the mobility of its residents. I am looking forward to working with this subcommittee to implement the proposals in HR 368, as well as promote other proposals to help rural America become more mobile.

TESTIMONY FOR THE FEDERAL DEMONSTRATION PROJECT FOR THE HEARTLAND EXPRESSWAY CORRIDOR STUDY

PRESENTED TO:

The Surface Transportation Subcommittee
of the Public Works Committee
of the House of Representatives

March 15, 1990

INTRODUCED BY:

Congresswoman Virginia Smith (Nebraska)
and the
Heartland Western Dakota Expressway Group

OUTLINE OF TESTIMONY

I. Proposed Heartland/ Western Dakota Expressway Project

   A. Proposed Project
   B. Progress To Date
   C. Current Commitments

II. Importance of Access for Both Rural and Urban Centers

   A. Connecting Major Centers of Population and Industry
   B. Highways Impact Economic Development
   C. Recoupling Urban and Rural Centers to Create Synergy

III. Benefits Derived for Both Urban and Rural Areas

   A. Nebraska Panhandle
   B. Western South Dakota
   C. Synergy of Benefits for Both

IV. Support for Project

   A. Local
   B. State
   C. Federal

V. References

TESTIMONY

I. Proposed Heartland/Western Dakota Expressway Project

A. Proposed Project

In order to bring rural development opportunities to Western Nebraska and to aid in the growth in western South Dakota, we are requesting $1 million dollars in federal demonstration funds for a corridor study to examine the feasibility of a proposed four lane expressway (not interstate) route from Denver Colorado to Rapid City South Dakota through the Panhandle of Nebraska. This proposed route would connect north/south three major interstates and cities in the West -- Denver via I-25 to I-80 at Cheyenne WY to Kimball, Nebraska, to I-90 in Rapid City, South Dakota.

B. Progress to Date

Governor Kay Orr and the state of Nebraska have already committed to build the first link of this expressway with state funds -- the Highway 71 section between Kimball and Scottsbluff.

C. Current Commitments

In keeping with our responsibility to plan for the future, the 22 communities along this route, the states of Nebraska and South Dakota have pledged over $220,000 for the match of funding for the federal demonstration project for the corridor study.

To date, we are bringing financial commitments of almost a quarter of a million dollars from state and local sources to this request for federal funding of the corridor study.

II. Importance of Access for Both Rural and Urban Centers

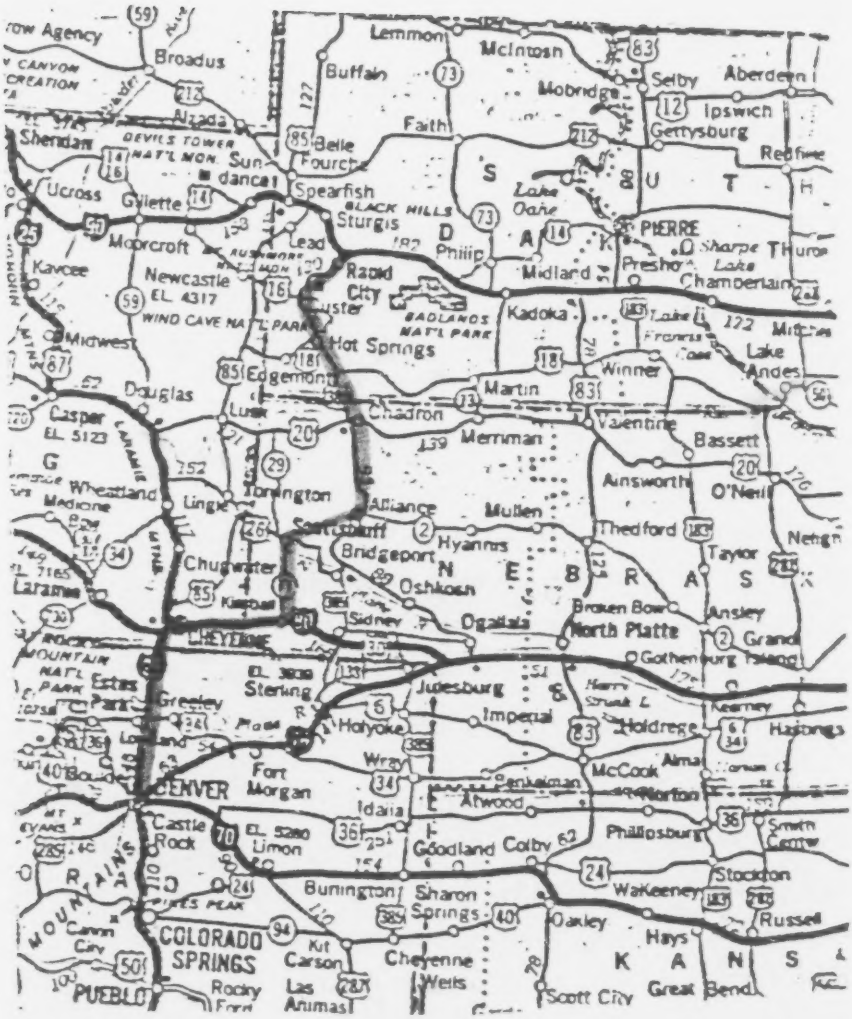
A. Connecting Major Centers of Population and Industry

Research of the impact of interstate highways on income and sales expansion has led to the conclusion that if sufficient traffic flow and economic development are to result, the points that the highway are connecting should be clearly identified. It is unrealistic to assume an expressway will carry requisite traffic flows if there are not destination points of interest to travelers or shippers (Ambrose and Pol 1988).

By examining the population density map of the western area, one can see the highest population concentrations. Denver is the major trade center for this region and most commerce flows in and out of Denver. If you overlay the current interstate system, you can see that the most dense areas in Nebraska and South Dakota are not connected to Denver by a suitable four lane route.

This Expressway would connect the four most dense population areas -- Denver to Cheyenne to Scottsbluff, NE, to Rapid City, SD. This Expressway would connect over three million people and provide access to over 20 million visitors to tourism markets.

Proposed Four Lane Highway



Heartland/ Western Dakota Expressway

Nebraska Expressway Planned

Corridor Study Being Requested

B. Highways Impact Economic Development

The connection between highway improvements and economic development is both obvious and illusive. Conventional wisdom holds that ample, well maintained highways, streets, and roads are important to an area's development potential because they provide access to resources, goods and markets. In any form of economic activity, accessibility is a critical need (Forkenbrock and Plazak 1986).

C. Recoupling Urban and Rural Centers to Create Synergy

In order for rural areas to participate in the growth in the urban centers, a recoupling between the urban and rural centers has to occur. One way for this recoupling to occur is to develop an infrastructure providing access to the urban markets from the rural areas.

Rural areas have the advantages that today's manufacturers are looking for -- efficient labor, high quality of life, cheap energy, good educational systems and health care. Both South Dakota and Nebraska are ranked in the top three of Grant Thornton's study of favorable manufacturing climates. However, for the rural areas to participate in the growth that the urban regional centers have been experiencing, there has to be a modern highway system for the movement of people and goods into major markets.

We have passed local taxes to build and maintain our own city streets and highways, but beyond our borders we must rely on the wisdom of Congress and the Federal Highway Administration officials to accommodate the growth we live with every day. Our local communities and states are willing to share in the cost of these endeavors, but highway construction is still an area that private enterprise cannot take over and requires the assistance of the Federal Government.

III. Benefits Derived for Both Urban and Rural Areas

A. Nebraska Panhandle

Research has shown that highways lead to economic stimulus in areas that have an infrastructure capable of handling growth. Counties in Iowa that had connections to the Interstate experienced a positive employment growth of 15 percent while those counties non contiguous to the Interstate lost 0.6 percent (Barton-Aschman 1989). In Pennsylvania, it was found during the 1970 to 1980 period, non-urban counties that had interstate exchanges experienced an employment growth of 15 percent, compared with 9 percent for the state as a whole (Eyerly and Downing 1987). We believe population stabilization and growth can occur in the Panhandle as a result of the four-lane expressway through continuing efforts at economic development.

The Black Hills area supporters view the proposed four-lane expressway beginning at Kimball as a natural draw for tourists into the Black Hills. Tourists would be encouraged to "Experience the Oregon Trail" with the rich history of the old west available in the Panhandle of Nebraska. The area is rich in national parks and recreation areas and in entrepreneurial endeavors. For example, one entrepreneur in Westrn Nebraska has developed a Conestoga Wagon Trail that recreates the experience of the Oregon Trail on a several day outing. Improvements in Scottsbluff National Monument, Chimney Rock visitor center, Agate Fossil Beds and Fort Robinson are underway at local, state and federal levels.

The proposed north/south expressway would have strategic importance for both Nebraska and South Dakota. Over 200 Minuteman and Peacekeeper missiles are located in the Wyoming/Nebraska/Colorado area. The Expressway Group believes improved four-lane access to this area would aid the missile squadron's mobility. In addition, Francis E. Warren AFB (Cheyenne WY) and Ellsworth AFB (Rapid City SD) would be strategically linked by four-lane access.

We believe rural bus service to western Nebraska and South Dakota should improve with the completion of a four-lane expressway. Currently, the large bus lines only travel on four-lane access

for their major routes and tend to by-pass rural America.

B. Western South Dakota

The Expressway has immeasurable importance to the economy of western South Dakota. The vastness of the American plains demands that good transportation linkages exist to provide reasonable access for people and products in and out of the area.

The nation's Shrine of Democracy, Mount Rushmore, is located in the Black Hills of Western South Dakota. This awe-inspiring national memorial hosts over 2 million visitors per year. Yet, as important as it is, the American Automobile Association can't provide a trip map showing a route to reach Mt. Rushmore from Denver which is our nearest major metropolitan market.

While some national writers deride the status of the West, the fact remains that the economy of Rapid City is outperforming the nation's economy in several respects. Our manufacturing employment and our overall employment have been growing faster than the rest of the nation. Pennington County, at the north end of this corridor, had a population growth rate of 16.4% in the 1980's.

This growth is putting strains on our infrastructure and it will continue. People who travel one segment of this proposed highway

display bumper stickers reading "I survived Highway 79". Current traffic counts on this two-lane section of road south of Rapid City, which would become a part of the Expressway, are almost equal to the traffic counts on Interstate 90 in South Dakota.

We have reasonable access to the east and west, but north/south transportation is at a serious disadvantage. Manufactured products as well as agricultural products must be shipped hundreds of miles to the nearest markets, and the current routes to Denver are insufficient for our market needs. As we improve our trade relations with Canada, our entire nation's north/south connections must be looked at closely.

C. Synergy of Benefits for Both Areas

Both urban and rural areas can participate in the growth and development activities by working together to provide access to major markets. For example, the Panhandle of Nebraska was not chosen as the distribution warehouse site for a major national company because of no four lane access to Denver. Rapid City is being considered by a European company as a site for a major manufacturing plant. One of the concerns of the company is access between Rapid City and Denver for raw products and finished goods.

A report by an Agriculture Department Task force earlier this year said the rural economy has difficulty keeping pace with national economic growth because of the small size of communities, isolation, unskilled labor and a lack of institutional support. Efforts at improving the labor force and institutional support are activities that are being addressed and improved at the local and state levels. The development of highways, to aid in solving the isolation problem, is an activity that both urban and rural communities cannot look to the private sector to provide, but must look to public funds. By enhancing the access between the rural and urban areas, we believe that the expressway will create a synergy that will benefit the areas, their states and our country.

IV. Support for Project

A. Local

Commitment of funds of over $100,000 from the communities potentially affected

Letters of Support Follows

PERFORMANCE
CRITERION
New standards in information and technology

January 17, 1990

Mr. G. C. Strobel
Director - State Engineer
Nebraska Department of Roads
P. O. Box 94759
Lincoln, NE 68509

Dear Mr. Strobel:

The Heartland Expressway group has the commitment of Congresswoman Virginia Smith in obtaining a majority of federal funds to conduct a corridor study for the proposed Heartland Expressway. Since a match of state funds will be needed to obtain the federal funds, we are pledging to raise locally any additional funds the state needs over a 10% match for this project.

To date, the Heartland Expressway group has raised $100,000 in the communities of Scottsbluff/Gering, Alliance, Chadron and Kimball. In addition, seventeen Black Hills communities and the State of South Dakota have raised over $20,000.

We are committed to this project. We ask the state to show similar commitment so that the project can go forward.

Sincerely,

HEARTLAND EXPRESSWAY

By
Steve Tando, Project Coordinator

BOX BUTTE DEVELOPMENT CORP.

By

DAWES COUNTY DEVELOPMENT CORP.

By

WESTERN DAKOTA EXPRESSWAY

By

c: Governor Kay A. Orr
Congresswoman Virginia Smith
Senator J. James Exon
Senator Robert Kerrey

Performance Criterion Corporation
4009 Avenue B
Scottsbluff, Nebraska 69361
308-632-0343

KIMBALL BANNER COUNTY
Chamber of Commerce
119 EAST 2ND • KIMBALL, NEBRASKA 69145 • (308) 235-3792

October 7, 1988

Expressway Project
Steve Tando
4009 Avenue B
Scottsbluff, NE 69361

Dear Steve,

On Wednesday, Oct. 5, the Retail Merchants Association of Kimball, NE passed a resolution to support the efforts of the four lane access to the interstate for Scottsbluff.

The Association definitely feels we need to support efforts for this access to follow Highway 71.

This highway project could increase economic development and the tourism industry for the whole panhandle.

The Retail Merchants Association is a group of business leaders who join together to solve problems and help promote the business sector of Kimball.

The Association would like to be a part of the planning and processing of this project in order to provide the best possible interest for the community.

Sincerely Yours,

Scott Haun, Chairman
Retail Merchants Assoc.

c/c Tom Wilson, Mayor

ALLIANCE AREA CHAMBER OF COMMERCE
324 LARAMIE
P. O. BOX 571
ALLIANCE, NEBRASKA 69301
308-762-1520

October 7, 1988

Dr. John Harms, Chairman
Expressway Committee
Scottsbluff, Nebraska 69361

Dear Dr. Harms,

On Thursday, October 6, 1988, the Alliance Area Chamber of Commerce Board of Directors voted unanimously to support the proposed four lane expressway project in western Nebraska.

The Board felt a four lane expressway from Kimball to Scottsbluff to Alliance to Chadron would provide a positive impact for both the Nebraska Panhandle and the City of Alliance.

Please accept this letter as our official notification of support.

Sincerely,

Dr. Donald Taylor, Jr.
President

DT:cm

Alliance

"Where The Old West Meets The New"

GOOD FARMS
GOOD RANCHES
GOOD PEOPLE
HOME OF BOX BUTTE CO. FAIR

TO: Dr. John Harms
Chairman
Expressway Project
Scottsbluff, NE 69361

On this date, the 10th day of October, 1988, the Hemingford Chamber of Commerce Board of Directors unanimously moved to support the effort of your organization on establishing a north/south four-lane expressway through the Panhandle of Nebraska.

The benefits of such would be a boon for this area, as many businesses cite the lack of access to interstates as one of the main reasons for declining to locate or expand in the Panhandle region.

Rest assured, we fully support your effort.

Sincerely,

Pam Seebohm

Pam Seebohm
President

MEMBER—Chamber of Commerce of the United States, NW Division
MEMBER—Western Nebraska United Chamber of Commerce
MEMBER—The Nebraska State Chamber of Commerce

Nebraska's New Frontier

Scottsbluff/Gering

October 14, 1988

Governor Kay A. Orr
Office of the Governor
State Capitol Building
Lincoln, NE 68509

Dear Governor Orr:

As you are well aware, we in western Nebraska are dependent upon a well-developed highway system to insure our economic future. The purpose of this letter is to convey the support of this organization for the concept and efforts of the Expressway 71 Committee in our area to realize four-lane access to I-80 as a first step toward a future north-south border to border four-lane corridor.

We further support the approval of funding for the project only if funds are specifically earmarked for the development of four-lane expressways as per the proposal of this group.

I might add that the support base for Twin Cities Development Association, Inc. includes the Cities of Scottsbluff and Gering, Scotts Bluff County and some 200 private businesses throughout the county.

Thank you for your attention.

Sincerely,

Ron Diffendaffer
President

RD/sb

Twin Cities Development Foundation, Inc. • P.O. Box 1350
1721 Broadway, Suite 301 • Scottsbluff, NE 69361 • (308) 632-2833

ALLIANCE DEVELOPMENT CORPORATION
P. O. BOX 758
ALLIANCE, NEBRASKA 69301

October 11, 1988

Dr. John Harms
Chariman
Expressway Project
Scottsbluff, Nebraska 69361

Dear Dr. Harms:

The Alliance Development Corporation offers their full support in your efforts to construct a four-lane highway that will connect Fort Morgan, Colorado; Kimball, Scottsbluff-Gering, Alliance and Chadron, Nebraska; then on to Rapid City, South Dakota.

This project is essential to the economic development of Western Nebraska.

Please let us know how we can assist your group.

Very truly,

A. T. Reddish
Secretary

Box Butte Development Corporation
P. O. Box 802 • Alliance, NE 69301
(308) 762-5400 Ext. 251

October 10. 1988

Dr. John Harms
President
Western Nebraska Community College
Scottsbluff, NE 69361

Dear Dr. Harms:

On behalf of the Box Butte Development Corporation, I would like to formally offer our total support and assistance in securing the development of the Kimball to Chadron expressway.

We are under the belief that this project is both needed and necessary for the future development of rural Nebraska. Improvements in the Panhandle's infrastructure are a prerequisite not only for our growth, but in some cases, survival.

Please keep us informed as to the progress of your efforts. We stand ready to assist in any way possible.

Very Respectfully,

John J. Perrin

John Perrin
President

JP:rl

RESOLUTION

WHEREAS, a coalition of community leaders from Ft. Morgan and Brush, Colorado, the Nebraska cities of Kimball, Gering, Scottsbluff, Alliance and Chadron, and the South Dakota cities of Hot Springs and Rapid City, has been formed in order to support the construction of a four-lane expressway connecting Ft. Morgan, Colorado, to Rapid City, South Dakota; and

WHEREAS, this coalition is supporting a study currently being conducted by the CLARUS Corporation to determine the economic impact of the proposed expressway; and

WHEREAS, the coalition will present the information derived from the study to the Congressional representatives of Colorado, Nebraska and South Dakota at a joint meeting to be held in Washington, D.C., prior to the end of 1989, to solicit their support for such expressway construction as a Federal Demonstration Project with necessary funding commitments for construction to be completed by the year 2000; and

WHEREAS, the coalition is also committed to future development of plans to complete a study of the economic impact of an extension of the planned expressway from Saskatchewan, Canada to Rapid City, South Dakota, thereby linking Canada to Mexico via a North-South four-lane highway system through the heartland of the United States.

NOW THEREFORE, Mayors of all of the communities included in the coalition, do hereby place their signatures on this Proclamation as an indication of their support for the proposed expressway, and together ask that all of the citizens of the area adjacent to the highway join them in seeking to bring economic stabilization and growth to our communities.

Dated May 22, 1989 Signature Eva Knight
Mayor, Alliance, NE

Dated 9/13/89 Signature Lawrence J. Coughlin
Mayor, Brush, CO

Dated May 22 1989 Signature Carl Jensen
Mayor, Chadron, NE

Dated September 12, 1989 Signature Terrell W. Edwards
Mayor, Ft. Morgan, CO

Dated 9/12/89 Signature Bob L. Hagedorn
Mayor, Gering, NE

Dated June 5, 1989 Signature Carl Oberlatner
Mayor, Hot Springs, SD

Dated 10-19-89 Signature [illegible]
Mayor, Kimball, NE

Dated August 2, 1989 Signature [illegible]
Mayor, Rapid City, SD

Dated 10-2-89 Signature Daniel E. Hamm
Mayor, Scottsbluff, NE

City of Rapid City
RAPID CITY, SOUTH DAKOTA 57701

Office of the Mayor
300 Sixth Street
605-394-4110

March 8, 1990

Members of the Surface Transportation
Sub-committee of the House
Washington, D. C.
20510

Dear Member:

Rapid City is a progressive City and one that is growing significantly. As we look to the future, we must address those elements around us which will be problems if they are not properly addressed.

One of those elements is adequate transportation. We have passed taxes in our community to provide for our internal street and highway needs. But beyond our borders, we have transportation issues which must be addressed at the Federal level of government. I am, therefore, asking your support and the approval of the Public Works committee for funding to do a Corridor Study for a four lane highway which would link Rapid City to Denver, Colorado. Significant traffic volumes exist in that corridor today and the future will certainly see increases.

Not only must we be concerned for economic reasons but for reasons of public health and safety. I'm sad to report that people who travel U. S. Highway 79 south of Rapid City are in great peril. Many of them display bumper stickers which say, "I survived Highway 79".

A thorough study of this corridor is necessary to learn whether or not a four lane highway is needed, as I believe it is, but it will also identify the cost, so we may plan for our future needs.

I encourage your support and thank you for your consideration.

Sincerely,

Keith Carlyle,
Mayor

EQUAL HOUSING OPPORTUNITY

EQUAL OPPORTUNITY EMPLOYER

rapid city area chamber of commerce

P.O. Box 747, Rapid City, South Dakota 57709-0747
Phone: 605/343-1744 • FAX: 605/343-1916

March 8, 1990

Members of the Surface Transportation
Sub-Committee of the House
Washington, D. C.
20510

Dear Member:

I'm writing to show the support of the Rapid City Area Chamber of Commerce for the Corridor Study of a highway route linking Rapid City, S. D. to Denver, Colorado.

Rapid City is growing very solidly in manufacturing, service trades, retail trade, wholesale and distribution, and in natural resource development. The City also hosts the largest operational base in the Strategic Air Command, Ellsworth Air Force Base. Over 7,000 military people are stationed at Ellsworth.

I have enclosed charts showing Rapid City's employment and manufacturing growth exceeding the current growth rate of the rest of the United States for a number of years. This growth is putting demands on our transportation system that must be addressed. Because Denver, Colorado is the nearest major metropolitan city, but the linkage between our two cities is very poor.

I encourage your support for this study to learn if better transportation systems in the heartland of America will further improve our economy as we move ahead in our nation's development.

Sincerely,

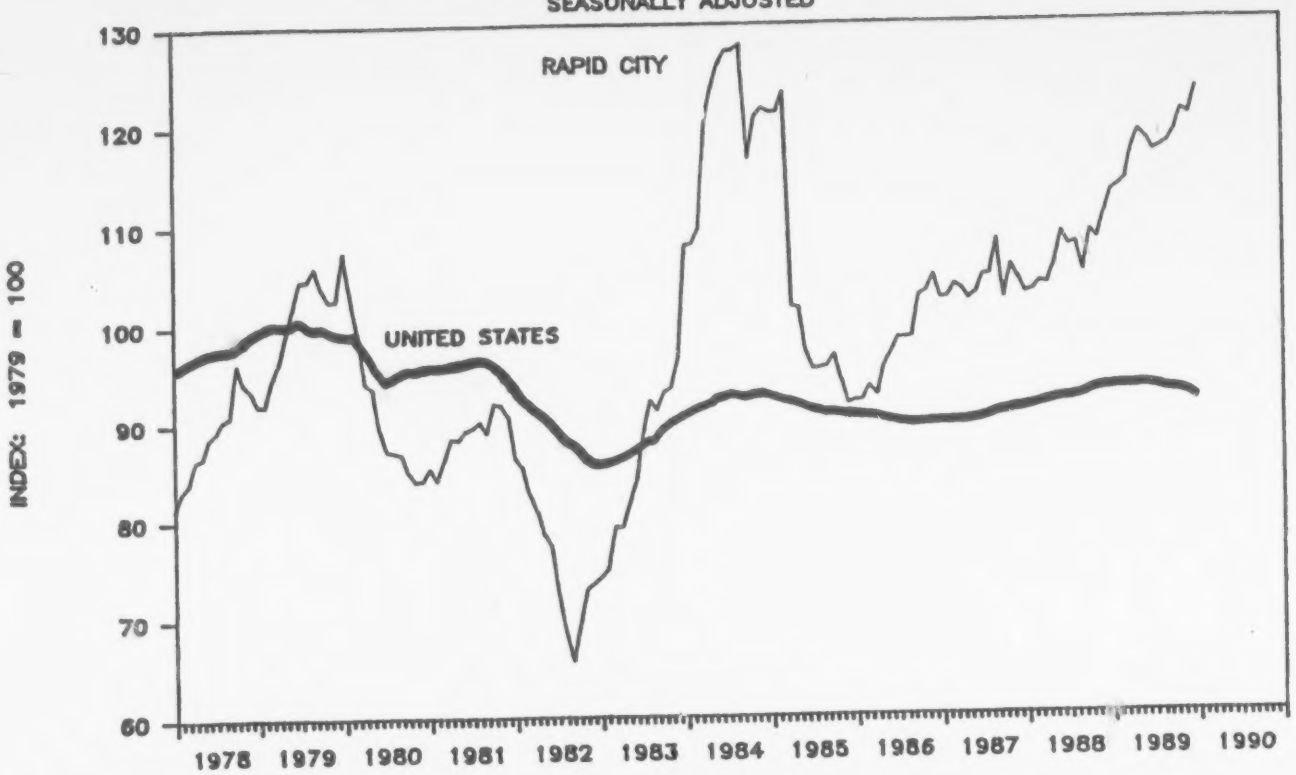
Rapid City Area Chamber of Commerce

John D. Schmit
President

Offices Located in Rushmore Plaza Civic Center

MANUFACTURING EMPLOYMENT

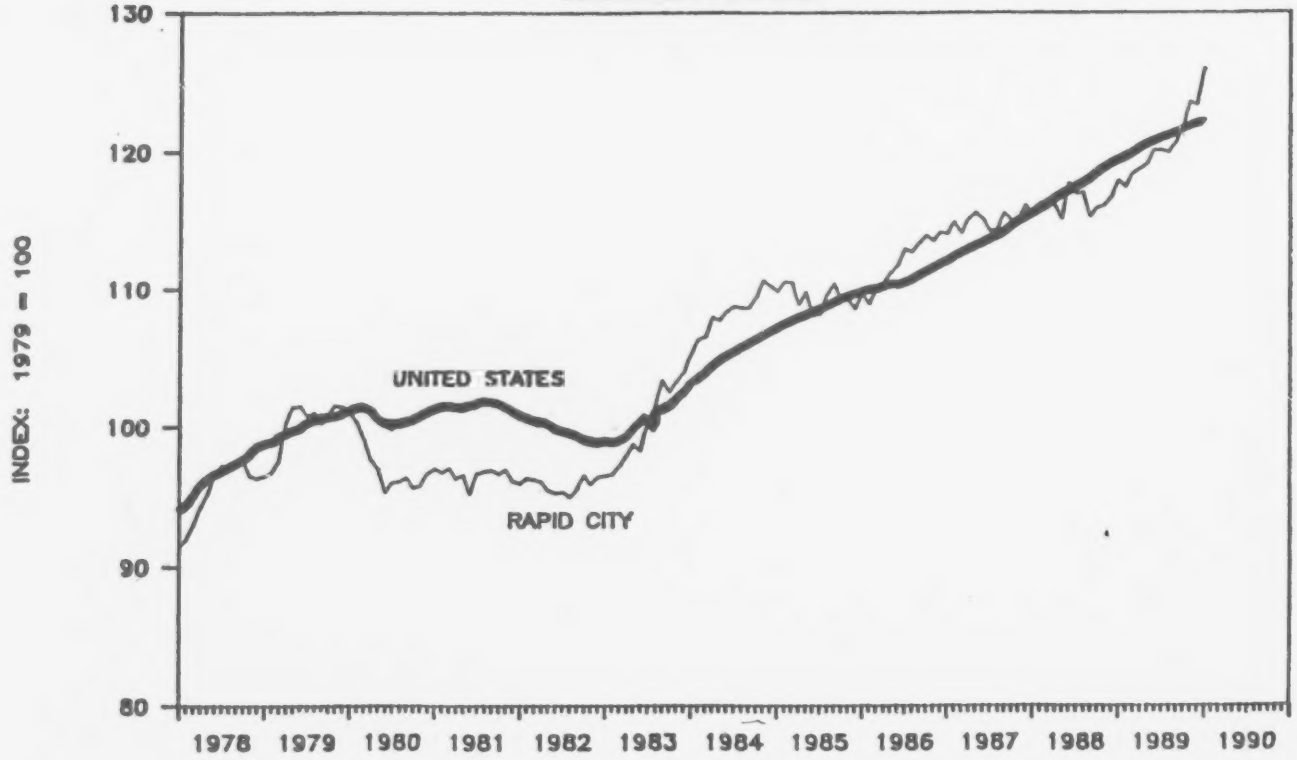
SEASONALLY ADJUSTED



SOURCE: U.S. DEPARTMENT OF LABOR STATISTICS

NONFARM EMPLOYMENT

SEASONALLY ADJUSTED



SOURCE: U.S. DEPARTMENT OF LABOR STATISTICS

38-253 O—91——18

RAPID CITY AREA ECONOMIC DEVELOPMENT CORPORATION
444 Mt. Rushmore Road N., Box 747, Rapid City, South Dakota 57709 (605) 343-1744 Fax (605) 343-1916

March 8, 1990

Members of the Surface Transportation
Sub-Committee of the House
Washington, D. C.
20510

Dear Member,

I am writing to ask for your support for funding a study of the economic impact and the cost for developing a four lane highway connecting Rapid City, S. D. to Denver, Colorado.

Rapid City has become a significant regional center for trade and health care in a five state region. We have also seen a significant increase in manufacturing employment, greatly exceeding the rate of growth in the rest of the United States.

While many parts of the mid-west have suffered economically during the last 10 years, Rapid City has shown significant growth. But as we grow, it is becoming increasingly evident that we lack the proper transportation links which we will need in the future to maintain that growth. We are well connected to the east and west, but very poorly connected to Denver which is the nearest major population center.

I encourage you to support the Corridor Study for this link. Where areas of the country are growing significantly, we need to make sure those communities, such as Rapid City, have adequate transportation.

Sincerely,

Kirk Dean

Kirk Dean
Chairman

Black Hills Council of Local Governments

P.O. Box 1586 306½ E. St. Joe • Rapid City, SD 57709 • Phone (605) 394-2681

March 9, 1990

Members of the Surface Transportation
Subcommittee of The House
Washington, D.C. 20510

Dear Member:

The purpose of this letter is to seek your support for funding a Corridor Study that would address both expected costs and benefits of a four-lane highway that would link Rapid City, South Dakota, to Denver, Colorado.

The Black Hills Council of Local Governments represents local units of government in the seven westernmost counties of South Dakota and has been involved in economic research and development activities since 1972. Over the course of some 19 years, many formal studies and other examinations of constraints to area economic development have been performed. One fact has always appeared as a dominant constraint: deficient highway linkages to the large primary markets lying to the south and west of our regional trade center located in Rapid City, South Dakota.

Given the geographical placement of our area with regard to its lack of proximity to large population centers, surface transportation linkages are crucial to keeping existing markets and penetrating new ones. Agriculture, forest products, general industrial/commercial goods and tourism all are dependent upon establishing and maintaining road transportation systems that adequately serve the needs of modern motor transportation.

Our Black Hills Council board members strongly encourage you to support the proposed Corridor Study that will address this issue of vital importance to our area. Thank you for your consideration.

Sincerely,

Van A. Lindquist
Executive Director

VAL/ll
VAN\Corridol.pmf/Membersl.smf

OFFICE OF
THE COUNTY
COMMISSIONERS

Box Butte County **Alliance, Nebraska**

March 12,1990

Dear Legislators:

We are pleased to be able to express our feelings concerning the proposed Heartland Expressway through western Nebraska and South Dakota

Agriculture and the many services that go along with it are very important to our area. If the proposed expressway were built, it would not only benefit the cities and towns, but it would be a tremendous boost for the farmer. The economic base of the entire community, which has suffered in recent years, would be strengthened by new industry and the possible increased flow of tourism through the state.

A major concern facing our area today, is the possibility of the Chicago and Northwestern Railroad, which runs across northern Nebraska, of going out of business. To the farmer this means one less channel of trade for their commodities. Burlington Northern runs through central Nebraska, but their main freight is coal. This leaves Union Pacific, which runs through southern Nebraska as the best option for transporting area commodities. The construction of the expressway would be a great asset and would be an economically sound solution to the problem of transportation.

Yes, we do need the expressway. Not only for the farmer,but for each and every community involved. Rural America is hurting and the proposed expressway would be a great boost for our economy.

Sincerely,

Don Hansen

Don Hansen
Chairman, Box Butte County Commissioners.

NEBRASKA JOB SERVICE

STATE OF NEBRASKA

DEPARTMENT OF LABOR

KAY A. ORR
GOVERNOR

VIRGINIA YUEILL
COMMISSIONER

March 12, 1990

Mr. Bill Scheufler
Box Butte Development Corporation
P. O. Box 802
Alliance, NE 69301

Dear Mr. Scheufler:

The present infrastructure system in Northwestern Nebraska is insufficient, obsolete, and not adequate to meet transportation needs of the area. Due to this, it is essential for our economic survival that the proposed Heartland Expressway become a reality. I commend you for your hard work and dedication in promoting this project.

I urge you to continue your efforts in promoting this project. Northwestern Nebraska will not be able to survive without an updated and modern highway system. Again, I cannot express the importance of having a new highway system become a reality.

Sincerely,

Mark Anderson

Mark Anderson
Alliance Job Service Office

MA:rl

JOB SERVICE DIVISION
302 BOX BUTTE AVENUE, ALLIANCE, NEBRASKA 69301-0759, PHONE (308) 762-3085
AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

905 Flack Avenue · P.O. Box 595 · (308) 762-4140 · Alliance, Nebraska 69301

March 9, 1990

Box Butte Development Corporation
Alliance, Ne. 69301

Dear BBDC,

Add our names to those in support of the "heartland expressway" proposal. Ginny and I have watched, with eager anticipation, your efforts to get federal approval of a 4 lane expressway linking South Dakota and Colorado, via western Nebraska.

We think it vital to not just our area, but to the area of Western South Dakota as well. As a former South Dakotan, with plenty of family still in the Kadoka to Rapid City area, I am well aware that they, like western Nebraskans feel a dependence upon east/west travel patterns, and more than a bit isolated from the north/south neighbors due to an inadequate transportation system.

I think that the key issues are: safety, economic development, and service. There is little doubt a 4 lane system provides for safer travel, and our weather conditions often make our present system unsafe. Economic development is never easy, but my experiences as a veterinarian working closely with folks in agriculture indicate that transportation of grain and livestock, equipment and supplies, even tourists and visitors, is dependent upon good transportation. Railroads and airlines have their limitations in providing us service. Our highway system is greatly dependent upon the east/west interstate. A new north/south route in the west, similar to the interstate along the Iowa/Nebraska border would greatly inhance our efforts to further stimulate our area economically.

Furthermore, it is more apparent to all of us that tourism and recreation have good potential for stimulating our Nebraska economy, as well as providing a quality of life for our neighbors and out of state friends. An improved highway system could go a long way to aiding us in that effort.

Good luck in your efforts.

Sincerely,

Bob & Ginny Stout

Special Stitches
"Count on Us"
1321 W. 3rd St., Box 620
Alliance, NE 69301

March 7, 1990

To our Legislators,

We are very anxious to have the Heartland Expressway become a reality for Western Nebraska.

Transportation in the area around this part of the state is at a premium and we feel that this will help as a great deal.

We are involved in three businesses here in Alliance and feel that we need every advantage possible for this area to be able to survive.

We would really appreciate your support for this project.

Sincerely,
Ruth I. Hatch
Ruth I. Hatch

Virgil V. Hatch
Virgil V. Hatch

HATCH DRUG

Walgreen Agency

Prescription and Gift Center

402 Box Butte Ave. Alliance, Nebraska

March 8, 1990

To Whom It May Concern:

The employee's of Hatch Drug, Inc. support the Heartland Expressway idea. Transportation in rural areas is vital to us.

Western Nebraska needs every advantage possible to attract new business.

We would appreciate your support for this study.

Thank You
Rick Thiems, Gen. Mgr.

Rick Thiems
Mary Taylor
Lyvenine Tuzenac
Marjorie Buckill
Fay Fantinen
Mary E. Karell
Debi Thiems

OCCIDENTAL NEBRASKA FEDERAL SAVINGS BANK

March 12, 1990

Senator James J. Exxon
Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Exxon,

The Heartland Expressway that is proposed through Western Nebraska has prompted extreme support and interest among the citizens and communities of the Panhandle. It would provide a valuable north-south link through Nebraska, boost the rural economy, increase potential tourism, and entice industry to this part of the state.

On behalf of Occidental Nebraska of Alliance, we are writing in support of this proposal and ask that you give it your utmost consideration in light of what it will do for the state of Nebraska.

Sincerely,

Laurie Kutchara
Dixie Pierce

Occidental Nebraska Savings Bank, F.S.B.
Alliance Branch Personnel

Occidental Nebraska
Federal Savings Bank

423 W. 3rd Street
Alliance, NE 69301
308-762-6500

OCCIDENTAL NEBRASKA FEDERAL SAVINGS BANK

March 12, 1990

Senator Robert Kerrey
302 Hart Office Building
Washington, D.C. 20510

Dear Senator Kerrey:

The Heartland Expressway that is proposed through Western Nebraska has prompted extreme support and interest among the citizens and communities of the Panhandle. It would provide a valuable north-south link through Nebraska, boost the rural economy, increase potential tourism, and entice industry to this part of the state.

On behalf of Occidental Nebraska of Alliance, we are writing in support of this proposal and ask that you give it your utmost consideration in light of what it will do for the fine state of Nebraska.

Sincerely,

OCCIDENTAL NEBRASKA SAVINGS BANK, F.S.B.

Alliance Branch Personnel

Occidental Nebraska
Federal Savings Bank

423 W. 3rd Street
Alliance, NE 69301
308-762-6500

OCCIDENTAL NEBRASKA
FEDERAL SAVINGS BANK

March 12, 1990

Congresswoman Virginia Smith
2202 Rayburn House Office Building
Washington, D.C. 20510

Dear Congresswoman Smith:

The Heartland Expressway that is proposed through Western Nebraska has prompted extreme support and interest among the citizens and communities of the Panhandle. It would provide a valuable north-south link through Nebraska, boost the rural economy, increase potential tourism, and entice industry to this part of the state.

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Sincerely,

OCCIDENTAL NEBRASKA SAVINGS BANK, F.S.B.

Alliance Branch Personnel

Laurie Kutchara
Linie Pierce

Occidental Nebraska
Federal Savings Bank

423 W. 3rd Street
Alliance, NE 69301
308-762-6500

FIRST NATIONAL BANK
and Trust Company

March 12, 1990

Senator J. James Exon
U.S. Senate
Washington, D.C.

Dear Senator Exon:

As we enter the decade of the 1990's, the challenges confronting Rural America continue to multiply. To meet these challenges requires the dedication and courage of the people who live and work in these areas. As a proud native of the Nebraska Panhandle, I can attest to the hard work and innovation being shown by the people of this area.

Specifically, I am writing to you to encourage your help and committment in support of the proposed Heartland Expressway. The creation of the Heartland Expressway would enhance the transporation structure of the area as well as stimulate the regional economy, promote tourism, and open the door for further opportunities, which have not been available in the past.

The transportation structure in the Panhandle has historically been a major roadblock inthe economic development of the area. With limited air transportation and the threat of one of the major rail lines discontinuing its service, highway transporation becomes that much more critical to our overall infrastructure. In order to be economically competitive we need a cost effective alternative for transport of our products and professional services, to name just a few.

Again, I encourage your support of the Heartland Expressway. It would be your way of helping out the people in the Nebraska Panhandle, who are so diligently working to help themselves.

Sincerely,

Scott R. Prusia
Branch Manager
First National Bank, Alliance

P.O. Box 10 □ North Platte, Nebraska 69103 □ Telephone 308:532-1000

FIRST NATIONAL BANK
and Trust Company

March 12, 1990

Representative Virginia Smith
U.S. House of Representatives
Washington, D.C.

Dear Mrs. Smith:

As we enter the decade of the 1990's, the challenges confronting Rural America continue to multiply. To meet these challenges requires the dedication and courage of the people who live and work in these areas. As a proud native of the Nebraska Panhandle, I can attest to the hard work and innovation being shown by the people of this area.

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Branch Manager
First National Bank, Alliance

P.O. Box 10 □ North Platte, Nebraska 69103 □ Telephone 308:532-1000

FIRST NATIONAL BANK
and Trust Company

March 12, 1990

Senator Robert Kerrey
U.S. Senate
Washington, D.C.

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Again, I encourage your support of the Heartland Expressway. It would be you way of helping out the people in the Nebraska Panhandle, who are so diligently working to help themselves.

Sincerely,

Scott R. Prusia
Branch Manager
First National Bank, Alliance

P.O. Box 10 □ North Platte, Nebraska 69103 □ Telephone 308:532-1000

To whom it may concern:

My husband and I read the article about the proposed expressway, and after some discussion, we agreed that it would be a definite benefit to Alliance and the other communities.

If the expressway were constructed, it would focus more attention upon the panhandle, thus bringing in more business and companies. While it was being constructed, it would provide jobs and stimulate the job market. Also, since many residents (college students also) travel to Chadron and Scottsbluff regularly, a better road system would be beneficial to all.

For all of the reasons above and more, my husband and I are supporting the building of this expressway.

Sincerely yours,

Pat and Rhonda Meng

Pat and Rhonda Meng

March 12, 1990

Dear Legislators:

We are pleased to be able to express our feelings concerning the proposed Heartland Expressway through western Nebraska and South Dakota

Agriculture and the many services that go along with it are very important to our area. If the proposed expressway were built, it would not only benefit the cities and towns, but it would be a tremendous boost for the farmer. The economic base of the entire community, which has suffered in recent years, would be strengthened by new industry and the possible increased flow of tourism through the state.

A major concern facing our area today, is the possibility of the Chicago and Northwestern Railroad, which runs across northern Nebraska, of going out of business. To the farmer this means one less channel of trade for their commodities. Burlington Northern runs through central Nebraska, but their main freight is coal. This leaves Union Pacific, which runs through southern Nebraska as the best option for transporting area commodities. The construction of the expressway would be a great asset and would be an economically sound solution to the problem of transportation.

Yes, we do need the expressway. Not only for the farmer, but for each and every community involved. Rural America is hurting and the proposed expressway would be a great boost for our economy.

Sincerely,

Sherry Hitchcock
1021 Dakota
Alliance, NE 69301

B. State

Commitment of funds of $100,000 from the state of Nebraska

Letters of Support Follows

STATE OF NEBRASKA

DEPARTMENT OF ROADS

KAY A. ORR
GOVERNOR

G. C. STROBEL
DIRECTOR-STATE ENGINEER

January 24, 1990

Mr. Steve Tando
Project Coordinator
Heartland Expressway
115 Railway Plaza
Scottsbluff, NE 69361

Dear Mr. Tando:

The Nebraska Department of Roads is responsible for developing a specific and long-range state highway system plan. The Department is also responsible for annually reviewing the state highway system's needs and shall assign priorities for such needs.

As directed by LB 632 in 1987 and the Nebraska Legislature, a system of expressway priorities was developed. In Section 23 the bill stated, "The Legislature finds and declares that the highways of the state are of the utmost importance to future development within the state and . . . the development of a system of expressways, which shall include, but not be limited to, a north-south expressway." As a result of that mandate by the Legislature, U.S. 81 was chosen as the north-south expressway in Nebraska.

In keeping with its responsibility to plan for the future, the Department of Roads supports the attempt to secure federal demonstration funds as the primary source of funding, matched with a maximum of 10% state funds up to $100,000.00, for a corridor study for the Heartland Expressway. The Department will aid in any way needed to obtain the federal funds.

Sincerely,

G. C. Strobel
Director-State Engineer

GCS/b

cc Governor Kay Orr
Congresswoman Virginia Smith
Senator J. James Exon
Senator Robert Kerrey

P.O. BOX 94759, LINCOLN, NEBRASKA 68509-4759, PHONE (402) 471-4567
AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

C. Federal

Bi-Partisian Congressional Support from:
- Congresswoman Virginia Smith (R-NE)
- Congressman Tim Johnson (D-SD)
- Senator Jim Exon (D-NE)
- Senator Tom Daschle (D-SD)
- Senator Larry Pressler (R-SD)
- Senator Bob Kerrey (D-NE)

Letters of Support Follows

VIRGINIA SMITH
3rd District, Nebraska

3203 Rayburn Building
(202) 225-6435

COMMITTEE
APPROPRIATIONS
SUBCOMMITTEES
AGRICULTURE
ENERGY AND
WATER DEVELOPMENT

Congress of the United States
House of Representatives
Washington, D.C. 20515

November 17, 1989

Mr. David Nitschke
Heartland Expressway Group
115 Railway Plaza, Suite A-105
Scottsbluff, Nebraska 69361

Dear David:

I applaud your efforts to bring valuable rural development opportunities to western Nebraska. Your organized presentation of the need for development in the Panhandle, along with your proposed solution, is commendable.

I have always strongly supported efforts to improve the inadequate transportation network in rural Nebraska, and you can be sure that I will do all I can to help you secure a majority of federal funding for a corridor study of an expressway through the Panhandle.

The State Department of Roads, at the direction of Governor Kay Orr, has already recognized the need for increased mobility in the Panhandle by deciding to upgrade Highway 71 between Kimball and Scottsbluff to four lanes. The proposed corridor study should greatly enhance efforts to improve infrastructure needs in western Nebraska.

With best wishes, I am

Sincerely,

VIRGINIA SMITH
Member of Congress

VS/md*

J. JAMES EXON
NEBRASKA

230 Senate Hart Building
Washington, DC 20510

207 Federal Building
Lincoln, NE 68508

6205 Federal Building
Omaha, NE 68102

275 Federal Building
North Platte, NE 69101

2150 First Avenue
Scottsbluff, NE 69361

COMMITTEES
ARMED SERVICES
COMMERCE, SCIENCE, AND TRANSPORTATION
BUDGET

United States Senate

WASHINGTON, DC 20510-2702

March 2, 1990

Mr. Steve Tando
Project Coordinator
Heartland Expressway
115 Railway Plaza Suite A-105
Scottsbluff, NE 69361

Dear Mr. Tando:

I am pleased to support efforts to improve transportation in Western Nebraska through a corridor study for a proposed "Heartland Expressway."

Toward that end, I will work closely with Nebraska efforts to secure authorization for federal assistance for the corridor study. I am advised that the Nebraska Department of Roads, as the state's central highway planning agency, has said it will commit $100,000 in state funds to match federal funds. Furthermore, I am advised that local efforts have secured additional matching funds. Of course, this type of support from both state and local levels is very helpful to our efforts in Washington.

The rural regions of our nation must have access to national transportation arteries that meet the transportation needs of the 21st century. That is why a corridor study for a Heartland Expressway is important.

The federal highway program comes up for renewal in 1991 at a time when our national interstate highway system is finally being completed. I am proud to say Nebraska was the first state to complete its portion when I served as Governor. The new Highway Bill will give us an opportunity to address Nebraska's future transportation needs.

With best wishes.

Sincerely,

Jim Exon

Jim Exon
United States Senator

TIM JOHNSON

AGRICULTURE
VETERANS' AFFAIRS

Congress of the United States
House of Representatives
Washington, DC 20515

To Wes Shelton

From John Devereaux
Office of Congressman Tim Johnson
202/225-2801

February 26, 1990

This is a joint statement of support for the Heartland/Western Dakota Expressway from both Congressman Tim Johnson and Senator Tom Daschle.

Please feel free to use it in your news release or in any other way that would be helpful to you. If you have questions or need more information, don't hesitate to let us know.

"The proposal for a Heartland/Western Dakota Expressway, running between Rapid City and Interstate 80 in Nebraska, has the potential to foster accelerated economic growth for all of western South Dakota. It would present opportunities for increased tourism and community development.

"In a time of tight federal and state budgets, planning any new initiative is always a challenge, but this expressway is a goal worth working to achieve. We look forward to cooperating with other members of the South Dakota and Nebraska congressional delegations -- together with leaders in communities and counties along the projected expressway route -- in this endeavor."

THIS STATIONERY PRINTED ON PAPER MADE WITH RECYCLED FIBERS

United States Senate
WASHINGTON, DC 20510

COMMITTEE:
FOREIGN RELATIONS
COMMERCE, SCIENCE, AND TRANSPORTATION
BANKING, HOUSING, AND URBAN AFFAIRS
SELECT COMMITTEE ON AGING
SMALL BUSINESS

STATEMENT OF

UNITED STATES SENATOR LARRY PRESSLER

FEBRUARY 27, 1990

I commend the people of South Dakota and Nebraska who are working together on this innovative proposal. An accessible infrastructure is vital to economic growth and the revitalization of rural areas. That's why it's appropriate that the Heartland/Western Expressway is billed as "a road to the future."

To be successful, this project will need the full support of affected communities, the Congressional delegations and the cooperation of the Nebraska and South Dakota Departments of Transportation.

I will continue to work closely with my Senate and House colleagues to explore all possibilities of moving this project forward.

The potential community development that could result from the construction of a Heartland/Western Expressway is encouraging. Again, I congratulate the dedicated people of western Nebraska and South Dakota who are developing this project.

References:

Ambrose, David M. and Louis G. Pol, "The Importance of Interstate Highways to Economic Development in Nebraska," in Nebraska Policy Choices: 1988, pp. 131-154.

Barton-Aschman (1989) in I-380 Link I-35 Corridor Traffic Generators Study, by the North Iowa Area Council of Governments, 1989, p. 31.

Eyerly and Downing (1987) in I-380 Link I-35 Corridor Traffic Generators Study, by the North Iowa Area Council of Governments, 1989, p. 31.

Forkenbrock, David J. anl David J. Plazak, "Economic Development and State-Level Transportation Policy," in Transportation Quarterly, Vol. 40, No. 2 - April 1986, pp. 143-158.

Mr. MINETA. At this time I would like to call on our colleague, Congressman Rick Boucher.

Congressman, have you submitted a statement?

Mr. BOUCHER. I have, Mr. Chairman, and I would ask that it be made a part of the record.

Mr. MINETA. Without objection, it will be. Please introduce your colleagues.

TESTIMONY OF HON. RICK BOUCHER, A REPRESENTATIVE FROM VIRGINIA, ACCOMPANIED BY STEPHEN A. MUSSELWHITE, COMMONWEALTH TRANSPORTATION BOARD, ROANOKE, VA; ANTOINE G. HOBEIKA, DIRECTOR, CENTER FOR TRANSPORTATION RESEARCH, VIRGINIA POLYTECHNIC INSTITUTE, BLACKSBURG, VA; AND RICHARD W. ROGERS, ROANOKE COUNTY BOARD OF SUPERVISORS, ROANOKE, VA

Mr. BOUCHER. Thank you very much, Mr. Chairman. I would like to introduce to the subcommittee Mr. Steve Musselwhite, who is on my left, who is with the Virginia Department of Highways and Transportation; Mr. Tony Hobeika, who is on my right, a professor at Virginia Tech in Blacksburg, Virginia; and on my far right, Mr. Dick Rogers, who is the Chairman of the Roanoke County Board of Supervisors.

Mr. Chairman, having had my prepared statement accepted for the record, I will take just a few minutes to summarize the project that we are advocating this morning.

I would like to start by expressing my appreciation to you and the members of the subcommittee for your hospitality today in giving us this opportunity to describe a vital highway link in the 9th Congressional District of southwestern Virginia. This link would connect Virginia Polytechnic Institute and State University in Blacksburg—Virginia's largest university, having a population of about 25,000 students—with Interstate 81, and by doing so provide a more direct link to the Roanoke Valley, which is the largest urban center in the western part of Virginia.

During your last week of testimony you heard about the importance of transportation as a spur for economic development, to provide productivity gains, to enhance international competitiveness, and to meet the mobility needs of the United States. You have also heard about some problems, problems in transportation that are associated with highway congestion, with air pollution, and with accidents. One mention was also made of a possible solution for some of those problems, and that mention was of the Intelligent Vehicle Highway Systems, also known as "smart cars" and "smart highways," and for purposes of this presentation today what we will refer to as the "smart roads concept."

That is intended to make traffic safer, more efficient, and more environmentally benign. The technologies that are a part of the smart roads system arise from advances in traffic management, driver information, and vehicle control technologies. They are made possible by computers, electronics, and advances in telecommunications technology.

When Secretary Skinner testified before this subcommittee earlier this month he noted this advance in his statement, and he sug-

gested that budget increases be made available for research and development in these technologies for the purposes of facilitating the movement of both people and goods. The advancement of transportation technology into the 21st century was a major theme of Secretary Skinner's presentation, and it's a very important theme, particularly insofar as it relates to the smart roads concept.

I would note that in Japan and Europe, more than $2 billion have already been spent in developing smart highway technology. In the United States, our automobile industry has already begun to develop smart vehicles, but we really haven't done very much as a Nation in order to develop smart highways, and that goes hand-in-hand with smart vehicles.

The lead that is enjoyed today in Japan and in Europe is not insurmountable, but it is clearly time that we get started. This authorization measure presently pending before the subcommittee would be a very good beginning point.

Today I am pleased to talk about a unique opportunity that is presented for smart highways in a six-mile highway link in southwest Virginia between Virginia Tech and Interstate 81 in Montgomery County. To my knowledge, this would be the first intelligent highway to be constructed from the ground up in the entire United States. The highway link would connect Virginia Tech with the Roanoke Valley and its industries and emerging high tech companies.

The university itself has an outstanding reputation for its research capabilities. Its total research expenditures last year were on the order of $104 million. It is annually ranked in the top 20 universities nationwide in the attraction of private funds for research activities. Last year Virginia Tech awarded more than 1,000 master's degrees and more than 300 doctorate degrees. In its latest survey, U.S. News & World Report found that Virginia Tech's School of Graduate Engineering ranks 22nd out of some 200 engineering schools nationwide.

The point of my reciting these figures is simply to point out that Virginia Tech would be an excellent locus for conducting the kind of research and development of smart highway technologies that we are proposing today.

The purpose of the highway link itself, which we refer to as the University Connection, is to bring these two communities closer together and to relieve the current traffic congestion that exists on the current connection between the University and Interstate 81 in Montgomery County. Because of the economic development benefits that would flow and the obvious relief that we would receive from traffic congestion, the measure is broadly supported by the local governments that are involved.

The Virginia Department of Transportation, the university, and the local governments have already established two committees—one is for conceptual purposes and the other is technical in nature—to help develop the smart highways concept. In that regard, we are holding a major conference at Virginia Tech in Blacksburg in April on the smart highways concept that will involve the university, the Government, and the private sector. We have received a large number of expressions from private sector

companies to participate in the development of this exciting project.

A four-lane divided highways is proposed for this link with one additional lane, a fifth lane, to be used as a test bed for the most advanced of the smart highway technologies. These would be the longer-term technologies that relate to automatic control of vehicles, allowing drivers to simply punch in coordinates on a keypad, and then have the car do the work in delivering that driver to his ultimate destination. Those are the longer-term aspects of the technology that we would not expect to see developed until after the year 2000.

The regular four lanes of traffic would be used for testing and development of the nearer-term technologies that would involve driver information and safety. Therefore, we would anticipate all five lanes being involved in the demonstration.

We ask that in the authorization of the Surface Transportation Act, an amount of $95 million be made available for this demonstration project. We estimate the total cost of the highway project to be about $117 million, exclusive of the smart highway concept. So when that amount is factored in—and I will have to say in candor to the subcommittee that I don't have a reliable estimate on how much that will cost today—the cost of the total project, including roadbuilding and the smart highway, will be far higher. We're asking for $95 million in Federal funds for this effort. The balance of the monies will be derived from State and local government sources.

I would suggest that the location of this road is ideal for testing the application of smart road technologies in rural areas, and obviously, a rural test is going to be necessary if the technology is to be developed nationwide. We have rolling mountain terrain. We have four seasons of climate, so testing could occur on varying roads during varying weather conditions.

I would like to cite just two examples of how the nearer-term technologies could be of interest. These are "information to the driver" kinds of technologies that would promote safety. One obvious example would be a driver who is preparing to move into the passing lane but has a car in his blind spot, which he perhaps doesn't see. A warning light, and perhaps an audio signal, on his dashboard would indicate to him that that car is in fact in the passing lane in his blind spot and would allow an accident to be avoided.

Another use of the technology would involve drivers who have traveled long distances and are weary, and perhaps doze off. When they leave the traveled portion of the road another audio signal would sound, giving them clear notice that a problem was present and that they should recover. Many other examples would come to mind. Those nearer-term information technologies would be tested on the four regular lanes of travel.

It is estimated that about half of all the fatal accidents in the United States today occur on straight stretches of road, and typically, these are the driver's fault. Many of those could be avoided through the implementation of this kind of information and warning system.

The more advanced long-term technology, as I indicated, would involve the automatic control of vehicles. That would be tested in the special smart lane that would be added, apart from the four lanes of regular travel, and obviously would involve a substantially higher cost. The Federal Highway Administration has endorsed Federal spending for this kind of research, indicating that it would provide higher vehicle carrying capacity for a given amount of right-of-way and increase future levels of highway service for both intercity and urban highway travel. That extra lane would be used to conduct full-scale engineering tests to determine the design and fabrication requirements of automatic control of vehicles in a real world operational setting.

I would also suggest to the subcommittee that the construction costs of the test bed would be far less expensive in a rural area than in a city, and of course, the environmental impacts in terms of relocating businesses and residences would be less expensive if performed in a rural area, as well.

Although the preliminary studies for site location have been completed for this project, the project has just recently been added by the Virginia Department of Highways and Transportation to its six-year plan for highway construction. We therefore anticipate that project construction will start during the mid-1990s. We know that it takes five to six years to build a highway in a rural area, probably more like eight to nine in an urban area, and if we want to begin the tests for these technologies during the 1990s, that would mean that this legislation is the appropriate time to authorize a demonstration project. We would very much appreciate this subcommittee's favorable consideration of that request.

Mr. Chairman, that concludes our presentation. I thank the subcommittee for its receptiveness and I will be happy to join with others at the table in answering the subcommittee's questions.

Mr. MINETA. Thank you very much, Mr. Congressman. Your request for a demonstration of this developing IVHS technology on a six-mile roadway connecting VPI with Interstate 81 is very creative and thought-provoking. Is this to help the recruiting program at VPI? [Laughter.]

Mr. BOUCHER. That would be one collateral benefit, Mr. Chairman.

Mr. MINETA. How much of this will go to creating a "smart drive"? [Laughter.]

Mr. BOUCHER. We hope to institute a program on that at Virginia Tech in the near future.

Mr. MINETA. I noticed another thing when you said, "In another case, a driver is tired after driving for hours on the road. The car starts drifting off the lane, but a sensor in the vehicle immediately identifies what is happening and alerts the driver, who steers the car back on course." We have that right now. It's called potholes. [Laughter.]

Congressman Boucher, let me ask first, I am wondering how the actual smart car/smart highway technology proposed for testing in southwest Virginia differs from the smart highways now being tested on the Santa Monica Freeway and the 25 smart cars that are operating with the Federal Highway Administration funding in the greater Los Angeles area?

Mr. BOUCHER. Mr. Chairman, I will ask Mr. Hobeika to answer that for you.

Mr. MINETA. Professor, if you would go ahead?

Mr. HOBEIKA. Mr. Chairman, it is not different. It is basically complimentary. The testing going on in the Los Angeles area is mainly to divert traffic from one area to another. It is basically for unclogging urban highways.

The emphasis here in this demonstration, as Congressman Boucher said, is on safety information and on testing automated highways. These would be complimentary. These are all within the scope of the Federal Highway Administration's draft report on that, and we are taking it for testing it for intercity travel and rural travel as well as the demonstrations taking place in urban areas.

Mr. MINETA. Also, of the $95 million that is being requested in Federal funding, how much of it is associated with construction of the four regular highway lanes versus the Intelligent Vehicle Highway System technology which you described as being placed in the fifth lane?

Mr. BOUCHER. Mr. Chairman, the construction costs for the entire highway link, absent any smart vehicle application, is about $117 million. At the moment we do not have a detailed estimate of what the costs of the smart road technologies would be. We are working to develop that, and hopefully by the time this subcommittee proceeds to markup, we can supply you with a more detailed estimate than we have available today.

Mr. MINETA. Very well. Thank you very much, Congressman.

Mr. Shuster?

Mr. SHUSTER. Thank you.

We certainly appreciate your innovative suggestion here, Congressman.

I can understand how a highway can be equipped. How would you propose that the automobiles be equipped? How do you control that, and what is the cost of that going to be?

Mr. HOBEIKA. The industry is already working on that. G.M., Ford, Chrysler, and many others are working on equipping their cars with that. Some of this technology is already here in the cars.

So I think there is a need, as well as an absence of constructing highways that would be able to communicate with these cars.

Mr. SHUSTER. I understand that the automobile companies are working on that. In fact, we had testimony to that effect just yesterday. But my question is, how would you get that technology? How would you identify the cars, and who would pay for that being put in the cars?

Mr. HOBEIKA. This is part of our collaboration with the industry. As Congressman Boucher said, we are working on making industry relationships as well as local and State government relationships in getting this worked out.

Mr. SHUSTER. Okay. Thank you very much.

Mr. BOUCHER. Mr. Shuster, if I might complement that answer by saying that our proposal really is to provide Federal funds for putting the technology into the highway. The technology that would be borne on the automobile would be financed in large part

by the private sector. We're really not asking for Federal money for that.

Mr. MINETA. Mr. Bosco?

Mr. BOSCO. Thank you, Mr. Chairman.

And Rick, thank you and the panel for a very foresightful idea and presentation.

Following up on Mr. Shuster's question, our household has experimented a little bit with a small offshoot of smart automobiles. My wife, who is a judge, has agreed for one year to have a device on her car—not mine—that will prevent anyone who has had any drinks from driving. You literally have to breathe into that device to start the car. It actually works very well. Obviously, not everyone would want it. [Laughter.]

As I say, I don't have it on my car—but I can see, if we were to be sitting here five years from now, the ideas that you are just forwarding to the Congress will probably have taken this and many others and become household equipment and household terms.

I admire you for coming to the committee with, really, the first presentation by a Member of Congress that attempts to incorporate these ideas into a road project. Thank you.

Mr. MINETA. We have a call of the House at the present time. Do other members have questions of Congressman Boucher?

[No response.]

Mr. MINETA. If not, we will go ahead and release you at this point and recess for 15 minutes and come back after the vote.

[Mr. Boucher's prepared statement follows:]

OPENING STATEMENT OF
CONGRESSMAN RICK BOUCHER
HEARINGS ON REAUTHORIZATION OF THE POST-
INTERSTATE SURFACE TRANSPORTATION PROGRAMS

SUBCOMMITTEE ON SURFACE TRANSPORTATION
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
MARCH 15, 1990

Mr. Chairman and Members of the Committee, I would like to thank you for allowing me the opportunity to speak on behalf of a vital transportation project in Southwest Virginia. The proposed highway linking Virginia Polytechnic Institute and State University, the largest university in the Commonwealth, with Interstate 81 deserves your most serious consideration.

You have heard during the last week of testimony about the importance of transportation to spur economic development, to provide productivity gains in industrial and service sectors, to enhance international competitiveness, and to meet the nation's mobility needs for the purpose of sustaining our standard of living and economic vitality.

Also, you have heard about the problems of highway congestion, air pollution and accidents. Mention was made of "Intelligent Vehicle/Highway Systems," also referred to as "Smart Cars - Smart Highways," intended to make vehicular traffic safer, more efficient, and more environmentally benign. These technologies include improvements in traffic management, driver information, and vehicle control techniques made possible by recent advances in computers, electronics and telecommunications. The Honorable Samuel K. Skinner, the U.S. Secretary of Transportation, in his statement on March 8, 1990 to this

Subcommittee, proposed budget increases for research and development in these technologies to "facilitate movement of people and goods." The advancement of transportation technology into the 21st century is a major theme of Mr. Skinner's policy.

It is an important theme, particularly in the context of Intelligent Vehicle/Highway Systems (IVHS), because Japan and Europe are already ahead of us in this type of research. According to last week's U.S. News and World Report, Japan and Europe have already invested $2.0 billion dollars in the new technologies. To supplement the efforts of U.S. auto companies in the development of "Intelligent Vehicles," the federal government needs to build "Intelligent Highways," which permit researchers to experiment with the interaction between cars and roads. We must start now if we are to catch up with Europe and Japan.

Today, I am pleased to inform you about a unique opportunity for a 6-mile highway link in Southwest Virginia that is ideal for a demonstration project of IVHS. The project will develop, test, and evaluate specific IVHS technologies, and determine their impact on the economic development of the region. To my knowledge, this would be the first "Intelligent highway" to be constructed from the ground up in the United States.

The highway link connects Virginia Polytechnic Institute and State University with the Roanoke Valley and its industries and emerging high-tech companies. The university has an outstanding reputation for its research capabilities. It also has a

Corporate Research Center which is designed to bridge public and private sector research interests. The university's total research expenditures in the 1988-1989 academic year were $104 million. It is ranked annually in the top 20 universities in terms of percentage of research programs funded by the private sector. In the spring of 1989, the university awarded 1,191 masters degrees and 303 doctoral degrees. In its latest survey, the U.S. News and World Report ranked the university's graduate engineering program number 22 out of some 200 engineering schools in the nation.

The purpose of the link, referred to as the "University Connection," is to bring these two communities closer together and to relieve the current traffic congestion on the existing road. Both communities are supportive of this project because of its potential boost to the local economy and its related impact on traffic.

Access to a major research university has become a principal criterion for attracting and retaining industry. The traditional economic base is changing to technology-driven companies. In nearby Roanoke, for example, there are more companies involved with fiber optics than in any other region of Virginia. It is no coincidence that Virginia Tech is the home of the Fiber and Electro-Optic Research Center and has the largest teaching program in fiber optics in the country. To continue that development and draw other high tech firms to Southwest Virginia, the university must be directly connected with the interstate,

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which runs through the heart of Southwest Virginia.

The Virginia Department of Transportation, the university, and the local authorities have established two committees--one conceptual and one technical--to study the issues involved in implementing IVHS technologies on this road. In this regard, we are holding a major conference on IVHS involving government, industry, and university.

A four-lane road is initially planned for this link, with one additional lane to be used as a test bed for IVHS technologies. We propose that the traffic lanes of the planned highway be used to experiment with existing and near-term technologies as they relate to advanced driver information and safety, and the extra lane be used to develop and test mid- and long-term technologies such as automated highway/vehicle control systems. The estimated cost for the highway is approximately $117 million.

We ask that, in the Reauthorization bill of the Surface Transportation Act, an amount of $95 million be allocated to this demonstration project with the remaining funds coming from state and local governments and industry. Successful implementation of IVHS technology requires a cooperative effort from government, industry, and higher education. This project would provide an excellent opportunity for such cooperation.

The location of the road is ideal for testing the application of IVHS technologies in rural areas, which is certainly needed if these systems are to be deployed nationwide.

The rolling mountainous terrain and four-season weather in Southwest Virginia provide an opportunity to test the workability of driver information and response and of vehicle guidance and control under different environment and road conditions. The two-lane road is suitable for testing the in-vehicle safety warning systems activated by means of permanent or portable devices displayed on or near the roadway.

Let me cite two examples. A driver is about to move into the left lane to pass a vehicle in front, when a warning signal goes off--there is a car in the driver's "blind spot." The driver, then, can wait until the car goes by and move out safely. In another case, a driver is tired after driving for hours on a road and the car starts drifting off the lane, but a sensor in the vehicle immediately identifies what is happening, and alerts the driver who steers the car back on course. These examples of advanced driver information systems could be introduced in the 1990s and tested on this road. It is estimated that more than half of all fatal accidents occur on straight sections of roads where the driver is generally at fault. These devices are targeted to reduce these types of accidents and enhance overall driver safety and convenience.

The goal of Automated Highway/Vehicle Control Systems, according to the Federal Highway Administration, is to provide higher vehicle carrying capacity for a given amount of right-of-way and to increase future levels of highway service for inter-city and rural highway travel. The dedicated extra lane on this

proposed facility will be used to conduct full-scale engineering tests to determine the design and fabrication requirements of fully and partially automated vehicle control in a real-world operational setting. The construction costs of the test bed, including its safety consideration, would be less expensive in a rural area than in an urban area. In addition, the environmental impacts, in terms of relocating residents and businesses, would be minimal.

In addition to determining the technical feasibility of these systems, it is important to determine their economic impacts on the region. It is expected that the Intelligent Vehicle/Highway Systems will draw industries and associated developments to the area in which they are deployed. The Roanoke Valley, in its growing stage, will provide an excellent laboratory for measuring the developmental impacts of these technologies on a region.

Although the preliminary studies for site location have been completed, the road itself has just been added to the Virginia Department of Transportation's six-year plan. If funding became available, construction is not expected to begin before the mid-1990s.

We all know that it takes at least five to six years to build a highway in a rural area, and eight to nine years in an urban area. If we want to test and demonstrate the utilities of IVHS technologies on a newly constructed highway before the end of this decade, it is important that we authorize a research and

development project in this coming bill.

Thank you for giving me the opportunity to speak on this important topic. I will be pleased to answer your questions at this time.

[Recess.]

Mr. MINETA. The subcommittee will please reconvene.

At this time I would like to call forward our very fine colleague from Virginia, Congressman Bateman.

Congressman Bateman, we have your full statement. It will be made a part of the record, so you may go ahead and proceed in your own fashion.

TESTIMONY OF HON. HERBERT H. BATEMAN, A REPRESENTATIVE FROM VIRGINIA

Mr. BATEMAN. Thank you, Mr. Chairman and members of the committee. I am delighted to have this opportunity to testify today on the need for Federal assistance to expand the capacity of the Coleman Bridge.

The Coleman Bridge carries Route 17 across the York River, connecting Yorktown and Gloucester Point, and provides the link between Gloucester County and the metropolitan area that includes the cities of Hampton and Newport News.

The bridge provides direct access to the Colonial National Historic Park and the Colonial Parkway, a Federal highway that connects two of the most important sites in American history, the battlefield at Yorktown and the first permanent English settlement in America at Jamestown. The bridge also is vital to the workforce at the Yorktown Naval Weapons Station, the Coast Guard Reserve Training Center, and numerous other Federal military facilities on the peninsula.

Since the bridge was designed in the 1940s, Gloucester County has changed from a quiet rural area to a burgeoning suburban commuter community, and the Hampton-Newport News area has grown even more dramatically. In fact, in the last decade alone Gloucester County's population has grown by 30 percent, and it has more than doubled since the bridge was built. This unforeseen growth in commuter traffic—growth which is likely to continue—has created a terrible bottleneck at this York River crossing site where Route 17 narrows from four lanes to two lanes. Your committee is more than slightly aware of gridlock and bottlenecks, but there are few if any that so greatly impact Federal activities and requirements.

Needless to say, the decision on how to provide additional capacity for crossing the York River has evoked a great deal of interest and discussion. Many individuals and groups endorsed construction of an upriver crossing. This upriver crossing would have provided improved access to the Interstate System and would have helped to relieve the severe congestion on Route 17 south of the York River. Despite these significant advantages, however, the Commonwealth of Virginia chose the less comprehensive and less expensive option of rehabilitating the existing bridge and adding two more lanes at the current site. Federal funding of that upriver bridge option, or of an even more expensive tunnel option, is not being requested. A request is being made only for Federal participation in the least expensive alternative.

Even this less comprehensive option, however, is quite costly, and much of this cost is a direct result of Federal facilities located

near the bridge. In addition to the matters mentioned earlier, I ask the committee to consider the fact that the Yorktown Naval Weapons Station and the Cheatem Annex Naval Supply Center are upriver from the bridge, and the presence of those facilities requires the bridge to include a high-level swing span which can be opened to allow naval vessels and supply ships access to load and unload weapons and supplies.

I believe, and I hope you will agree, that it is only fair that the Federal Government should assume the costs attributable to navigation of naval vessels. Since the Navy accounts for virtually all of the navigation on the York River which requires the swing span and additional height, and because of the other compelling national interests, I request that the committee provide the necessary funds to the Commonwealth of Virginia to defray the cost of upgrading and expanding the existing York River crossing.

During the last reauthorization of surface transportation legislation your committee recognized the Federal role in this project and provided $2 million in design and site selection funds. I urge the committee to follow that initial support for planning funds with approval of the construction funds necessary to make this much-needed project a reality.

I am, certainly aware of the many infrastructure needs this country is facing and of the many requests you will receive for funds. However, I would greatly appreciate any assistance which you can provide for the realization of this project, which is so inextricably connected to Federal interests and national security requirements.

I thank the committee very much, and would only note that the absence of people flanking me at the committee table is not due to a lack of interest and concern for this project. It was a matter of the Congressman, namely me, not being able to choose which of many should be here.

Mr. MINETA. Thank you very much, Congressman Bateman. I have been in that position of being with my friends, also.

You indicate a need for continued Federal support to expand the capacity of the Coleman Bridge based on the fact that we put $2 million in design and site selection funds for this project in the 1987 act. Your request for continued Federal participation in the Coleman Bridge expansion is linked to some very particular Federal interests, namely, the Yorktown Naval Weapons Station, the Cheatem Annex Naval Supply Center, and the historic importance of the Yorktown Battlefield and the Jamestown Settlement.

The other day we heard a suggestion that a new Highway Assistance Program be established when we complete the Interstate Highway Program, and this would be to fund highways, including bridges, of what is called "Highways of National Significance."

Mr. BATEMAN. Yes.

Mr. MINETA. Now, if the committee agreed to establish such a new program, giving the Department of Transportation of the State of Virginia, as well as other States, funds which they could then use for projects of national importance like the one you described, do you think that that would respond to the need that you have just described?

Mr. BATEMAN. Mr. Chairman, I would say that it certainly would be contributory to solving that problem.

Another aspect of this, and you've mentioned it in your question, is the need nationwide for the improvement and upgrading of our bridge structures, our existing bridge structures. That is a very common and recurring problem throughout Virginia and I think throughout the Nation. Perhaps as a part of your structuring of the next surface transportation bill there should be something that speaks to programs that expedite meeting those requirements, which certainly would fit in also with the accomplishment of the objectives of crossing the York River.

I would repeat, however, that while it is most clearly a highway of national concern, it is more than that generically. This is a project of rather specific Federal and national interest and concern, not to denigrate the merit of something that is more comprehensive than that.

Mr. MINETA. Thank you very much.

Mr. BATEMAN. Thank you, Mr. Chairman.

Mr. MINETA. Mr. Packard?

Mr. PACKARD. I have no questions, Mr. Chairman.

Mr. MINETA. Mr. Grant?

Mr. GRANT. No questions, Mr. Chairman.

Mr. MINETA. Mr. Bateman, thank you very, very much.

[Mr. Bateman's prepared statement follows:]

PREPARED STATEMENT OF HON. HERBERT H. BATEMAN REGARDING THE COLEMAN BRIDGE

I want to thank you for giving me the opportunity to testify today on the need for Federal assistance to expand the capacity of the Coleman Bridge. The Coleman Bridge carries Route 17 across the York River connecting Yorktown and Gloucester Point and provides the link between Gloucester County and the metropolitan area that includes the cities of Hampton and Newport News.

The bridge provides direct access to the Colonial National Historic Park and the Colonial Parkway, a Federal highway that connects two of the most important sites in American history—the battlefield at Yorktown and the site of the original Jamestown settlement. The bridge also is vital to the work force at the Yorktown Naval Weapons Station, the Coast Guard Reserve Training Center, and numerous other Federal military facilities on the peninsula.

Since the bridge was designed in the 1940's, Gloucester County has changed from a quiet rural area to a burgeoning suburban commuter community, and the Hampton-Newport News area has grown even more dramatically. In fact, in the last decade alone, Gloucester County's population has grown by 30 percent and it has more than doubled since the bridge was built. This unforeseen growth in commuter traffic—growth which is likely to continue—has created a terrible bottleneck at this York River crossing site where Route 17 narrows from 4 to 2 lanes. Your committee is more than slightly aware of gridlock and bottlenecks. But there are few if any that so greatly impact Federal activities and requirements.

Needless to say the decision on how to provide additional capacity for crossing the York River has evoked a great deal of interest and discussion. Many individuals and groups endorsed construction of an upriver crossing. This upriver crossing would have provided improved access to the Interstate System, and would have helped to relieve the severe congestion on Route 17 south of the York River. Despite these significant advantages, however, the Commonwealth of Virginia chose the less comprehensive, less expensive option of rehabilitating the existing bridge and adding two more lanes at the current site. Federal funding of that upriver bridge option—or of an even more expensive tunnel option—is not being requested. A request is being made only for Federal participation in the least expensive alternative.

Even this less comprehensive option, however, is quite costly, and much of this cost is a direct result of Federal facilities located near the bridge. In addition to the matters mentioned earlier, I ask the committee to consider the fact that the York-

town Naval Weapons Station and the Cheatem Annex Naval Supply Center are upriver from the bridge and the presence of those facilities require the bridge to include a high-level swing span which can be opened to allow naval vessels and supply ships access to load and unload weapons and supplies.

I believe—and I hope you will agree—that it is only fair that the Federal Government should assume the cost attributable to navigation of naval vessels. Since the Navy accounts for virtually all of the navigation on the York River which requires the swing span and additional height, and because of the other compelling national interests, I request that the committee provide the necessary funds to the Commonwealth of Virginia to defray the cost of upgrading and expanding the existing York River crossing.

During the last reauthorization of surface transportation legislation your committee recognized the Federal role in this project and provided $2 million in design and site selection funds. I urge the committee to follow that initial support for planning funds with approval of the construction funds necessary to make this much-needed project a reality.

I am certainly aware of the many infrastructure needs this country is facing and of the many requests you will receive for funds. However, I would greatly appreciate any assistance which you can provide for the realization of this project which is so inextricably connected to Federal interests and national security requirements.

Mr. MINETA. At this time I would like to call on a very fine colleague from Virginia—today must be Virginia Day—Congressman Jim Olin.

Congressman, we are pleased to have you. We have a copy of your statement. It will be made a part of the record, so you may go ahead and proceed in your own fashion.

TESTIMONY OF HON. JIM OLIN, A REPRESENTATIVE FROM VIRGINIA

Mr. OLIN. Thank you very much, Mr. Chairman. I am very happy to have this opportunity to testify before the committee today.

I am here to ask you to reauthorize the Roanoke River Parkway Project, which was first authorized in the Surface Transportation Act of 1987.

I think that this committee has not had a presentation on this project, so first I'm going to describe the project to you a little bit before I get into where it stands and what the financial situation is.

This is a parkway, a demonstration project that provides for construction of a 10-mile extension of the Blue Ridge Parkway. It will run along the Roanoke River between the city of Roanoke and Smith Mountain Lake, which is a large recreational lake with 500 miles of shoreline and a major recreational facility. Part of the demonstration project is that the parkway will provide access to the Explore Project, a Virginia State Park which will recreate the American frontier experience. Explore will consist of several historic replicas of frontier towns and Indian villages, and most of Explore will be funded by private contributions.

[Information on Explore Project follows:]

THE RIVER FOUNDATION

EXPLORE CRITICAL MASS BUDGET
186m Dollars

SOURCE	BUDGETED	RECEIVED	REMAINING
Federal	15.0	12.450	2.55
State	58.0	11.0	47.0
Local	6.5	1.985	3.115
Private Contributions	62.0	3.25	59.2
Private Investment	35.0	-----	35.0
Explore Financing	9.5	-----	9.5
		TOTAL 28.685	TOTAL 157.315

2/90

101 S Jefferson Street, Sixth Floor, Roanoke, Virginia 24011
(703) 345-1295

THE RIVER FOUNDATION

BLUE RIDGE TOWN ELEMENTS

IN ORDER OF OCCURRENCE

SEPTEMBER 23, 1989

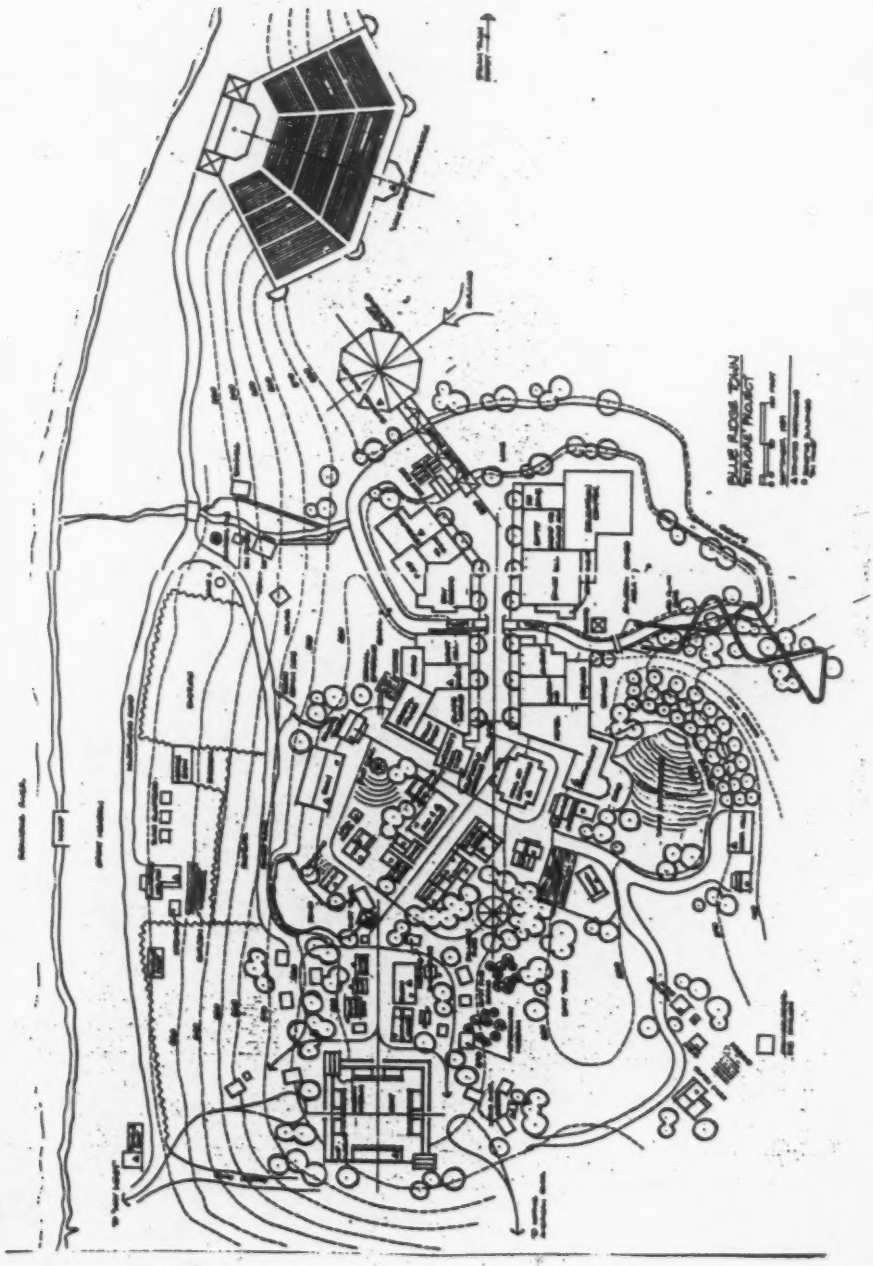
LEFT SIDE	RIGHT SIDE
EDUCATION CENTER	WHARF (CANAL BOAT RIDE)
POST OFFICE/BANK	RESTAURANT
GIFTS	VIRGINIA STORE
RADIO STATION	DRY GOODS STORE
DANCE HALL	GRIST MILL (RESTAURANT)
CONCESSIONS	BAKERY
JEWELRY	GLASS WORKS
CLOTHING	BOOKSHOP
STORAGE	OLD WORLD HERITAGE MUSEUM
HOTEL/RESTAURANT	PRINT SHOP
AMPHITHEATER	CRYSTAL PALACE/FORMAL GARDEN
COURTHOUSE (HALL OF EXPLORERS)	BRUGH TAVERN/BARN (RESTAURANT)
FURNITURE/CABINETMAKER	BAND SHELL
POTTERY	BED AND BREAKFAST
SCHOOL	DECORATIVE ARTS
GENERAL STORE	BASKET MAKING
TINSMITH	WOOD CARVER
SIGN MAKER	CHURCH
TOYS	SHOT TOWER
TAVERN/SMOKEHOUSE	BLACKSMITH
WEAVER	CANDLE SHOP
CARRIAGE MAKER	DAIRY/CHEESE BARN
BALLOON RIDE	SAW MILL
NATIVE AMERICAN OUTPOST	IRON FORGE
VETERINARY MUSEUM	IRON MILL
FORT	LIME KILN
TRADING POST (TO WAY WEST)	CIDER MILL
HOMESTEAD (MAIN HOUSE, TOBACCO BARN)	FLUM RIDE/CHILDREN'S AREA
ARCHEOLOGICAL EXHIBIT	STAGE COACH RIDE

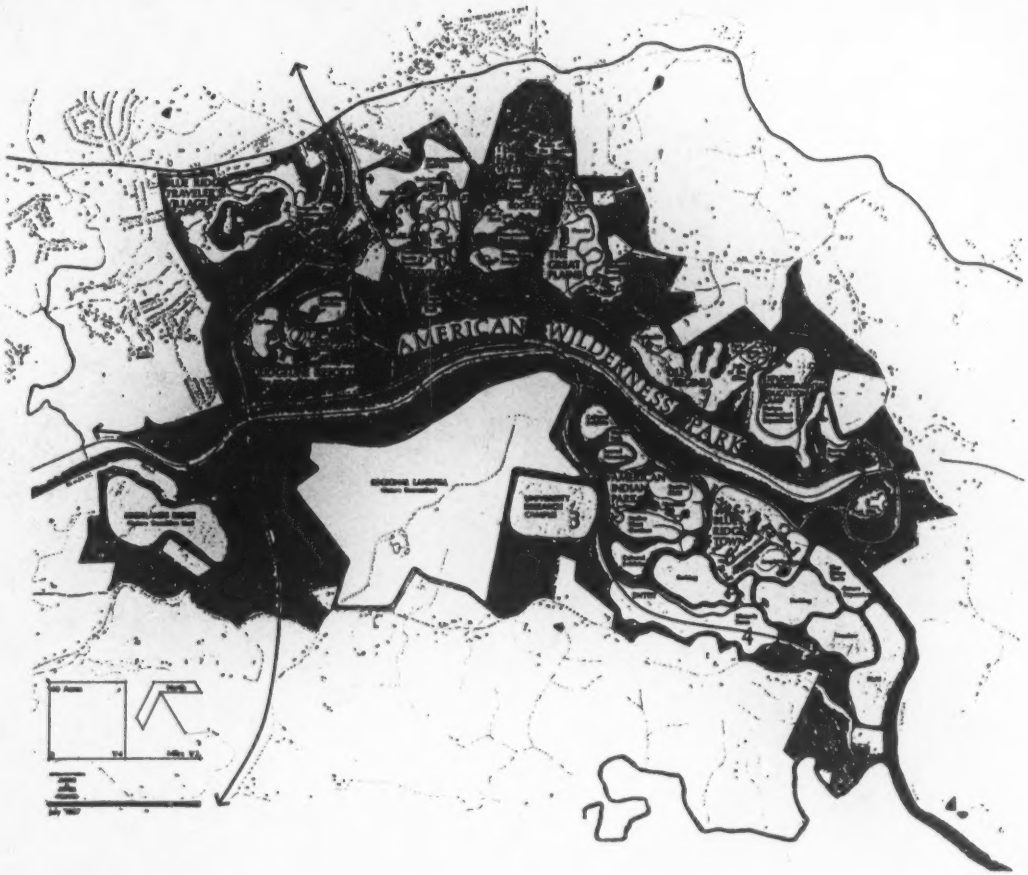
PLANTATION

MAIN HOUSE, DOCK, HORSE BARN, SLAVE QUARTERS, OTHER OUTBUILDINGS

101 S. Jefferson Street, Sixth Floor, Roanoke, Virginia 24011
(703) 345-1295

GENERAL STORE


BLUE RIDGE TOWN
REFORM PROJECT



The Explore Park Master Plan consists of several unique aspects. The park will be the largest North American animal facility in the nation. Its American Indian cultural center will be a first in the country. The park will be unmatched in its integration of natural and cultural history exhibits. Further, it will be the first facility in the nation to tell the story of Virginia's involvement in the pioneering history of the continent, from early Appalachian exploration to the Lewis and Clark Expedition and beyond. The Explore experience will include:

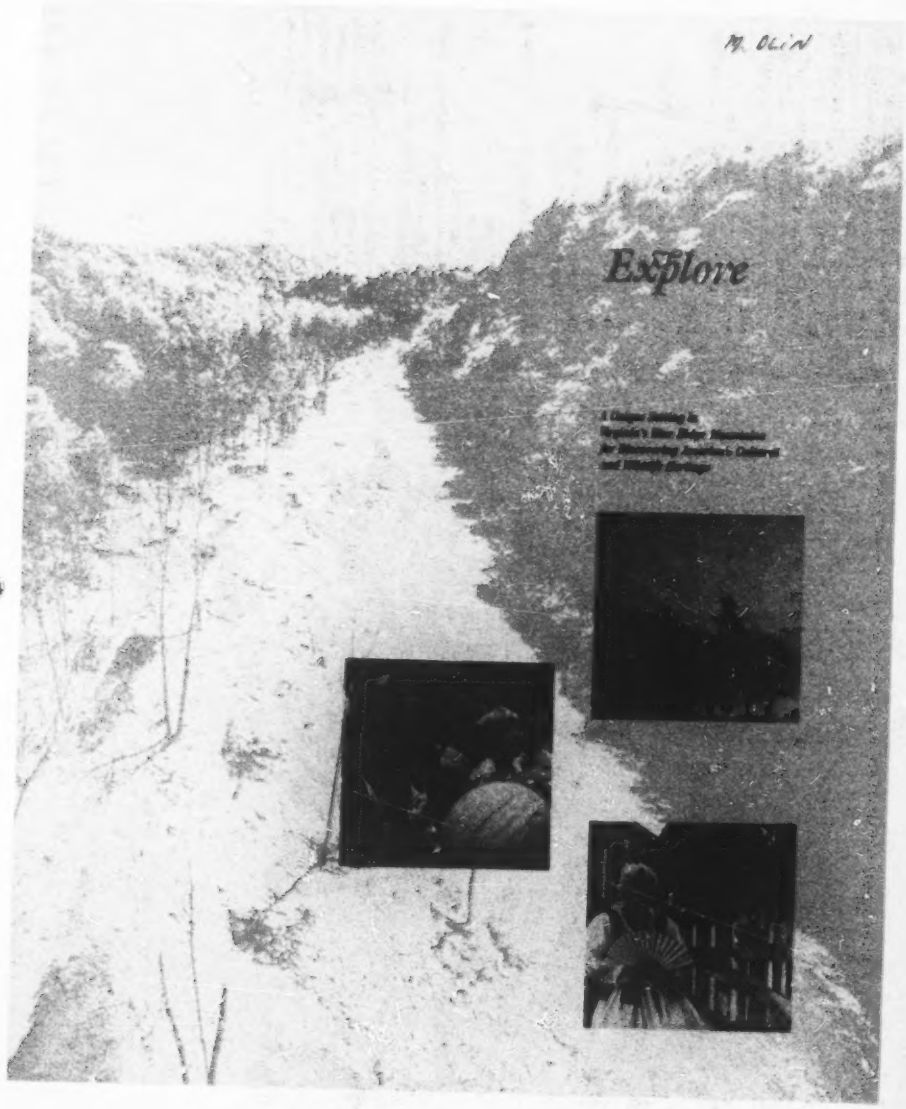
1) Blue Ridge Traveler's Village and Welcome Center
2) Ridgeline Resort
3) University Research Camp
4) Historic Farm
5) American Indian Park
6) Blue Ridge Town

Its American Wilderness Park will include:

7) Old Virginia
8) Great Plains
9) Rocky Mountains
10) Far West, including Northwest, Southwest, and Alaska
11) Environmental Education Camp

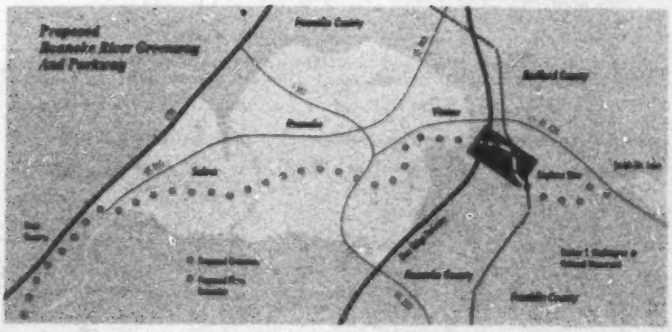
In this section of the Master Plan each phase of the Explore Park will be described, beginning with a history background. Following the history will be a walk-through description of the same Explore phase, including the exhibits and other sights to be encountered by a visitor.

MASTER PLAN


M. Olin
Explore

"For the first time, in one place, the American Indian story will be told from the Native American perspective. Each Explore visitor should develop a deeper appreciation of our continent's Native American cultures and heritage."

Dr. Veronica E. Tiller, member, Explore's Native American Advisory Committee



EXPLORE'S ENVIRONMENTAL AND EDUCATIONAL PROGRAM

All too frequently history and geography have lost their humanizing luster. They are taught through memorization, multiple-choice, and fill in the blanks. How then, can we expect students to understand and appreciate the efforts of eighteenth and nineteenth century pioneers who developed our nation?

Envisioned as an outdoor classroom and living museum, EXPLORE will enable visitors to experience firsthand, through natural and cultural exhibits, the landscape, wildlife and civilizations of America's first century of exploration. It will be unmatched in its integration of natural, cultural and historical exhibits.

A major environmental destination for the nation's eastern corridor, EXPLORE considers numerous facets of the eco-system, weaving together environmental appreciation, conservation, research to preserve species, and the joy of experiencing through all the senses the realm and diversity of life.

EXPLORE'S environmental story will take a world wide view. On the minds of people everywhere is the thought that we must begin to take better care of our planet, our plants as food sources, animals and wildlife as part of larger eco-systems, and ourselves, humans entrusted with the world's future.

The Children's Environmental Education Camp will be designed to teach young people about their role in their community's and the world's future. They will have an opportunity to learn that they can make a difference in the environment around them.

In addition, Explore's environmental, historical and educational programs will be of interest to public and private agencies, and to numerous states and countries that share a historical relationship with Virginia.

EXPLORE'S NATIONAL PERSPECTIVE

A national program, ambitious in scope, EXPLORE involves both the federal and state governments, the citizens of six local jurisdictions, and a professional staff and consultants who work together to develop project guidelines and plans.

EXPLORE has created a History and Geography Advisory Committee, bringing together historians and members of the U.S. Congress who share a common interest in the story of the nation's pioneering efforts.

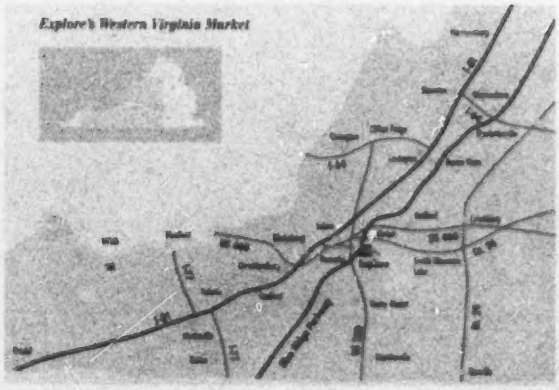
EXPLORE has created an Advisory Committee comprised primarily of Native Americans and historians intimate with the story of Native Americans. This committee will assist in defining the interpretative scope of the Native American Park.

In addition, EXPLORE has committees for education, development of the Blue Ridge Town, and coordination of a Visitors Center on the Blue Ridge Parkway.

EXPLORE'S ACCOMPLISHMENTS

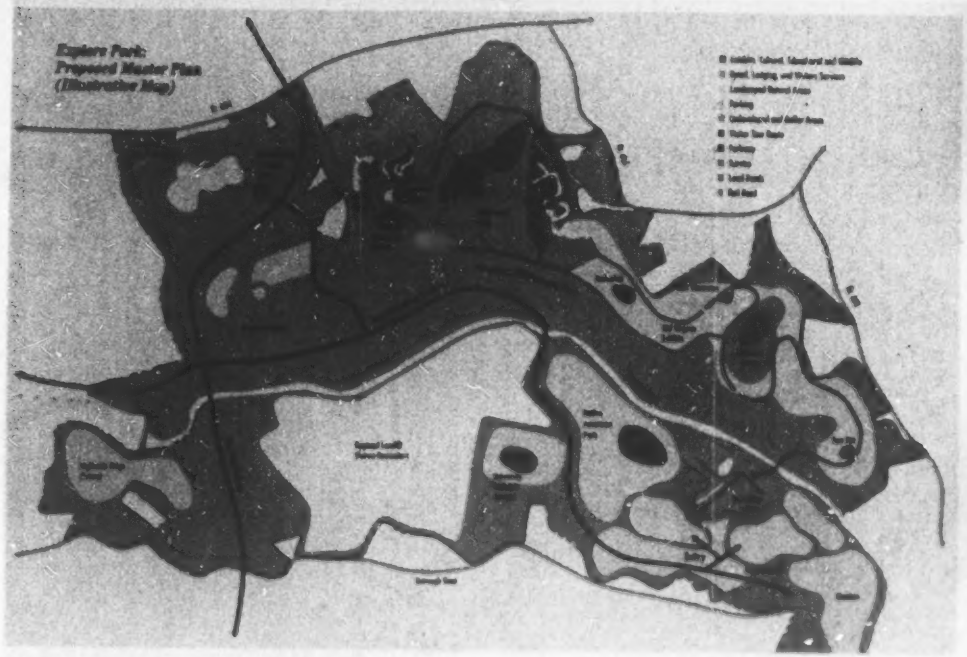
EXPLORE has:

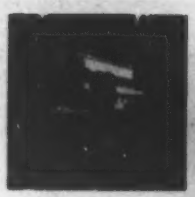
- adopted major goals: History Preservation, Education, Environment.
- adopted a Master Plan, the result of historical research, federal and state appropriations, community involvement, economic analysis, and site evaluation.
- selected a core site.
- purchased over half of its proposed 2,000 acres.
- accepted over 20 historic and endangered buildings for preservation and restoration in the town.
- obtained over $40 million in public and private funding.
- begun a private, philanthropic fund-raising program.
- created a 25-mile river greenway plan with designated conservation and recreation areas, including a 54-mile extended bicycle path to Virginia Tech, and a 10-mile extension of the Blue Ridge Parkway.



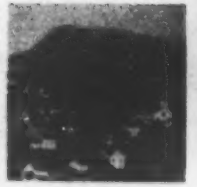
EXPLORE is a project of The River Foundation, a private, non-profit, 501 (c)(3) organization, interested in promoting conservation of the scenic and environmental quality of the Roanoke Valley. The River Foundation works in conjunction with the Virginia Recreational Facilities Authority, which oversees the state parklands associated with EXPLORE.

The River Foundation
401 South Jefferson Street
Roanoke, Virginia 24011
703/345-1296





"The Explore Project is my home state transcends Virginia significance. It has national implications. In fact, Explore's Town, Native American project and wilderness park will be the first of their kind anywhere in the world."



BLUE RIDGE TOWN

The Blue Ridge Town, a re-created historic village, will have exhibits that will portray early Virginia life. Along Main Street will be the sights and sounds of a frontier town, shops for a gunsmith, wagon maker, baker and blacksmith. There will be a courthouse, operating with jail, church and tavern.

A wide range of guest lodging, including bed and breakfast, will be available in the Town. Restaurants will feature food of the 17th-19th cts. beginning with colonial meals and flavors.

The town also will have program buildings and farms, riverfront agriculture, a military encampment and a school house. Nearby, carved in the hillside will be an amphitheatre.

EXPLORE place numerous other educational and recreational activities in the Blue Ridge Town, including: orienteering, crafts, horseshoes, archery, fairs, festivals and tavern.

NATIVE AMERICAN PARK

The Native American Park will be approached first through the great tavern. Sculptures and the structures will be a village and a ceremonial area. Trails for visitors will lead to an overlook Native American Village, and outside.

A forested valley, which is reserved for exclusive use of the Native American, will be a homeland area that will have a village, houses for living, sleeping, or other purposes.

The Museum's Exploring the Trail exhibit, representing the road through the Appalachians from Europe to the Indian, will be a center. The park will be a working, and [illegible] Native American presentations and [illegible].

Shared experiences.

Authentic crafts from the native tribes will highlight their way of life and be available for sale.

AMERICAN WILDERNESS PARK

The history of Western [illegible] the Blue Ridge Town [illegible] Park [illegible] and [illegible] Wilderness Park [illegible] [illegible] [illegible]

OVERVIEW

EXPLORE is a 2,000 acre family oriented history and entertainment park being created along the Blue Ridge Parkway near Roanoke, Virginia. Located where the Roanoke River cuts through the Blue Ridge Mountains, EXPLORE will be a place to have fun, and to learn.

EXPLORE will primarily be a story of two cultures – Native American and pioneer – and how they interacted. Here will be examples of how the two dealt with lodging, furnishings, transportation, religion, medicine, family, and entertainment.

EXPLORE will incorporate several distinctive aspects, fitting them together into cohesive stories that are both emotionally and intellectually stimulating. It will conserve the region's scenic setting while integrating natural and cultural exhibits, centering on three main elements: Blue Ridge Town, Native American Park, and American Wilderness Park.

The Blue Ridge Town will tell, for the first time in one place, Virginia's role in the nation's western exploration. A pioneer village of the eighteenth and nineteenth century, the town will realistically depict the story of frontier families, including Germans and Scotch-Irish, who pushed our nation's boundaries from the Appalachian Mountains to the Pacific Ocean.

"Explore is a very exciting concept for providing a unique recreational and historically educational experience for millions of Americans. As you might imagine, I am particularly interested in Explore's interpretation of our nation's westward expansion, particularly through my State of Idaho to the Pacific coast."

Honorable James A. McClure, U.S. Senator (Idaho), member of Explore's History and Geography Advisory Committee

The town will host crafts people and artisans who will re-create authentic tools, clothing and handmade crafts from a bygone era. Arts and crafts from pioneer and Native American cultures will be made on site for show and sale. Exhibits will change frequently and include full time and guest artisans.

The Native American Park, an authentic depiction of Indian cultures on the North American Continent, will be the first of its kind in the world. It will tell the story of Native American history from their perspective. The park will have a village and museum where living exhibits and artifacts will tell about our continent's first environmentalists.

The American Wilderness Park, a 750 acre historical zoological facility, will emphasize exploration and discovery. This park will be the largest, most comprehensive collection of North American animal species known in the world. Animal preserves will be interpreted in a manner consistent with the early history of the region portrayed.

Lodging, restaurants and shopping will be available in every area of the park, offering unique crafts and specialties. A campground and full range of hotel lodging will be priced to suit a variety of budgets, with additional activities for the family, including horseback riding and a first class golf course.

PIONEERS

From colonial days the Blue Ridge foothills served as the home and training ground for countless American pioneers. This was the edge of the young nation's frontier, and it was in these foothills that our national character was bred. This area boasts such names as Thomas Jefferson, Cumberland Gap discoverer Thomas Walker, George Rogers Clark, Meriwether Lewis and William Clark, Sam Houston, and Stephen Austin.

This is where explorers began a search – for an American identity and for the limits of the continent on which they would live. They had many traits in common: courage, curiosity, principle, spirit, and self reliance – traits that are symbols of our national character and worth perpetuating.

"Virginia's role in the nation's pioneering efforts is a story that has never been adequately told. Explore will tell this story and has assembled a fine group to spread the word to the nation."

Virginia Dabney, Virginia historian and author, member of Explore's History and Geography Advisory Committee

It took a century to settle the land from western Virginia to the Pacific Ocean. Yet, the role of Virginians, especially women and blacks, in developing the American frontier is a story that has not been adequately told. EXPLORE will tell this story.

NATIVE AMERICANS

Long before any European arrived, this continent was populated by the ancestors of today's Native Americans. Hundreds of tribes inhabited the land by the time Europeans appeared. These natives were not of one tribe, but were several separate linguistic families with hundreds of dialects. Boundaries were natural geographic features.

Inevitably, the two cultures were at odds. The Native American was part of the land, the settler "owned" it. There were fair and humane representatives of both cultures, but others on both sides instigated great atrocities. In the end, it was the Native American who suffered from the scattered colonies that exploded into an engulfing wave of settlements.

No story of the American wilderness is complete without the Native American story – from their perspective. There is no better place to tell it than in Virginia's upcountry.

Mr. OLIN. The Roanoke River east of Roanoke, is a beautiful river gorge which is essentially parkland, unspoiled right now by itself.

The project that we are describing shows on this map, if I can talk from it. This yellow line is the Blue Ridge Parkway, 470 miles of parkway, that runs right next to the city of Roanoke, which is right here. The red line shows the demonstration project, terminating on one end at the city of Roanoke, going through this State Park with access to the State Park as part of it, and arriving at the edge of Smith Mountain Lake down in the lower corner. The access to Explore will be off of the Blue Ridge Parkway by a spur, and there will be a visitor center right at that junction which will be used to describe recreational opportunities in this general area.

The Explore Project itself, which is not a Federal project, to give you some idea, this is a little map of that. Here is the Roanoke River. Here is the Blue Ridge Parkway coming down. It shows you the relationship of those activities.

Now, the whole concept will demonstrate how parkway extensions of this nature can enhance the recreational development of an area and also compliment the value of the Blue Ridge Parkway. The Roanoke River Parkway will provide easy access to recreational opportunities in Roanoke, Smith Mountain Lake, and the State Park.

Mr. Chairman, in 1987 Congress authorized $12 million for this road that I'm talking about, to be matched by $3 million from the State. Congress also appropriated $450,000 to pay for planning of the visitor center. At the same time, Virginia appropriated $2 million to start the planning of Explore Project, and later, $6 million for land acquisition. That land acquisition is almost completed. At the same time, private contributions were being received to build the historic town and all the other things.

About a year ago the National Park Service, the Federal Highway Administration, and the Virginia Department of Transportation started working together in planning the parkway and the visitor center. A draft environmental impact study has now been finished and will be finalized in the next few months. A record of decision is expected in November, and then we will be ready to begin engineering and design.

At this point everyone involved with this project is extremely pleased with the way the project is taking shape. We think it is going to be a very attractive and effective addition to the Blue Ridge Parkway. We feel confident that the objective of the demonstration project will be achieved, and that the parkway will greatly enhance the recreational opportunities in the Roanoke Valley and become a principal feature of the Blue Ridge Parkway.

But, Mr. Chairman, the cost of the project appears to be considerably more than was originally authorized. We really are not prepared to talk today about a final definitive cost because the planning process isn't finished and we haven't done sufficient engineering yet to really fine-tune the estimates. But we have obtained from the Federal Highway Administration their rough estimate of what it is going to take to finish this project. We think we are going to be needing an additional $67 million to $79 million.

Between now and spring of next year there is going to be a lot of work done, and I expect that the parties involved are going to work together to develop the best possible value for our money on this project. By the time this committee gets ready for markup of your bill next year I hope to be back in front of you, giving you a firm cost estimate, one that has been thoroughly reviewed.

We want this parkway built consistent with the high standards of the National Park Service, but we also want a parkway that is cost-effective. This demonstration project will give us an opportunity to test the parkway standards against the needs for a practical roadway that is functional and can be afforded. It is essential that we achieve good value, and that it be seen in everyone's eyes as being a good investment. I expect plenty of head-knocking to be done to achieve this objective in the next year, roughly.

We are asking for authority to build the whole project, but we realize that we may have to build the road in sections over a period of years. I want to emphasize, however, that it is essential that the first section of the road, the one that connects the Blue Ridge Parkway to the Explore Project, is of the highest priority. It is the most vital. It is important that we get authorization to get that started in 1992, to dovetail with the development of Explore.

This priority section and other sections of the road will be fully described when we meet with you next spring.

Mr. Chairman, this is a good project. Both Virginia Senators are behind it. We expect Senator Warner to make the same request to the Senate committee.

The program is on schedule. It will achieve its objectives and add a valuable enhancement to our National Park System.

Mr. Chairman, we hope that the committee can give careful and favorable consideration to our request.

Mr. MINETA. Thank you very much, Mr. Congressman.

Jim, as you indicate in your own statement, $12 million has already been authorized for the 10-mile extension of the Blue Ridge Parkway to provide access to the State of Virginia's Explore Project. This was done in the Senate amendment to the Surface Transportation Act.

Mr. OLIN. Correct.

Mr. MINETA. Now you are seeking an additional authorization of between $67 million and $79 million for the Roanoke River Parkway.

My question really concerns whether these funds are needed solely because of increase of costs in the project which was originally authorized, or whether there has been a change in the project as it relates to the length of the project or its capacity or other design features.

Mr. OLIN. No, Mr. Chairman, there has been no change in the concept of the road, its length, or even its general location. The reason we are on a different funding level is really two-fold. One, the original authorization was made when this was only a concept and hadn't really been studied carefully. I think the original request on the Senate side was for $20 million. That was cut back in the committee process.

What we have now is one that has been based on about a year and a half of careful study. I think the $20 million that was first

thought of was more based on a roadway that might be running through the countryside on relatively rolling land, and what we are finding here is that the terrain along this river gorge is a little more difficult to build a road on than we used in the original estimate. There are two bridges over the Roanoke River, which was not a surprise, but there are a lot of other bridges that are necessary to meet parkway standards and to have this road be functional the way it should be.

I don't make any apology for the amount of money that is here. We are obviously going to have to be sure that we hone it down, but there wouldn't be any point in building this unless we built it right. This is going to be in effect for generations. It's part of the National Park System and it must be something that will give credit to that system.

Mr. MINETA. Since the roadway is connected to a recreational facility, is there a charge to get into the recreational facility?

Mr. OLIN. I believe there will be a charge for that Explore Project. It will be a State/private type enterprise.

Mr. MINETA. And has there been any consideration by the State of Virginia or others supporting this project of using tolls to finance the project?

Mr. OLIN. I don't believe so, Mr. Chairman.

Thank you very much.

Congressman Shuster?

Mr. SHUSTER. Thank you, Mr. Chairman.

I certainly appreciate your testimony, my good colleague, and look forward to working to help it come true.

Mr. MINETA. Mr. Packard?

Mr. PACKARD. No questions, Mr. Chairman.

Mr. MINETA. Jim, thank you very, very much for your presentation here——

Mr. OLIN. If I could add one more note?

Mr. MINETA. Absolutely.

Mr. OLIN. Mr. Payne, who is on the committee, is my neighbor in Virginia. Part of this project lies in my district and part of it lies in his. I thought you might be interested in that fact.

Mr. MINETA. Very well.

[Mr. Olin's prepared statement follows:]

TESTIMONY OF CONGRESSMAN JIM OLIN
BEFORE THE SURFACE TRANSPORTATION SUBCOMMITTEE OF
THE PUBLIC WORKS AND TRANSPORTATION COMMITTEE
THURSDAY, MARCH 15, 1990

Mr. Chairman, I'm happy to be here today to testify before this committee. I'm here to ask you to reauthorize the Roanoke River Parkway project, which was first authorized in the Surface Transportation and Uniform Relocation Assistance Act of 1987.

I'd like to describe this project to you. This parkway is a demonstration project that provides for construction of a 10-mile extension of the Blue Ridge Parkway. It will run along the Roanoke River between Roanoke and Smith Mountain Lake, a major recreational facility.

Part of the demonstration concept is that the parkway will provide access to the Explore project, a Virginia state park that will recreate the American frontier experience. Explore will consist of several historical replicas of frontier towns and Indian villages. Most of the Explore project will be funded by private contributions.

At the intersection of the Blue Ridge Parkway and the Roanoke River Parkway will be a Visitor Center that will provide information about all the recreational opportunities available in the region.

This whole concept will demonstrate how parkway extensions can enhance the recreational development of an area and complement the value of the Blue Ridge Parkway. The Roanoke River Parkway will provide easy access to the recreational opportunities in Roanoke, Smith Mountain Lake and the state park.

In 1987, Congress authorized $12 million for this road, to be matched

with $3 million from the state. Congress also appropriated $450,000 to pay for the planning of the Visitor Center.

Meanwhile, Virginia appropriated $2 million to start planning the Explore project and another $6 million for land acquisition. At the same time, private contributions were being received to build the historical towns.

About a year ago, the National Park Service, Federal Highways Administration and the Virginia Department of Transportation started the planning for the parkway and the Visitor Center. The draft Environmental Impact Study has been finished and will be finalized in the next few months. A record of decision will be made in November and we'll be ready to begin engineering and design.

At this point, everyone involved is very pleased with the way the project is taking shape and we think it's going to be an attractive and effective addition to the Blue Ridge Parkway. We feel confident that the objective of the demonstration project will be achieved and that the parkway will greatly enhance the recreational opportunities in the Roanoke Valley.

But, the cost of the parkway is going to be considerably more than was originally authorized. We really aren't prepared to talk about a final, definitive cost because the planning process won't be finished until late this year and we haven't done sufficient engineering to make a firm estimate. But, we have obtained from the Federal Highways Administration their rough estimate of what it's probably going to take to finish the project.

We think we're going to need an additional $67 to $79 million. Between now and the end of the year there's going to be a lot more work

done and I expect all the parties involved to work together to develop the best possible value for our money. By the time this committee gets ready to mark-up a bill next year, I'll be able to come back to you and give you a firm cost that's been thoroughly reviewed.

We want this parkway to be built consistent with the high standards of the National Park Service. But we also want a parkway that is cost effective. This demonstration project will give us an opportunity to test the present standards against the need for a practical roadway that is functional and can be afforded. It is essential that we achieve good value that will be seen in everyone's eyes as being a good investment. I expect plenty of head-knocking to be done to achieve this objective.

We are asking for authority to build the whole project, but we realize that we may have to build the road in sections over a period of years. I want to stress that it is essential that the first section be the one that links the Blue Ridge Parkway with the Explore Project. That section needs to start construction in 1992 to dovetail with Explore project development. This priority section and the other sections will be fully described when we meet with you next spring.

Mr. Chairman, this is a good project; it's on schedule; it will achieve its objective and add a valuable enhancement to our national park system. I ask the committee to give serious consideration to letting us finish what we have started.

Mr. MINETA. At this time I would like to call forward the Governor of the Commonwealth of Virginia, the Honorable Lawrence Douglas Wilder. Governor Wilder will be accompanied by Senator Warner, as well as John Milliken, the Secretary of Transportation for the Commonwealth of Virginia, as well as our very fine colleague on the committee, Congressman L.F. Payne.

We are pleased to have the Governor here with us today, and to do the honors I would like to call on our very fine Senator from the Commonwealth of Virginia, Senator Warner.

Senator WARNER. Thank you, Mr. Chairman, Mr. Shuster, members of the committee. It indeed is an honor for me to come over and participate in this historic event, namely, the first appearance by the Governor of the Commonwealth of Virginia, Governor Wilder, before the Congress of the United States.

He could not have selected a more important subject than this one, namely, transportation. It ranks among the top three critical issues in our State, and he is putting his full faith and credit behind the effort to see that the Commonwealth of Virginia gets a fair—and underline fair—proportion of those dollars extracted by the Federal Government in the process of collecting that portion of tax that the Federal Government collects, and seeing that it eventually comes back to the Commonwealth of Virginia.

He is also ready to take on this struggle between the President and the Governors of the several States as we try, together with the Congress, to formulate this new policy whereby it is the President's judgment that more and more responsibility should be accepted by the States.

Just exactly how that will work out remains to be seen, Mr. Chairman. As you know, I serve on the counterpart committee to this one in the United States Senate, and we will be having testimony, and I hope that Governor Wilder will likewise appear before the Senate.

He is accompanied today by the new Secretary of Transportation, Mr. Milliken, who was sworn in last night to this post in preparation for the joint appearance today with the Governor.

I thank the chairman and members of the committee.

Mr. MINETA. I am going to call on my very fine colleague from Pennsylvania, Mr. Shuster.

Mr. SHUSTER. Thank you very much. We certainly welcome all of you to the committee today. Since three of my grown children live in Virginia—about half of my family is there—I sort of feel as though it is my second home. I look forward to being helpful as we proceed.

Mr. MINETA. I would now like to call on our very fine colleague on the Public Works and Transportation Committee and a member of this subcommittee who is doing a very fine job, Congressman L.F. Payne.

Mr. PAYNE. Thank you very much, Mr. Chairman.

We have in previous testimony here that the Commonwealth of Virginia has been very innovative in its approaches to improving modes of transportation in our Commonwealth. I think this was pointed out by Secretary Skinner when he was here and testified about the President's transportation plan and policy.

In many ways the Commonwealth of Virginia is a microcosm of the United States in that we have communities which vary from highly congested urban areas to extremely rural areas that need transportation corridors for economic development. Virginia has been very innovative in planning, developing, and implementing transportation systems to meet the needs of the State.

Governor Wilder has long been a leader in this transportation effort. During his 20 years of public service he has been a strong supporter of transportation initiatives throughout our Commonwealth and has long espoused the importance that infrastructure plays in competitiveness, not only domestically but internationally as well.

I would also like to recognize and welcome John Milliken, our new Secretary of Transportation. I think that in many ways John is coming home, having served as administrative assistant for our former colleague, Joe Fisher, here in the House of Representatives, and I think we in Virginia are very fortunate to have John as our Secretary of Transportation.

So I am extremely pleased to welcome our Governor, a Governor who has already displayed his capability and competence in the short time that he has been our Governor, and he has certainly made all of us in the Commonwealth of Virginia very proud.

Thank you for being here, Governor Wilder, and I look forward to your testimony.

Mr. MINETA. Thank you very much, Congressman Payne.

Senator Warner, it's nice to have you here.

Governor Wilder, it's great to have you here. Your statement will be made a part of the record, and if you would go ahead and introduce your Secretary of Transportation and proceed in your own fashion, sir.

TESTIMONY OF HON. LAWRENCE DOUGLAS WILDER, GOVERNOR, COMMONWEALTH OF VIRGINIA, ACCOMPANIED BY HON. JOHN WARNER, A U.S. SENATOR FROM VIRGINIA; HON. LEWIS F. PAYNE, Jr., A REPRESENTATIVE IN CONGRESS FROM VIRGINIA; AND HON. JOHN MILLIKEN, SECRETARY OF TRANSPORTATION, COMMONWEALTH OF VIRGINIA

Governor WILDER. Thank you very much, Mr. Chairman, Senator Warner, Congressman Payne, and Congressman Shuster. I am very pleased to have the occasion to be with you.

As has been noted, Secretary Milliken is here with me. I might add that Secretary Milliken lives in Arlington, so he brings with him a ready appreciation of gridlock [laughter] and of the problems that we experience, not only in the area of transportation in Virginia, but in Northern Virginia.

Mr. MINETA. Governor Wilder, let me interrupt for just a minute before you proceed.

I see a number of our colleagues from Virginia here. If the members of the Virginia delegation would like to come up here and be seated, please feel free to do so. If you have other obligations, don't feel that you have to come up—fine, Congressman Bateman, I understand that you have a prior commitment—but Congressman Sisisky and Congressman Olin, please join us.

I'm sorry. Go ahead, Governor.

Governor WILDER. That's all right, Mr. Chairman.

I appreciate the opportunity to testify and also to say on behalf of our colleagues in the Congress who have testified previously, it's a further attestation as to the significance that we attach to transportation problems in our Commonwealth. I think one of the most important issues facing us now in the Nation as a whole is the need to reenergize our partnership on transportation, and I stress the word partnership. We appreciate your consideration of our views and concerns.

During the 1980s Virginia's population grew by 12 percent, but highway travel in our Commonwealth increased by 50 percent, to more than 57.5 billion miles traveled. With 116,250 land miles of State-maintained highways, we have the third largest State highway system in the entire country, and not surprisingly, we are hard at work maintaining and improving our transportation systems.

We estimate that this year's transportation funding in the Commonwealth will total $1.8 billion, but still we are falling behind. Yet we are prepared to meet our transportation responsibilities, but we do expect the Federal Government to play its traditional part.

In my State of the Commonwealth Address on January 15th of this year I indicated that reenactment of the Federal Surface Transportation Act would be one of my top priorities. Consequently, I come here today to offer to work with you as a partner to achieve that objective.

As you consider these issues over the next several months, Mr. Chairman, I ask that you help to renew a partnership that will meet those national transportation needs. I can assure you that Virginia will do her part in this joint effort. But as a foundation for that partnership, we believe that the Federal Government should give to the taxpayers the transportation systems for which their Federal gasoline tax dollars have already paid.

With that objective as a beginning, I ask you to join with us in developing a forward-looking national transportation policy that will do the following:

Deal with the growing problem of congestion and its environmental consequences within our urban and suburban areas;

Reward efforts, such as those in Virginia, that make imaginative use of new financing techniques, as Congressman Payne has already alluded to several;

Three, push the private sector, as well as State and local governments, to continue research and development in the transportation field;

We must also focus on moving people, not just automobiles; and

Support our efforts to use transportation policy as a means to encourage economic development and progress in our rural areas.

We estimate that at the end of the fiscal year we will have a $179 million balance in the Trust Fund. These are monies that have been paid in motor fuel taxes, intended for highway improvements in the Commonwealth, but are being held hostage in the Old Executive Office Building, where they are not doing anyone any good. The sum of $179 million is the equivalent of nearly one year

of our current Federal program. We have projects in our urban and suburban areas just waiting for that money, which Virginia taxpayers rightly deserve.

I expect, Mr. Chairman, that this very morning—as a matter of fact, I know that you, yourself did—and other members of the subcommittee crawled through traffic in corridors that cried out for these funds. I say that I know that you did that, Mr. Chairman, because we waited for you about five minutes——

[Laughter.]

Governor WILDER [continuing]. When we called on you, and we were told by your staff, thank God they did tell us, "We think he's caught in traffic." I said, "I hope it's in Virginia." [Laughter.]

So, Mr. Chairman, my request is very simple: Let our money go. [Laughter.]

I urge that this subcommittee use its considerable influence in this body to set the Highway Trust Fund obligation ceiling at least $15 billion for the coming fiscal year. All of the studies show that this can be done safely, while maintaining the necessary reserves and funding the urgent needs. For my State, raising the obligation ceiling in this manner would add an additional $24 million in this year alone. I don't have to tell you, Mr. Chairman, that in your State it will add something like $234 million.

But ours is a national transportation system, not simply just 50 State systems linked together. The movement of goods and people in interstate commerce, as well as the requirements of national security, place this issue on your desk as well as mine.

Secretary Skinner acknowledges that we have to deal with the urgent issues of congestion in our urban and suburban areas, but he has yet to back that conclusion with flexible Federal dollars to address these problems. Moreover, he must acknowledge, as Virginia has done in its most recent initiative, that it costs more to build in congested areas, so the formula should be weighted accordingly.

Furthermore, Secretary Skinner needs to consider a special program focusing on these areas, one which will back up that rhetoric with funding. Likewise, the Secretary should reward States like Virginia that have addressed the issue head on through new initiatives and creative solutions.

Yes, we are flattered that reference was made in his report to the HOV lanes on I-95 and I-395, to partnerships with the private sector such as our Special Tax Assessment Districts on Route 28 near Dulles Airport, as well as the proposed private toll facility linking Dulles with Leesburg to the west. And yet, it would be more appreciated if he mixed his shower of praise with a sprinkling of dollars as well. [Laughter.]

Yes, we are heartened by his commitment to intensify Federal efforts in research and technology, such as our contemplated use of smart money technology between Roanoke and Blacksburg, which has been testified to, but breakthroughs come only after effort and a lot of shared costs, and only the Federal Government has both the resources and the national perspective to lead that research effort.

Yes, we know that he agrees with our view that transportation policy requires a balanced commitment to move people by transit, by automobile, by bicycle, and by foot. If he, you, join us, we will

finish the 103-mile Metrorail system in this area. We will bring commuters north by rail from Fredericksburg and Manassas. We will provide the transportation links in the regions of Virginia critical to national security. We will open up some of the rural areas of our State to the economic progress which can be provided by essential transportation links, such as Route 58 across Virginia's southern border.

Mr. Chairman, we are prepared to be that partner. We are prepared to do our share. We have significantly increased the resources of the Commonwealth devoted to this effort since the last time this committee considered the Surface Transportation Act. We ask only that you join us in this commitment.

I really want to thank you for the opportunity to be with you this morning. I look forward to working together with you and our Representatives in the Congress and others who likewise share the view that transportation is something that enhances our quality of life internationally.

Thank you very much for the opportunity to be with you.

Mr. MINETA. Thank you very much, Governor, for your very fine statement.

I know that with the Senate delegation that we have, as well as the Members in the House, who have worked very hard on behalf of the Commonwealth, these kinds of interests will be addressed.

Governor, the Committee on Public Works and Transportation, led by Congressman Anderson of California and Congressman John Paul Hammerschmidt, the ranking Republican from Arkansas, and Congressman Shuster, the ranking Republican on this subcommittee, and I join you in talking about the kinds of programs that we really need for the future.

I personally join you in your request for increases in the Highway Trust Fund obligation ceiling as a means to draw down against those Trust Fund balances. But I'm wondering, would the Commonwealth of Virginia support higher obligation limits than $15 billion, which might require an increase in the Federal motor fuels excise taxes to sustain higher Trust Fund expenditures?

Governor WILDER. As you know, the Governors signed on, and I did, to ask that the $15 billion be the ceiling without saying that that would be the limit, but increasing it from $12.2 billion. One of the problems that I have right now is that even if we would increase the excise tax, that very easily would be passed on to the motoring public.

That being the case, as long as that Trust Fund is held inviolate, so much so that the motoring public never gets it, it would be awfully difficult for us to talk about increasing gasoline taxes anywhere until the taxpayers could see the direct result of their monies.

Mr. MINETA. I'm aware of that. I think that's what we're trying to do, and that's to make sure that we draw down against the existing surpluses before we go back to them and impose additional taxes.

The recently-released National Transportation Strategy calls for "innovative approaches for funding State and local transportation programs." The committee is very well aware of some of the initia-

tives that the Commonwealth of Virginia has undertaken to finance her own transportation needs.

In addition to the public/private sector partnership for the construction of toll facilities, are there any other public/private partnerships being developed to address some of the transportation needs in your State?

Governor WILDER. As you know, we have Special Tax Districts being set up. One of them is on Route 28, along the corridor. One of the things that Virginia had to do—well, they did just this year, legislatively—was to say to those persons who had addressed proffers in that corridor, that those interests would be protected. That was done legislatively.

I would imagine that one of the concerns that we would have in our State, likewise, is that we have for the first time initiated pledge bonds, for which we would change our Constitution so that they could be used for transportation purposes. It passed the Legislature last year and it passed this year, and it should be put on the ballot this fall.

We feel that that would be something that would enhance further public/private sector involvement, to be in a position to determine where debt service payments would come from.

Mr. MINETA. The committee received testimony earlier today on a request of some $95 million in Federal funds, to be allocated for a demonstration project to conduct research for what is known as the Intelligent Vehicle Highway System, in conjunction with Virginia Polytechnic Institute and State University. The remaining cost of the project would be provided from State and local government and industry funds.

I am wondering if you are familiar—well, you are familiar with it since you mentioned it in your statement. How much does the Commonwealth of Virginia propose to provide for this research project?

Governor WILDER. We have conceptually embraced all of these projects that have been spoken to—the Roanoke River, the Coleman Bridge, as well as the so-called smart highway, in terms of that incentive. I would like very much to have the flexibility on behalf of the State to determine how and when those projects would come into being. As you know, in terms of whether any one of them is directly funded—in this instance, through this commission or through the Congress—we would obviously be matching as we are required so to do. The flexibility, however, would be something that I would desire to have, even though these are all worthwhile projects which would have been embraced. But in terms of dollar amounts and dollar figures, we are not prepared to say at this time.

Mr. MINETA. Very well.

Mr. Shuster?

Mr. SHUSTER. Thank you very much.

I certainly appreciate your testimony today, Governor. Virginia surely is extremely well represented on Capitol Hill by Senator Warner, who is not only highly respected but is one of the most powerful voices in the Congress on transportation issues as well as other issues. So you are in good stead with the Congressional dele-

gation that you have here, looking out for the Commonwealth's interests.

I notice you say there should be weighted funding distribution formulas to account for the greater costs associated with building in congested areas. On the other hand, we have many more miles in the rural areas, and rural areas have smaller tax bases. So shouldn't there be an equal, or at least some consideration given to, balancing these relationships rather than giving the greater weight to the urban areas?

Governor WILDER. Well, I think the equity should be there, I agree with you. One of the problems we have in Virginia is acquisition of right-of-way. Living in this area or being in this area, you are well aware of what land costs and what property costs in this area.

But I think to the extent that some consideration would be given, whether it is weighted or equitable, I would agree.

Mr. SHUSTER. You referred to the creation of Special Tax Districts, along the Route 28 corridor, for example, a special levy on commercial and industrial property. How is that working out? And is that not part of the solution to balancing these high costs in urban areas?

Governor WILDER. I think it has worked well. It has funded Route 28, for that matter, with 80 percent of the costs being borne by the private sector and the State putting up the start-up design funds, which would be recouped as a result of the assessments as they would come in.

One of the problems that we had, as I indicated, was whether those proffers would be vested. The Legislature, just this session, has balanced that equity so much as to say that those decisions made in that regard would be protected.

To the extent that that could continue, it could be held as a pilot. I am very appreciative of the fact that Secretary Skinner has hailed that, as well as other persons, by saying that it could be something that other States could emulate. We would like to use it in other areas of our State, and to the extent that this can remain successful, we encourage it.

Mr. SHUSTER. Thank you very much.

Senator WARNER. Mr. Shuster, could I amplify on that?

The Governor properly said that this was a key and pioneer type of legislation, but since there is a very substantial contribution from the private sector, in turn the private sector has got to receive some type of guarantees, possibly Federal and State, to protect that investment. That means that they predicate the use to which they are going to put their property as the basis for a very substantial contribution of dollars, and therefore that use cannot be taken away from them. Otherwise, it just undermines the concept and also makes it difficult, if not impossible, to live up to their contribution of private sector dollars.

Governor WILDER. One of the further problems, Mr. Shuster, is that you have to have density in the area to permit those private landowners the opportunity to make the proffer where it could be helpful to the motoring public. It's a rare thing to find the combination of density and ownership and State interest combined.

Mr. SHUSTER. Thank you very much.

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Mr. MINETA. Mr. Payne?

Mr. PAYNE. Thank you very much, Mr. Chairman.

I simply want to thank Senator Warner, our fine Senator, for being here today on this occasion, and Secretary Milliken—this is his first day on the job, and I want to thank him for being here today on his first day, and especially Governor Wilder for a very comprehensive and clear view of the needs and the achievements of the Commonwealth of Virginia.

While I think the comments were directly about the Commonwealth of Virginia, they really relate to many things going on across our country and will be very useful to us as we go about our reauthorization process.

Thank you very much for being here, and I certainly support all efforts to get our Trust Funds, the Highway Trust Fund and the Aviation Trust Fund, off budget.

Mr. MINETA. Mr. Hancock?

Mr. HANCOCK. No questions, Mr. Chairman.

Mr. MINETA. Mr. Olin?

Mr. OLIN. Thank you, Mr. Chairman. I just wanted to thank you for the privilege of sitting with the committee, and to welcome again John Warner, my good friend. He has been here many, many times before, helping out on projects that are important to the country and to the Commonwealth.

I want to say hello to John Milliken. John, I think it's a great way to spend your first day on the job.

And to my good friend, the Governor, I want to congratulate you on a very forthright statement, a broad-ranging statement that, as L.F. said, is going to mean a lot to us in our deliberations. Nice to have you here.

Governor WILDER. Thank you.

Mr. MINETA. Governor, let me thank you again for your being before us today. We have many allies within the National Governors Association. Your predecessor, as the head of the National Governors Association, undertook a very major role in the whole issue of infrastructure.

The National Governors Association, I think, carries that stamp of wanting to come up with a very good program. I've had conversations with Governor Orr on this issue. She also brings a very strong rural orientation to it in terms of what has to be done.

But I think that out of this process that Secretary Skinner has started in terms of the 146 public hearings that he held across the country in coming up with this National Transportation Strategy, I think we have a very good start. I think all of us working together will come up with a very good bill that we will have on the President's desk and signed into law prior to the expiration of the present law on the 30th of September, 1991. I know that with the strong support of Senator Warner and others we will be able to do that.

So again, I thank you for your presence here today. I know that we are all familiar with your fine Secretary of Transportation, John Milliken. He used to walk the halls here when he was with Congressman Joe Fisher, as Congressman Payne said, so we look forward to working with him as well as we develop this national transportation legislation.

Thank you very, very much.

Governor WILDER. Thank you, Mr. Chairman.

Senator WARNER. Thank you, Chairman Mineta and Congressman Shuster and members of the committee.

[Governor Wilder's prepared statement appears on page 978.]

Mr. MINETA. At this time the subcommittee will stand in recess until 1:30. We will then have an opportunity to start off with our very fine friend, Tom Donohue.

[Whereupon, at 12:21 p.m., the subcommittee recessed, to reconvene at 1:30 p.m. this same day.]

AFTERNOON SESSION

Mr. MINETA. The Subcommittee on Surface Transportation will please come to order.

At this time I would like to ask Thomas J. Donohue, the President and Chief Executive Officer of the American Trucking Associations, to please come forward.

Mr. Donohue, your complete statement is before us. It will be made a part of the record, so you may go ahead and proceed in your own fashion, sir.

TESTIMONY OF THOMAS J. DONOHUE, PRESIDENT AND CHIEF EXECUTIVE OFFICER, AMERICAN TRUCKING ASSOCIATIONS, INC.

Mr. DONOHUE. Thank you very much, Mr. Chairman.

I would like to begin for just a moment by talking about the American trucking industry.

In 1988, truckers collected almost a quarter of a trillion dollars, $240 billion, to move freight across this country. It was accomplished by approximately 200,000 companies employing 7.5 million Americans. Trucks make up 5 percent of this Nation's gross national product and move 77 percent of the value of everything America grows and produces.

Just for comparison, waterways move about $20 billion; railroads move about $30 billion; and the airlines, if you include all of their passenger and freight, generate in the high $50 billions. So as you can see, trucking is between five and ten times the size of all the other modes.

It is another interesting fact that truckers pay over $50 million a day in highway use taxes, nearly 50 percent of all the taxes paid into the highway account of the Highway Trust Fund and the States.

Now, let me talk just for a moment about highways. America's transportation system is one of the basic elements that leds this country to the industrial pre-eminence. It is also our transportation systems that will provide—as you said this morning, Mr. Shuster—a rejuvenation of this economy in the years to come. History tells us that all transportation systems have a core element. In the past we started with beasts of burden, then boats on canals, followed by railroads; but today trucks are the core transportation systems for the movement of freight in this country.

America's industry has significantly reduced its cost of operation by managing its raw materials and its finished products in such a way that the movement of the product from mill to assembly plant

is carried and stored on a truck. It is the warehouse of choice, and the use of "just in time" inventory has significantly reduced the cost of producing products in this country.

Clearly investments in good highways mean good business for American's businesses. A strong Federal highway system is a must as it is the key element in meeting this Nation's highway needs. I would add parenthetically, that the U.S. is competitive worldwide in part because of our logistics system. We have the most efficient logistics system in the world. If we had logistics systems like some of our trading partners, our competitive ability would be significantly reduced.

Mr. Chairman, let me go forward now to make a few comments about the plan or the analysis that was recently released by the Department of Transportation and Secretary Skinner.

Unlike many of the people and organizations that have been heard in the press, ATA thinks that what came forth from the Transportation Department was an excellent first step. For the first time in recent history, transportation is on the front page of every newspaper and television in this country, and the Secretary succeeded in setting out a sheet of music by which everyone danced to provide their views, their concerns, and their hopes for the future.

Obviously, the trucking business saw a lot of things in that plan that it liked, and we saw a few things that we are concerned about. We are very much in support of the consensus that we must now rebuild, repair, and expand our Nation's principal highway network. A Highway System of National Significance, the road network of 150,000 or 160,000, is a must for us, and we very much encourage your attention to it in the development of the new highway bill.

Expanding this national system can best be done, Mr. Chairman, if we move to a higher standard of construction and design. I have been told by some people that work for us—Clyde Woodle was one of them and this committee knows very well how able he is—that if we added one inch of pavement to the new roads we build, we would get twice the wear. And an inch of pavement adds less than 1 percent to the total construction cost of the road.

The money in the Trust Fund is a great place to start with a new construction program. No new taxes are needed initially to significantly increase the amount of money that we put into building America's highways. Continued Federal funding for major secondary and urban road projects and for bridges is also needed. This industry recognizes that if we begin to spend that money now, at a later time there will be a need for additional dollars.

We support the Administration's efforts to advance the adoption of the IRP and the IFTA. We think these programs would significantly reduce the complexity and the paperwork in our business. We support better highway management to relieve congestion because we are aware that in the 1990s, the Siamese twins are going to be congestion and pollution.

We also support the work that has been suggested in research and the need to do something about overweight containers and, in fact, overweight trucks on the road. That's going to take some effort by this committee and others to deal with the shippers to be

sure that there is joint and several responsibility to be sure that trucks are not overloaded.

Let me just say a word about a few of the things that concern us: tolls, tolls, tolls. We are concerned that we do not put tolls on roads that we have already paid for or on roads that we're in the process of paying for. Clearly, there are places where tolls play an important role, and we are prepared to debate that issue, but we don't think that we should pay twice for the same road.

We are concerned about expansion of the use of Highway Trust Fund dollars for purposes other than highways. There is a whole list of them and I need not repeat them.

However, we are concerned about shifting a greater, burden of highway construction costs to States and local governments, because this could mean a hidden and back door means of taxation. While the Administration says "Watch my lips," it occasionally encourage someone else to do its work.

Finally, we are concerned about the matching ratios. We think that a good deal of discussion needs to come forward there.

I would mention for those interested in revenue that there is probably still $1 billion in excises tax evasion. A stronger effort to collect those taxes at the highest level possible in the distribution system would be in everyone's interest.

We also oppose gasohol exemptions. I understand we want to avoid exemptions, but at the other hand we need votes for highways. However, we are very much opposed to further exemptions from the Highway Trust Fund taxes.

Let me wrap up, Mr. Chairman, by saying that although we are very, very positive about Secretary Skinner's plan, we understand that the Administration and DOT propose, but this committee and the other committees of the Congress are going to dispose of whatever it is that they have proposed. We look forward to working with you on that.

The trucking industry in this country is 10 percent of the traffic and we pay 50 percent of the taxes, so you can be sure that we want to be a major player in passing a highway bill, as the chairman indicated, within the time prescribed. We want a highway bill that supports our economy, supports our quality of life and our freedom of mobility, supports our world trading position, and supports our national defense. You can count on us to be strong supporters of your efforts in the months ahead.

Thank you very much, sir.

Mr. MINETA. Thank you very much, Mr. Donohue, for your very complete statement. I always appreciate the thoroughness and the professionalism with which you and your staff approach issues.

Mr. [illegible] Thank you, sir.

Mr. [illegible] I commend you on that and ask that you convey that to your staff, as well.

Tom, there is a continuing need for a Federal role in preserving the Nation's interstate and primary highways. You are well aware of AASHTO 2020 and their report that recommends the proposal of the development of a category of highways to be known as the "Highways of National Significance."

Do you believe that establishing a higher Federal-aid matching ratio for the category of Highways of National Significance would bias the States' priorities for the use of Federal funds?

Mr. DONOHUE. Mr. Chairman, the spirit of the study and of some of the discussions that have taken place here is that the States clearly should have more flexibility in determining how they will spend some of the money. After all, the Governor was here today, and he's the one who has to deal with some of the very difficult decisions, particularly within the larger cities.

On the other hand, the national system that we have and that we envision for the future is not the connection of 48 contiguous States' decisions. It is a system designed with the well-being of the total Nation and the total economy in mind. For that reason there have to be stimuli that put a little more concern, a little more attention, and a little more determination behind a national system. I think the chairman and the members of the committee recognize, and will probably move in such a way, that they must allocate the funds to insure that we can get from place to place on roads that connect the Nation's economy.

One of the reasons Eastern Europe and the Soviet Bloc are having a terrible and difficult time in providing the basic commodities of life to their citizens, is the lack of roads. Now, there are military and political reasons they don't have them, but 30 to 40 percent of the food in the Soviet Union rots before it ever gets to the market.

I would encourage the chairman and the members, in putting together the highway bill, to go forward and use the money in such a way as to be sure that we have a national system that we can count on.

Mr. MINETA. In that regard, the National Defense Interstate Highway System connected metropolitan areas so that you were able to go from community A to community B. One of the things that we maybe didn't do was to make sure that once you got to community B you were able to get around within that metropolitan area.

One of the things I think we want to do in this bill is to try and build that flexibility that would allow local and State decision-makers to be able to say, "Yes, this is what we need in our local areas." But that means that we also should have some kind of a strong metropolitan planning organization.

Have you given any thought as to how that part of it might be addressed?

Mr. DONOHUE. Mr. Chairman, as you alluded to, the rules have all changed. When this was done in President Eisenhower's time, we simply had to put roads from one big city to the other. Here in the Nation's capital we built a beltway around the capital so that people could bypass the capital. Did anyone envision then that we would have a population that was coming to work now on those roads or the use that that road would have? No. What we need to do is give the people on the scene sufficient flexibility, not only in highway funds but also in the use of mass transit funds. I don't like the word "commingled," but there needs to be some flexibility, that the administration of not only one jurisdiction but also sur-

rounding jurisdictions can get together and do things that make sense.

Sometimes we are so specific in the outlines of what is allowed and what is not allowed that we eliminate the only thing that really ought to be allowed: common sense.

The very distinguished Governor of Virginia has some serious problems he has to address, and having some flexibility in what he does with the money is important. But there are things I wouldn't want him doing with the money, but in his purview of highways, it would be fine to have a little flexibility.

Mr. MINETA. Now, the Strategic Highway Research Program is conducting a long-term pavement performance program to enhance the efficiency of the physical highway structure.

What significant benefits would be derived from implementing some of the interim findings from this proposed 20-year ongoing research program? Would the benefits accrued primarily enhance the productivity of the trucking industry?

Mr. DONOHUE. Well, Mr. Chairman, it costs us a fortune today operating on roads that are not well maintained. The average tractor-trailer gets somewhere between five and six miles per gallon. If you run it on a good road, it's up around six and a little better, and if you run it on a really bad road, it's down around four. When you run 250 billion miles a year, that's getting to be real money.

Not only that, but poor roads are very unsafe. They encourage vehicle problems and driver problems, such as fatigue. For example, some of the research suggests that one way to make highways safer is to make off ramps of better design. Unfortunately some of the States are still building highways with 1935 technology. Not many, but we really must use some of these research findings to make roads safer, more durable, and less expensive.

We are in a time of technological change where we will never get to the end. We will never finish a study, we will never finish a program. But we will know more before we get there. So we ought to take whatever knowledge we gain and use it, because there are crying needs across this country to fix the highways to maintain our mobility.

Mr. MINETA. The committee has received testimony supporting higher Federal expenditures for the Federal-aid Highway Program. Again, in their report AASHTO has proposed that the Federal Highway Program be funded at a level of $17.5 billion in fiscal year 1992, increasing to $26 billion in fiscal year 1995.

A significant increase in the authorization of the Federal-aid Highway Program to that level would require two things. One, of course, is a draw-down against what is in the Trust Fund now, but I think that will also trigger a need for an increase in excise taxes.

On that score, I am wondering under what conditions the ATA would support higher excise taxes.

Mr. DONOHUE. Well, Mr. Chairman, as you know, we have been the major opponents of plans to use excise taxes to reduce the Federal deficit or clean the air. We are already going to have to spend, as you know, $0.03 to $0.05 per gallon before 1994 to clean up diesel. But we have opposed increases in excise taxes because we believe that it is regressive and unfair and breaks the covenant with the Highway Trust Fund.

But if the highway reauthorization had us drawing down the Trust Fund money by spending it at the rate that you described, the trucking industry would be prepared at the end of two, three, four years, whenever it was drawn down to step up and support an increase in excise taxes to ensure a continuation of highway spending at that level. Not only would we be willing to do it, but also we would support the committee in getting the Congress authorization for that tax.

Mr. MINETA. The National Transportation Policy supports the use of Federal funds and toll revenues for the construction of toll facilities. Such a policy would provide for the construction of highways to relieve congestion of these Government-financed highways.

Would the imposition of tolls on a network of Highways of National Significance affect the productivity of the trucking industry?

Mr. DONOHUE. Well, Mr. Chairman, if we pay $50 million a day in taxes and we start paying it a second time, it is certainly going to affect an industry whose profit level was slightly more than 2 percent last year. We are in a serious problem. Fuel prices went up, which further reduced profit margins. In our judgment, to pay twice for the same road is not only a mistake, but a little dishonest.

On the other hand, there are places where tolls make sense. There are roads that are not yet paid for and maybe cannot be paid for very easily with Federal or State funds. Perhaps we ought to have a private involvement or an agreement among the State and the users of the roads on a bond issue and tolls. But once paid for, we ought to get rid of it. We have a situation in Ohio where the Ohio Turnpike is paid for, but now everybody finds 12 reasons to keep the tolls.

I should say that as much as we would vigorously support the chairman's effort to increase the excise taxes at the appropriate time, you might find us in some opposition to inappropriate use of tolls.

Mr. MINETA. Over the last few weeks the committee has been informed that the trucking industry is proposing a provision to require States to allow the operation of 48-foot trailers or other longer combination vehicles on the national truck network. Does ATA support the use of longer combination vehicles as a means to enhance productivity within the trucking industry?

Mr. DONOHUE. The answer to that question, Mr. Chairman, we don't want any mandate for those types of trucks, right now. Those decisions very much have to be left to the States' option, where the circumstances of the roads, the geography, the economics, and the business demand can be seen in a local area.

But there are some other points to consider. First of all, we are all concerned about clean air. We are concerned about a massive driver shortage. We are concerned about fuel consumption. By occasionally using larger trucks or combinations of trucks which have very good safety records because of the professional drivers and the way they are used, maybe we can meet some of these other public policy objectives.

We're not going to ask those to be mandated in the Federal highway bill authorization. However, we hope we can work with the members and the Governors and others to get them where they make sense.

I might say, if I can, a little bit tongue-in-cheek, I hope that in this highway bill we can get what we were promised in the STAA, which is 48-foot long, 102-inch wide trailers in all the States. We still have a handful of States where the Mickey Mouse rule is the order of the day in terms of how they deal with 48–102's. I told one Governor not long ago that I think in about another year he ought to block 48's from his State. He said, "Why?" And I said, "Because we won't have any 45's left by then." It was a long time ago that we were promised access and we still don't have it everywhere that we ought to have it.

Mr. MINETA. Thank you very much, Mr. Donohue.

Mr. Shuster.

Mr. SHUSTER. Thank you.

As always, Mr. Donohue, we certainly appreciate your very perceptive and well thought out testimony.

I was interested in your comment that trucks pay 50 percent of the taxes and represent 10 percent of the traffic on the highways. Some years ago, the figure that sticks in my mind for that relationship was that trucks represented 16 or 17 percent of the traffic and paid 46 percent of the taxes. I am intrigued by the change in those statistics, but to what extent does that represent heavy trucks versus light trucks when you talk about 10 percent of the traffic? How much of that is heavy trucks?

Mr. DONOHUE. First let me speak to the taxes. You can get anybody's number, Mr. Shuster, from 45 percent on up, and it really depends on all the trucks that are included and all the taxes that are included, but it's a significant number.

The 10 percent of the traffic basically includes trucks that are in the commercial business. Before I give you a wrong answer, I think what I would do just to get it exactly right, because there are a lot of people here who are a lot smarter than I am, I am going to ask somebody that question, if you would just take one second.

Mr. SHUSTER. Sure.

What I'm really looking for here is the percentage of heavy trucks and what percent of the tax they pay.

Mr. DONOHUE. It includes all the commercial trucks. So if you were to say, what percentage of the heavy trucks, it would be significantly less than that. It would be down probably to half of that. Today there are five million trucks, in round numbers, and about 1.5 million to 1.7 million of those are heavy combination vehicles. Then there are the fairly heavy straight trucks, and then you get down to all the delivery trucks and so on. So if it's 10 percent of the total traffic, probably less than 5 percent are heavy trucks.

Mr. SHUSTER. And I wonder what percent of the total taxes those 5 percent pay?

Mr. DONOHUE. That's where a large amount of the money is.

Mr. SHUSTER. I would think so.

Mr. DONOHUE. I tell you what I will do, Mr. Shuster, I will get one page, very simple, that lays that right out.

Mr. SHUSTER. I can see your staff leaning forward.

[Pause.]

Mr. DONOHUE. That lady knows every number in this business. Heavy trucks pay 30 percent of it.

Mr. SHUSTER. Okay, and represent about 5 percent of the traffic?

Mr. DONOHUE. That's right, or a little less, and they are paying 30 percent of the taxes.

Just the same, because that is an excellent question, I would like to send over one sheet and have it included in the record because we have just been going through those numbers.

[The figures referred to follow:]

AMERICAN TRUCKING ASSOCIATIONS, INC.

THOMAS J. DONOHUE
PRESIDENT AND
CHIEF EXECUTIVE OFFICER

2200 MILL ROAD
ALEXANDRIA, VIRGINIA 22314
(703) 838-1800

April 5, 1990

The Honorable Bud Shuster
Surface Transportation Subcommittee
Public Works and Transportation Committee
2165 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. ~~Shuster~~: Bud

It was a pleasure to testify before you on the critical issue of the future of the highway program. In response to your question regarding the relative tax payments and travel of larger vehicles, all combination vehicles pay 33% of Federal highway user taxes, travel 4.5% of vehicle miles and represent only 0.8% of all vehicles registered in the Nation. The figure included in my testimony of March 15 indicating that "commercial trucks" pay 42% of Federal taxes is based on combinations and larger single unit trucks combined. These vehicles pay more than 42% of Federal taxes, travel 6.9% of all vehicle miles while representing only 2.9% of all vehicles registered.

Thank you again for the opportunity to present the views of the trucking industry. I look forward to working with you and your colleagues on this important issue.

Sincerely,

Tom

/ts

See You Soon!

Mr. DONOHUE. You know, one of the problems we have, Mr. Shuster, is that there is no single trucking business. There are probably eight or ten or twelve different businesses, very, very different, within the trucking industry. We have been working hard to get more and more information about our business. It is a complicated thing to gather, and I look forward to giving you some of that material.

Mr. SHUSTER. Thank you.

What do you consider the biggest safety problem facing the trucking industry today?

Mr. DONOHUE. The trucking industry in the last five years has done more about safety than any industry in this country, in my judgment. The first and most important thing we did, with your help, was pass the Single National Driver's License legislation. The single most important safety problem we face today is getting that legislation adopted, applied, and implemented around this country. Once that's done, those people who drink and drive, speed, drive recklessly, and have accidents, are not going to have anywhere to hide.

But there are lots of excuses—some of them valid—as to why the license is not in this State or that State. But, you know, this is a simple issue. This is an issue of getting a simple computer system and keeping track of the people who drive heavy trucks in this country. If we take care of that, you can be absolutely sure there's going to be an improvement in safety, more safety consciousness on our highways than we have had in the history of trucking.

Mr. SHUSTER. With regard to pollution, it appears that Congress is going to enact clean air legislation this year, and that some in your industry are going to be required to convert to alternative fuels.

What would you see the impact of this being?

Mr. DONOHUE. Well, Congressman, to ignore alternative fuels is to be the ostrich and stick your head in the sand. We are a Nation and an industry dependent on other people's oil. But on the other hand, to jump at untried technology is a folly. There was a period of time over the last year when there were a lot of people running around this country talking about methanol. Do you know what methanol is? Methanol is what they use at the Indianapolis 500. It's explosive, corrosive, flammable and water soluble. You drop it on the ground and it goes into the water table. You bring a truck inside in the cold weather to repair it, and it goes up into the lights and blows up.

So when you say "alternate fuel," which fuel? And how much fuel is it going to take to make that fuel? I'm sure you've read the stories in recent months about what has happened in Brazil, where they were going on an ethanol standard, and now it is consuming all their crops. They've got all sorts of incentives and its distorted their tax base.

We need to do what's smart—smart science and very smart politics—before mandating that which we're not sure works. But this industry won't stick its head in the ground. For example, we are going to spend $0.03 to $0.05 per gallon as I indicated before, to clean up the diesel fuel and make changes in the engines with significant costs—because we're going to meet the EPA's 1994 clean

air standards. What we don't want is for somebody with a bright idea tell us, "Well, you'll use this alternate fuel, or that alternate fuel." If we use methanol or ethanol, you're going to need twice the amount of fuel. How are you going to fuel those trucks? Where are you going to keep it?

I'm very concerned about alternative fuels, but we'll be on the front line of working with them. We are doing some studies in our own Foundation to find ways to get alternate fuels that work. We hope we can work with your committee and in turn you will protect us from people with bright ideas.

Mr. SHUSTER. One final question. You have suggested that Federal funding go from $1.8 million to $50 million for truck-related research. That's an enormous increase. Do you think we could spend that money wisely?

Mr. DONOHUE. Yes, but let me give you answers. Look at the other modes, where the government is spending $17 million plus the State money, and on the railroads significantly more than that. Remember the railroads do 10 percent of the business that we do and employ some 300,000-odd people, whereas we employ 7.5 million people. You're talking about truck-trailer research. You're talking about driver research, fatigue, wellness, safety. You're talking about communications technology. You're talking about tax policy. Further you've got 50 States that have a demand to do some research. So $50 million worth of research in this industry, carefully used, will repay us time and time again with the type of information that will enable us to save billions of dollars.

We can easily spend it. We are an industry 10 times the size of others that have research budgets of almost $25 million.

Mr. SHUSTER. Thank you very much.

Mr. MINETA. Thank you.

Mr. Hastert?

Mr. HASTERT. Thank you, Mr. Chairman.

Mr. Donohue, we certainly appreciate your coming before us today.

Mr. DONOHUE. Thank you.

Mr. HASTERT. It is interesting that in the debate, certainly within this committee and it has been a traditional debate in this committee, it has been the Trust Fund and why we accumulate literally tens of billions of dollars to shade a deficit that everybody knows is there anyway, and those dollars really ought to be spent out.

Some of the proposals I hear are for increases in gas taxes and other types of taxes to defray that deficit. If we doubled the gas tax in this country to defray the deficit, what would be the cost to your industry and what would be the competitive disadvantage that you would see?

Mr. DONOHUE. After personnel, diesel fuel and gasoline are our biggest expenses. If you doubled the gas tax in this country right now, our industry would run at a net loss. We wouldn't have any profits across the industry because it would take some time to pass that on to the customers. The way the pricing mechanism works in the trucking business, there is a very long holding time, then when it finally got to the customers there would be an unfair, regressive, and disproportionate application of that tax.

It is wrong to ask one or two or three industries to pay for everybody else's deficit. It is wrong to ask people in Wyoming to pay an expanded portion of the deficit because they drive long miles. It is wrong to charge the people least able to pay for that deficit. It would be terrible for the industry and would be terrible for the country. It would cost us thousands of jobs. It would increase inflation, and we ought not do it.

However, if you took some portion of that at the appropriate date after you had spent down some money in the Trust Fund and put it into building highways, it would create jobs; it would create commerce; it would reduce inflation over time, and it would be good for us.

But you will find us the strongest opponents of a fuel tax if it does not go into building highways.

Mr. HASTERT. So what we would do is end up passing a pass-through. The increase would go eventually to the shipper and then the consumer.

Mr. DONOHUE. But between "now" and "eventually" there would be an absolute trauma in the trucking industry.

Mr. HASTERT. I tend to agree, and I think you're probably preaching to the choir here——

Mr. DONOHUE. Well, we're both getting it on the record here. Any time I get a chance, I want to do it.

Mr. HASTERT. One of the things that we look at, and you have it in your testimony, you talk about intermodal freight. Really, as we have to become more and more competitive on the international scene—you know, trucks used to be a domestic thing. Today they aren't. They haul the containers. With the "just in time" philosophy, they are the mechanism to get the containers to the factories and to the assembly lines just in time.

Do you think that Federal highway funds or those Trust Fund dollars should go toward modernizing our intermodal facilities as well as the cement and bridges and roads?

Mr. DONOHUE. Well, first let me say that intermodalism is the thing of the future. Shippers don't care how you get it there, sir. They want it there safe, efficiently, quickly. It is in our interest—both railroads, water, air, trucks—to work together to provide that service.

To do that, we're going to have to learn how to cooperate with one another so that we can learn to compete with one another more effectively. Cooperation means that we're going to have to have sizes that we agree upon and standards that we agree to for containers and weights. By the way, that's one of our biggest problems, because as containers come into or out of the United States, they are grossly overweight. The first time the trucker knows it is overweight is when the front wheels go off the ground.

But the circumstance that you asked, should we take Federal highway money and should we build roads to the airport or to the rail link and so on, well, some of that can be done, I think, as we were discussing about what we are going to do with the money if we give the discretion to the local communities and the Governors. You have to be very careful in dealing with that because we do have serious airport problems and we do have a lot of money in the Aviation Trust Fund. We do have the railroads trying to be very

competitive, and I'd like them to be as competitive as they can be with their money. You know they had an 8 percent profit margin this year.

We are open to ideas that are good for business and good for our industry. We just don't want to leave the door all the way open without anybody watching it.

Mr. HASTERT. Well, I agree. In your opening statement you talked about the real basis of the economy, how you can move goods, and if you can't move goods and be efficient and be competitive, then we're out of the ball game. So I tend to agree with you on that.

You touched on the weight of the containers——

Mr. DONOHUE. A very serious problem.

Mr. HASTERT [continuing]. And how the shippers ought to be responsible for that. Can you do that practically?

Mr. DONOHUE. First of all, you certainly can. Let me just tell you two facts. We have to be honest with ourselves because we like to give great speeches and say that 30 percent of the containers that come into the United States are overweight, but 30 percent of the containers going out of the United States are overweight. Now, why are they overweight? And what does overweight mean? If it's overweight a couple of pounds because it filled out the bulk, who cares? But when you're 5,000, 10,000, 25,000 pounds overweight when it says "television parts from Taiwan" and it really is nuts and bolts, and you put it down on the trailer and the front wheels literally come up a little bit off the ground, that's a little out of order.

Do you know what we're doing? We're hurting ourselves competitively, because they don't pay by weight on those ships. They pay by cube, per container. The railroads have the same problem. If they don't know what the container weighs and they put the heavy one on the top, it leads to turnovers and derailments and so on.

So I think we just have to say that we're serious about our trading regulations. Why do we want the Heiniken Beer people to set the trading rules? Let's us set them. We're our own worst enemy, because the ports all up and down the eastern seaboard and on the western coast are increasing the weights they will take to get the business. Ports are competing with one another. But the poor trucker, who is allowed to take that container north and south on the permit but has to take it east and west, is the one who gets the ticket. He's the one that has the accident. He is the one that runs into my kids or yours.

We've just got to get tough about that. The same thing ought to apply in the United States. There can always be an accident, but if a shipper intentionally overloads a truck or overloads a trailer, he ought to share the liability for that in terms of the accident, in terms of the ticket, in terms of whatever legal recourse should be there.

How can they walk away from it and say, "I'm Pontius Pilate, that's not my problem"? They know when they're overloading a truck.

You just hit one of my hot buttons.

Mr. HASTERT. I noticed. [Laughter.]

Mr. MINETA. Would my colleague yield on that, if I could follow up?

Mr. HASTERT. Yes.

Mr. MINETA. So who should we put the heat on? The shipper? The carrier? The trucker? Whomever? The consignee?

Mr. DONOHUE. Yes.

Mr. MINETA. Is it the shipper in Bangkok? Is it the consignee in Detroit? Is it American President Lines? Is it——

Mr. DONOHUE. Let's take an example. Let's just take those coming into the United States.

The technology now allows that a piece of tape and wire on the cable that picks up the container weighs it within a pound. It's electronic weighing. If they are grossly overweight—I don't want to split hairs about a few pounds here and there—if they are grossly overweight, we put them on the side and we call the guy who sent it in Taiwan and we say, "You have three choices: One, you can come get it. Or you can pay us an extra fee, and tonight we'll move it on a trailer that is designed to carry the heavier weight, because the gross weight is not as important as axle weights. Or finally we can arrange for the ILA, or whoever happens to be running that port, to take that container apart and put it in two containers, and we will charge you to move two containers."

Now, I know that sounds terrible, and people will say, "Well, we'll hold up the freight coming into the United States." Those are products that are competing with American manufacturers. Why should we let them move them at reduced price?

In terms of going out of this country or going around this country, I think we should say that the trucker should do everything he can to not pick up overweight loads. But, you know, I want to tell you about what happens to small trucking companies. Remember, 96 percent of the companies in this country have six or fewer trucks, and it's a tough time when somebody says, "Mr. Mineta, you take that overweight truck or you forget it, because the guy right next to you will take it." And in that situation, when we stop a truck on the Pennsylvania Turnpike and he's 30,000 pounds overweight, the shipper who loaded that container or that truck should share in that responsibility. They can't just say, "The minute you pull away from my dock—and I know I overloaded it—it's your responsibility, trucker."

In the insurance business and the legal business, joint and several liability has brought people to look at circumstances a lot differently. If we have joint and several responsibility, the shipper will find it in his interest not to overload trucks, and truckers will feel a lot better about telling the shipper that they share the liability.

It's not an easy thing to do because we have millions of containers and millions of trucks every day, but it's something we ought to do. Otherwise, the few who abuse the process are hurting everyone else. And it's a safety issue. It is a very up-and-down safety issue and we have a responsibility to our fellow citizens.

I think that the DOT and the Congress can get together with the industry—the railroad industry has the same problem—and we'll help you figure out a way to do this thing that makes common sense without stopping the industry. As soon as the word goes out, it will happen.

I spoke to the National Industrial Transportation League about four years ago about this. I proposed it and they all screamed. I said, "Let me ask a question. Is there anyone in this room that intentionally overloads a truck?" Nobody put up their hand. So I said, "Then what are you worried about?" [Laughter.]

Mr. MINETA. I thank my colleague from Illinois.

Mr. HASTERT. Thank you, Mr. Chairman.

One of the things that you have here in your program—you didn't talk about, but it's written here—and I might add that I made an effort to go around and talk to a lot of my local truckers in my district about truck issues and the things that they're most concerned about, and the "one-stop shopping" thing is something that I hear over and over and over again.

Do you think that some type of legislation that would urge States to go into international agreements for both registration and taxation is something that would be helpful to your industry?

Mr. DONOHUE. I certainly do, Congressman. A lot of the States are moving forward on that, but a little friendly persuasion from the Federal Government would help.

Do you know that it would cost us well over a billion dollars in administrative costs to pay our taxes? Then imagine one of your truckers that runs in 12 States, and all of a sudden now he has all the stickers and license plates, and where is the truck—we're in the age of computers. We're in the age of simply doing this thing by electronic processing, make sure all the trucks are registered, send the money, distribute it around to the necessary parties. Why should we spend all that unnecessary money?

I think that if this committee and the Members of Congress could help us push that along in the States, that we would save the industry a great deal of money. We also would have a better sense of the information we need to know about trucks in this country and how we should best use them.

We're going to have some additional problems coming down the road. Now States are beginning to look at inventive taxation. At one point they wanted to tax truck drivers' income as they drove through the States, or trucking companies, or they're looking at all kinds of sales taxes. We need simplicity. The railroads have lots of protection for that, you know, and we'd like some of the same protection.

Mr. HASTERT. Well, there are some bills around that give you that protection.

Mr. DONOHUE. I understood that we were getting there. That's the next question, but that's all right. [Laughter.]

Mr. HASTERT. There's not going to be a next question.

I certainly appreciate your testimony.

Mr. DONOHUE. Okay. Well, that's fine.

Let me say, if you will allow me, I think the bill that you are talking about has a lot of very good things in it. It also addresses a very fundamental question in our industry. It is a difficult time. There is tremendous consolidation, mergers, acquisitions, and bankruptcies. We've had some excellent discussions in recent months with the shippers. We're beginning to see the economic issues there.

You know, for years the fellow in charge of the shipping business has run upstairs to tell the CEO how much money he has saved. I was out at one of the major automobile and truck manufacturers the other day, and he was telling me that truckers don't have any money to buy trucks. I said, "Do you know what your shipper guy told people the other day? That he saved $2.3 billion in the last six years in moving things on trucks." And we need to get a little balance here, and I'm sure we'll be able to, with the driver shortage and the things that come up, sort of balance this out. I think that a discussion on your bill is a healthy thing to do.

Mr. HASTERT. Thank you.

Thank you, Mr. Chairman.

Mr. MINETA. Mr. Donohue, let me ask this. The National Transportation Statement that was just issued supports expansive use of intermodalism to address the Nation's transportation demands. The policy also supports what you sort of gingerly referred to as "commingling" of transportation trust funds.

Does ATA support the flexible use of transportation trust funds?

Mr. DONOHUE. Mr. Chairman, if you are talking about, for example, the Federal Highway Trust Fund and the mass transit situation, giving the Governor of Pennsylvania and the Mayor of Philadelphia some flexibility to make choices that make common sense, sure. If you're talking about some of the comminglings that are suggested in terms of airports and rail situations, we need a lot of good judgment about that and there would have to be a lot of controls on any of that sort of thing.

But common sense is what we're interested in, and you're going to have a lot of support from us as long as what we're talking about fits that bill.

Mr. MINETA. You make a very strong case for the 55 mile per hour speed limit. Even if the speed limit is not returned to 55 for motor vehicles generally, do you believe that a 55 mile per hour speed limit should be required for trucks?

Mr. DONOHUE. Instinctively my answer to that, Mr. Chairman, is yes. But you know, one of the things we've learned in this country is that the speed limit is sort of the base number from which people accelerate. So if you have a 55 mile per hour speed limit, some people are driving 62; so if you had a 65 mile an hour speed limit for cars and they are driving 71, and trucks are driving 55—and a lot of them are governored at 57—I need to know some more about what happens with two speeds of traffic on highways. We're trying to do some studies about that. I don't know the answer on it, but my philosophical position is that trucks ought to drive as close to 55 as we can get them because the physics of the thing are very simple. You take an 80,000 pound truck going down the highway, it might be wet, and if you can cut 10 miles off the speed, safety takes hold a lot better. Not only that, but we use a lot less fuel.

Mr. MINETA. What is your current position on radar detectors?

Mr. DONOHUE. There are a number of different positions in the Donohue household on that matter. [Laughter.]

The position of the trucking industry is that we ought not have them because the only reason we would want to have them is that we would want to drive faster than the law allows. We don't want to break the law, and that's our policy. In fact, I have to get after

some of my staff when I get in their cars and they have them. I have three sons that are interested in the technology—simply for the experience, they tell me. [Laughter.]

Mr. MINETA. All right. Well, again let me thank you very, very much for your complete and thorough statement. I look forward to working with you as we continue developing this policy statement that we have now into legislation.

Mr. DONOHUE. Thank you very much, Mr. Chairman.

Mr. MINETA. Thank you very, very much.

[Mr. Donohue's prepared statement appears on page 798.]

Mr. MINETA. At this time I would like to call forward the Senior Vice President of the American Bus Association, Susan Perry.

Ms. Perry, we have your statement. It will be made a part of the record, and you may go ahead and proceed in your own fashion.

TESTIMONY OF SUSAN PERRY, SENIOR VICE PRESIDENT FOR GOVERNMENT RELATIONS, AMERICAN BUS ASSOCIATION

Ms. PERRY. Thank you, Mr. Chairman. For the record I am, as you say, Susan Perry, Senior Vice President for Government Relations of the American Bus Association. It is a pleasure to be here once again and to present the views of the Association, this time on the reauthorization and some thoughts that we have on the upcoming highway and transit programs.

My testimony today will cover a number of issues in several titles of the reauthorization legislation that you will be developing during the coming months. I am going to try to do this in five minutes. As you well know, I have never talked about anything in my life in only five minutes, but I will do it as quickly as I can.

By way of introduction and explanation of what the intercity bus industry is today and the position it is in, I would like to cite a report—and this is the entire report, done last year by Robert R. Nathan Associates here in Washington—entitled "Federal Subsidies for Passenger Transportation, 1960–1988: Winners, Losers, and Implications for the Future."

For the record, Mr. Chairman, I would like to submit just a copy of its executive summary.

Mr. MINETA. Without objection, so ordered.

Ms. PERRY. Thank you.

The report points out that while the intercity bus industry is indeed the primary carrier of the old, the young, the poor, and those in rural America, the industry has received only three-tenths of one percent—less than half of one percent—of the Federal transportation assistance over the last 28 years. When we refer to an unlevel playing field—which we do, as you are all aware, quite frequently—and we say that this must be rectified, this is what we mean.

Although we are not asking for direct Federal subsidies, we are indeed asking for Federal transportation policy that will maintain and revitalize the only intercity service that exists for those groups of travelers whom I have just mentioned.

To quote from the report, "Private bus operators have continued trying to serve as every community's link to neighboring urban centers, ensuring that affordable transportation would be available

to everyone. But now the cumulative impact of Federal neglect has begun to take its toll on the network of intercity bus transportation."

A Federal transportation policy that would include attention to the following would be most helpful to us: promotion of public/private partnerships; development of intermodal facilities, particularly transportation centers; equity of treatment, including looking at subsidies of competing intercity modes, such as Amtrak and the airlines; and finally, some infrastructure improvements, including high occupancy vehicle lanes.

I believe it is appropriate for me to address a few of these in a little more detail. First let's look at intermodal facilities.

These are a win/win experience for the private and the public sectors, as well as the traveling public. The recipient of Federal capital dollars builds the center and uses it for its operations. The private sector operator pays rent to use it as well, thus providing income to the owner and the builder, while receiving a new, safe, and clean facility for the private bus operator who doesn't at this time have the construction capital sufficient for its needs around the country.

The availability of Federal dollars for these transportation centers benefits the private intercity bus industry immensely, but it does not constitute a direct subsidy to it. In fact, by paying rent the industry is paying its own way and making a contribution to the operation of the center.

Secondly, infrastructure improvements—the one we're concerned with particularly today is high occupancy vehicle lanes. Unquestionably, HOV lanes are a highly cost-effective method of relieving urban congestion. We know that there is congestion in every urban area of the country, and because this is a nationwide problem we believe there need to be some Federal incentives for HOV lane planning and development by local officials. Further, there needs to be melding of highway and transit funds in order to solve the problem of who is responsible for paying for the HOV lanes.

Turning from the infrastructure to a related area, that of equipment, we have a new problem we need to come to you with which we think could be solved, perhaps, by this legislation, although I'm not sure. The intercity bus industry needs, in some instances, to have a 45-foot bus. This is five feet longer than the current bus, the one that has been in use for many, many years. In heavily congested areas like the northeast corridor, it makes sense to have the most possible passengers per vehicle. In addition, it is also desireable environmentally to have more passengers in fewer vehicles.

Our problem is not one of manufacture. We know how to make them. We can make them. It is rather one of lack of uniformity of regulations from State to State. It is unclear why 40 feet became the maximum length limit for intercity buses in a majority of the States, but it is.

There is no apparent relationship that we have been able to find between the maximum length limit for intercity buses and highway safety. Since highway safety is our primary concern, and the excellent record of the intercity bus industry would bear that out, we would have to pause, were this an issue. But since it is not an issue, what we need is for this committee to consider preemption or

some kind of solution with us of these various State laws so that we may be permitted to manufacture and operate 45-foot buses on the Federal highways of this country.

Having mentioned safety, I turn to it just for a moment to one particular issue that is troubling us. You all know the background on this. I won't go into it. I will simply tell you that we still are waiting for the Federal Highway Administration to issue a final regulation to bring private not-for-hire carriers of passengers under coverage of the Federal Motor Carrier Safety Regulations, as was mandated by Congress in the Motor Carrier Safety Act of 1984. This regulation has still not been issued by FHWA.

While we are still talking about highways I want to voice our continuing support of H. Res. 41, expressing the sense of the House in opposition to an increase in Federal fuel taxes to reduce the budget deficit. We agree with all of you that raising the fuel tax now does not make sense, let alone the idea of raising it for the wrong reason, to solve the Federal deficit problem. The leadership of the Public Works Committee deserves to be highly commended for introducing H. Res. 41 last year, and for gathering cosponsors now totaling considerably more than a majority of the Members of the House. We congratulate all of you for this and we wish you good luck, and we will keep working with you in obtaining its passage by the House.

In conclusion, just a few thoughts of our industry on two mass transit items, charter bus service and competitive contracting of transit services.

The Urban Mass Transportation Administration, after some 10 years of consideration, issued charter bus regulations on April 13th, 1987. These regulations were then amended slightly by UMTA on December 10th, 1988. The regulations prohibit local transit authorities, with certain exceptions, from providing charter bus service with UMTA-funded buses or facilities so long as private bus operators in the area are willing and able to provide the service.

Almost three years of experience with these charter regulations have demonstrated that Congress and UMTA both acted wisely. The regulations are working to the benefit of all. Where disputes have arisen, the differences have been resolved amicably in almost every case.

In the 1982 Surface Transportation Relocation Assistance Act, Congress prohibited the ICC from granting interstate charter operating authority to recipients of governmental assistance for the purchase or operation of buses. This, and section 3(f) of the UMTA act, have leveled the playing fields for charter bus competition. All we ask you today is not to disturb either of these pieces or legislation, nor the resulting regulations, in your upcoming reauthorization process.

And finally, another UMTA act provision, the requirement to involve the private sector "to the maximum extent feasible" in the planning and implementing of transit service. Indeed, as we have argued for a long time, there is no law that says that public transportation must be provided only by public entities. Where certain transit services are put out for competitively-bid contracts, both public and private operators may bid. Control of the service—

things like schedules, fares, type of equipment, even drivers' uniforms, colors, paint jobs of the equipment—is all maintained by the public agency. The winner of the bid is merely the provider of the service and not a decision- nor a policy-maker. Everybody wins again in this public/private partnership for a number of reasons, reasons that include that the public agency chooses what service it will contract out; the private operator has the opportunity to participate in the provision of service; and the public receives service that costs less because of the competition and therefore requires less subsidy and saves scarce public funds.

Competitive contracting is working in a number of places around the country today. All the American Bus Association asks is that the private bus industries' right to participate and to be included to the maximum extent feasible be preserved in this next round of amendments to the Urban Mass Transportation Act.

Thank you very much.

Mr. PAYNE [assuming chair]. Thank you very much, Ms. Perry.

In your testimony you indicate that ABA is in favor of a Federal transportation policy that supports public/private partnerships. The National Transportation Policy also supports greater private sector involvement for addressing the Nation's transportation needs.

What types of new public/private sector initiatives would the American Bus Association support?

Ms. PERRY. Well, particularly those few that I mentioned in my testimony, Mr. Payne. The intermodal transportation centers is crucial right now so that we can have new, safe, clean terminals around the country, and the right to participate more and more in the provision of some public transit services. Those two are the most important to us at this time.

Mr. PAYNE. How do you see that these initiatives would benefit the public sector?

Ms. PERRY. They benefit the public sector in that, for instance in the transportation centers, the centers are built with public funds—sometimes Federal, a combination of Federal/State, local, all public funds—and by allowing the private operator to use them. The private operator is paying rent and whatever other expenses go along with it, so it helps to operate some of those operating expenses, which would be public funds.

The same thing on the provision of transit services side. We have found and experienced—it is limited so far, but it is beginning to show—that savings to the public average about 30 percent. So simply by saving public funds is how the public benefits, and in some cases, by providing better service.

Mr. PAYNE. One of the issues that we hear a lot about, and one certainly that our Nation is facing today, is urban traffic congestion. Would the authorization of a flexible urban transportation program that provides Federal funds for highway and/or mass transit purposes create a significant incentive for urban areas to construct HOV lanes to relieve traffic congestion?

Ms. PERRY. I would hope so. Ken and I had talked about this recently, about going back to urban block grants. Perhaps it would. I think those decisions can be made very wisely at the local level. I think each local area knows what its congestion problems are. We

know from our industry, since we face the urban congestion in every single urban area of the country, that it is all over. It is out there, and that's why we say some kinds of Federal incentives, and I think that would help to alleviate those problems.

Mr. PAYNE. Under the existing Federal law there are limitations on vehicle sizes and weights. Does the ABA support establishing limitations on vehicle lengths?

Ms. PERRY. Well, our problem with the vehicle lengths is that some of the States have limitations which in some cases seem to be artificial because we're not sure why they are, since they vary so greatly, and they certainly make a burden for us and, indeed, on interstate commerce. When you are trying to go from State to State and you have all these different limits on the length of the vehicle, it's almost impossible to conduct interstate commerce.

So that is the best answer I can give you. I'm not sure but I think that we can't, as I said, find any rhyme nor reason why the standard bus was 40 feet long, but beyond that, we certainly don't understand now why some States say 42 and one says 42.5 and another says 50 and some say 60, and then there are a lot of exception for 60- and 65-foot articulated transit buses. It's just another lack of uniformity between and among the States that becomes burdensome when you are in interstate commerce.

Mr. PAYNE. Let me ask you one other question and then we'll have to adjourn briefly for a vote. If you could be brief so that I don't miss this vote, I would appreciate it.

The committee has received testimony supporting the elimination of certain motor fuels excise tax exemptions. What effect would the elimination of the $0.03 diesel fuel exemption for intercity bus operators have on the bus industry?

Ms. PERRY. The elimination would be disastrous. Actually, it's elimination of a $0.09 exemption—of a $0.12 exemption, rather. The diesel fuel tax is $0.15, and we pay $0.03 unless we're doing transit work, and then we don't pay any of it.

The elimination to this industry at this time would be devastating in trying to get back on its feet. We can't pass it on to our consumers who, as we say, are the very old, the very young, the very poor, and the very rural. It probably only amounts to maybe $20 million a year to the Treasury, but to our industry and to individual operators it can very well be the difference in making or breaking a very small profit margin.

Mr. PAYNE. Thank you very much. I appreciate that fine testimony.

Mr. Shuster, did you have any questions?

Mr. SHUSTER. I would make the point that Ms. Perry has been telling me what to do for the last 15 years [laughter] so I think I know everything she has to say.

Ms. PERRY. Thank you.

Mr. PAYNE. Well, thank you very much.

[Ms. Perry's prepared statement appears on page 928.]

Mr. PAYNE. We will stand adjourned for a few minutes in order to vote, and we will reconvene just as soon as we are able to get back.

[Recess.]

Mr. MINETA [resuming chair]. The subcommittee will please reconvene.

At this time we have the pleasure of hearing from Mr. Harold E. Smith, President of the American Public Works Association, who is the City Engineer for the city of Des Moines, Iowa.

Mr. Smith, your statement will be made a part of the record, so you may go ahead and proceed in your own fashion, sir.

TESTIMONY OF HAROLD E. SMITH, PRESIDENT, AMERICAN PUBLIC WORKS ASSOCIATION, AND CITY ENGINEER, CITY OF DES MOINES, IA

Mr. SMITH. Thank you, Mr. Chairman, Mr. Shuster, members of the committee. It is a privilege for me to appear here today as President of the American Public Works Association. I might add that as City Engineer of Des Moines, I didn't like any of that talk I heard earlier about overloaded axles coming off the primary system onto my local streets in Des Moines, Iowa. It's one of the big problems in America, I guess.

The American Public Works Association is a nonprofit educational and professional association whose origins date back to 1894. We are located in Chicago, Illinois, with a governmental affairs office here in Washington. The purpose of the Association is to assist public works agencies in fulfilling their responsibilities and to enable people involved in this field to work together to improve their professional practice.

Membership is comprised principally of local officials, but also includes strong representation from State and Federal levels of Government. Educators and representatives of the private sector are also counted among our 28,000 members in the United States and Canada.

The Association's Institute for Transportation focuses on the development and management of the infrastructure required for all modes of transportation, including the maintenance of streets, highways, bridges, transit systems, airports, waterways, harbors, docks, and other public facilities needed for the transportation of people and goods.

This Institute exists to promote high standards of competence in transportation. It conducts surveys and studies and collaborates with APWA's education and research foundations in presenting training programs and conducting research projects.

APWA and its Institute for Transportation have long been concerned with the direction our Nation's surface transportation programs should take in the post-interstate era. We have been proud to serve as a member both of the Advisory Committee on Highway Policy, which under the leadership of the Highway Users Federation conducted an unprecedented series of 65 public forums across the country between August of 1987 and May of 1988, and of the Transportation Alternatives Group, a nonpartisan coalition of 12 major national public and private sector organizations with a broad concern for the future of the Nation's surface transportation.

The Transportation Alternatives Group was developed by the American Association of State Highway and Transportation Officials as a means to build consensus among the multi-varied inter-

ests concerned with transportation. It has worked diligently over the last 18 months to identify transportation issues where a consensus was important and could be achieved. I truly believe that it is a tribute to this unique coalition that 12 diverse organizations have been able to agree to a set of important policy recommendations in the areas of program orientation, intergovernmental roles and responsibilities, and investment levels and funding sources. These recommendations can be found in the Transportation Alternatives Group's final report entitled "Future Federal Surface Transportation Program: Policy Recommendations," a copy of which I will provide, Mr. Chairman. (See p. 949.)

As a participant in the Transportation Alternatives Group, APWA sought involvement of its membership to develop its own positions on the major surface transportation issues of the day, as did most of the other participating organizations. We formed a special task force on transportation policy and prepared a report, "Moving America into the 21st Century." This report, which was approved by APWA's membership at its annual meeting last year, lays out six principles and supporting APWA position statements for the development of the Nation's surface transportation policy and implementation programs for the post-interstate era.

Mr. Chairman, my written testimony before you includes the full text of the six principles and supporting APWA position statements as they were approved by APWA's membership last September. In the interest of time I do not propose to read the entire statement. Instead, I would like to focus on the highlights and the pertinent points of the work by this subcommittee.

First, APWA believes it is imperative that there be a stable, reliable, and adequate source of funding for all forms of surface transportation. We must turn around the 30-year decline in transportation spending and the consequences of underinvestment. APWA believes that to do this will require a continued local, State, and Federal financing partnership, and we've heard that word on several occasions today.

We are therefore urging local and State governments and Congress to provide increased funds to finance existing transportation deficiencies and to meet future needs. In the case of Congress we are specifically asking that, one, the Congress separate transportation trust funds from the unified budget and use them exclusively for transportation purposes; two, that it spend down the sizeable balances in the trust funds on a timely basis; and three, that it increase Federal fuel excise taxes and index them to the gross national product.

We also urge that Congress adopt a long-range capital budget with emphasis on an integrated national transportation program.

Second, APWA believes that preservation of the physical integrity and safety of the existing transportation system—highways, streets, bridges, and public transportation systems—must receive the highest priority under a new surface transportation program. To this end we believe that Congress should increase funding to restore or replace deficient bridges, increase funding for the 4-R program to protect the Nation's investment in the Federal-aid Highway System, and not increase allowable truck sizes and widths

beyond those authorized by the 1982 Surface Transportation Assistance Act.

Third, APWA believes that we must strengthen the local, State, and Federal partnership that works to integrate the many separate components of the national surface transportation network. We believe that Congress can assist here by, one, adequately funding a formal mechanism to support a regional perspective on the planning and programming of surface transportation programs; two, by removing unnecessary restrictions as a condition of Federal funding; and three, by keeping administrative requirements under Federal-aid programs to a minimum.

Fourth, APWA applauds Transportation Secretary Skinner in his support for more money for research. APWA believes that if our transportation systems are to continue to be world class, we must have a permanent, reliable, and much greater level of funding for research, education, training, and the application of new and existing technology. We are asking Congress to earmark a specific percentage of the Highway Trust Fund to support a national research, education, and technology transfer program. And to ensure the protection of our environment, we urge Congress to direct adequate research and development funds to the use of alternative fuels, flexible fuel vehicles, and fuel distribution systems.

Fifth, we are all concerned about urban and suburban congestion. We know that congestion is crippling the ability of our urbanized areas to work effectively. APWA believes that Congress must attack this problem head on and set aside funds for an urban/suburban congestion program. This funding should be flexible and not mandate solutions by mode or expense category. Under a new national surface transportation program, local officials and their constituents should be encouraged to use transportation management associations, community van pools, flexible working hours, and other approaches to demand management.

Finally, we have heard in testimony earlier today that rural America also needs help, and we support that. Just as its urban counterpart, it has experienced a dramatic shift in demographic patterns and transportation needs. Its transportation systems are in visible need of repair. APWA believes that Congress should increase and earmark funds to address the surface transportation needs of rural America. Again, these funds should be flexible and provide incentives for State governments to increase their support of the existing rural transportation system. They should also support technology transfer programs, such as the very successful Highway T-Square and the Transit RTAP that focus on cost-effective solutions that can be readily implemented by local officials.

To close, as I suggested earlier, the American Public Works Association has served the public works profession, and indeed the public at large, for a very long period of time. The Association will celebrate its centennial in 1994. We would welcome and appreciate no better present for our 100th birthday than to have in-place Federal legislation that reverses the 20-year trend of Federal underinvestment in the Nation's decaying surface transportation system, that takes the leadership in research, education, and technology transfer, and works with State and local governments to build a sound foundation to move America into the next century.

What we have heard earlier today echoes what was heard at all of the hearings across America. Every city of every size, I think, has some kind of a transportation problem. I think Transportation Department Secretary Skinner hit it right on the head in his opening comments in Moving America: "An investment in transportation is an investment in America's future. No industry in the Nation is more important to U.S. economic growth and international competitiveness than transportation."

My projects in Des Moines, Iowa are no less important than the projects that we heard about in the Commonwealth of Virginia today.

Mr. Chairman, members of the committee, I want to thank you for allowing me the privilege to appear before you today on behalf of the American Public Works Association.

Mr. MINETA. Mr. Smith, thank you very much for a fine statement.

I am wondering, the Surface Transportation Act of 1987 authorized a study to be conducted by the Secretary of Transportation to study motor vehicle sizes and weights and their effect on pavement, bridges, highway revenues, and cost responsibility and highway safety. Based upon the recommendations of the motor vehicle study, would APWA support changes in truck sizes and truck weights?

Mr. SMITH. From a technical standpoint, Mr. Chairman, the life cycle of any pavement is determined by the number of cycles of axle loadings. We have performed many studies over the years to arrive at the design life of pavements. The American Public Works Association would not be in favor of expanding weights or lengths of vehicles that would cause additional damage and shorten the life cycle of the existing pavements that we have in this country.

You mentioned potholes earlier. This is the time of the year in the snow belt, in my area, at least, when we experience the pothole problem. Pavement needs maintenance, and a very active part of our APWA programs is geared at timely preventive maintenance to our highway systems to keep them in shape so that they do not deteriorate before their life cycle expires.

I hope I answered your question.

Mr. MINETA. Do you see a continuing need to provide Federal-aid funds for public mass transportation operating assistance?

Mr. SMITH. Is there a continuing need? I think we heard earlier that there is general support for mass transit.

Mr. MINETA. And that would include the operating assistance to the system?

Mr. SMITH. Yes, sir.

Mr. MINETA. APWA believes Federal policy should not hamper the ability of State and local governments to generate revenues to fulfill their transportation responsibilities. Would an increase in the Federal excise taxes and the indexing of the taxes to the gross national product hamper the States' ability to raise excise taxes?

Mr. SMITH. I think the whole tax increase issue has to be studied. We all know that it varies from State to State.

What we have to do is find ways to not only fund our needs, but to do that in a timely manner. My own experience, and I'm sure it's been related by others, is that it takes some 10 to 12 years to

realize a federally-funded portion of roadway from conception to completion. We haven't heard the words "red tape" or "bureaucracy" in the last few years, but the procedure is still very cumbersome to get through all of the Federal requirements to build a project.

Mr. MINETA. Mr. Smith, yesterday in response to one of the questions that was asked—the question that was asked was, how much is added to the cost of a project because of delays, whether the delays are caused by alternative analyses, environmental impact reports, things that add to the cost of the project but never add to the concrete work; it adds to the cost of the project but it doesn't do anything toward the project itself?

Mr. SMITH. Inflation?

Mr. MINETA. Inflation, whatever. Has APWA looked at that in terms of how to cut down the paperwork, cut down the time, cut down whatever it is that results in that 20 to 30 percent that is added to the cost of a project?

Mr. SMITH. I would be surprised if it would not be more than that. As I indicated, it takes a 10-year time to go through all of the corridor studies, environmental and social impacts, and all of the things that we have to do.

We are also faced with regulations from other agencies other than the Federal Highway Administration, from EPA primarily, with contaminated subsoil conditions and all of the new emphasis on environmental issues which can delay a project significantly.

Any delay increases the cost.

Mr. MINETA. And have you taken a look as to how to maybe get away from some of those, or all the hoops that you have to go through now? Is there a way that someone can help us out to see whether or not we can alleviate steps, cut down benchmarks when certain things have to happen?

Mr. SMITH. We had a very active program several years ago on reducing red tape. That helped. I think a new emphasis has to be looked at in these areas.

The answer that you may be looking for that I am reluctant to give is, use your own money and don't be dependent on Federal funding. A case in point, a sewage treatment plant in Des Moines that could have gone along and been built in 1973 for $30 million, under EPA regulations is being finished up now in 1992 at a cost of $165 million.

So it's a 20-year project, and the cost increased five times.

Mr. MINETA. But has that gone from secondary to tertiary treatment?

Mr. SMITH. No, sir. Just area-wide planning, facility planning, putting 12 governmental entities together into a regional facility——

Mr. MINETA. But at one point BOD was one requirement, and today BOD is another requirement?

Mr. SMITH. That's correct.

Mr. MINETA. That would have added to the cost of it?

Mr. SMITH. That's part of the design, yes.

Mr. MINETA. Okay. Well, thank you very, very much, Mr. Smith, for your testimony. I'm quite sure that somewhere along the line we're going to be talking to all of you at APWA in terms of how to

improve the process so that we don't have that 20 or 30 percent additional cost, whatever it is, to all of us.

Mr. SMITH. As an organization, I hope that we can be actively involved in that kind of interchange.

Mr. MINETA. Good. Thank you very, very much, sir.

[Mr. Smith's prepared statement appears on page 943.]

Mr. MINETA. I would now like to call on Mr. Joseph P. Kirk, Executive Director, Mon Valley Progress Council, Inc., and Chairman, Mon/Fayette Expressway Association.

Mr. Kirk?

TESTIMONY OF JOSEPH P. KIRK, EXECUTIVE DIRECTOR, MON VALLEY PROGRESS COUNCIL, INC., AND CHAIRMAN, MON/FAYETTE EXPRESSWAY ASSOCIATION

Mr. KIRK. Thank you, Mr. Chairman.

Mr. Chairman and members of the Surface Transportation Subcommittee of the House Public Works Committee, my name is Joseph Kirk. I am Executive Director of a corporate-sponsored community and economic development not-for-profit corporation called the Mon Valley Progress Council, and Chairman of the Mon/Fayette Expressway Association. The Progress Council, which is celebrating its 25th anniversary, serves a region located 25 miles south of the city of Pittsburgh. The Mon/Fayette Expressway Association is a coalition of local leaders committed to the timely development of the expressway project. An attached map in my testimony provides the service area of the Progress Council and the location of the Mon Valley/Fayette Expressway.

It is a pleasure to have the opportunity to appear before this committee on an issue of such profound importance as highway development. I would add that I really do sincerely appreciate this opportunity in light of the fact that most of your speakers have been representatives of national associations, and ours is the only case of a local group, at least in today's testimony.

As a member of a committee that deals with important issues of transportation, you are acutely aware of the direct relationship between economic viability and the availability of a modern highway system. In economic development efforts, the presence of highway systems that provide access to markets is indeed a prerequisite for the location of industry.

For the Mon Valley region, the development of a new highway link is essential for the economic revitalization of our region. The devastating industrial decline of our region in the early 1980s is widely known. Although progress has been made in providing employment for the 100,000 people who lost jobs in that time, unemployment in the Steel Valley communities is still in the double digit range.

Despite a deep commitment to our own highway project, my purpose in appearing before this committee is to speak to a much broader highway development issue. The 1987 Surface Transportation Act toll road provisions, developed under the leadership of this committee, set into motion a policy that can indeed have a profound impact on the development of necessary economic development highways, such as the Mon Valley/Fayette Expressway. The

recently issued National Transportation Policy report speaks of this on page 118 by stating that the Administration will develop legislation consistent with the principle to "allow greater use of toll financing on Federal-aid highways."

Testimony provided by southwestern Pennsylvania and West Virginia groups at hearings in the development of this policy is cited on page 25 of the report. I would note that that made reference to the need for highways in the Appalachian area to provide links for economic development purposes.

In our efforts to encourage the next step in the promotion of toll roads we have consulted with a variety of highway user groups, elected officials, and construction associations, including the International Bridge, Tunnel, and Turnpike Association; the American Road and Transportation Builders Association; Associated Builders and Contractors; Contractors Association of Western Pennsylvania, and the American Truckers Association. I am not suggesting that we represent a policy position of these groups. However, it is fair to report that our proposal has earned the interest for the aforementioned.

Our proposal to promote new economic development highway links is based on three principles.

First, a limited Federal toll road strategy enhances the opportunity to develop priority economic development links.

Second, the Federal Highway Administration should play an active role in directing the development of such roads, consistent with the provisions of the 1987 act.

And third, the 1991 reauthorization of the Surface Transportation Act should include specific direct financial support for the implementation of a toll road policy.

Gentlemen, what we are proposing is a targeted Federal initiative to promote the development of important new highway links consistent with the national policy objective of "increasing the local share of Federal aid for transportation." That is directly from page 44 of the report. We clearly need to have a new initiative to promote new highways in the light of the sort of difficulties we face on the maintenance of existing roads.

The priority highway link program we propose would be targeted to the construction of new, limited-access interstate-grade highways. This could indeed be a subpart of the Highways of National Significance program mentioned earlier today. Attached to my testimony is a copy of the details of our proposal. If implemented, the proposal would provide direct Federal support for 75 percent of the 35 percent Federal aid approved under the toll road provisions of the 1987 act. This would represent 26 percent direct Federal assistance for priority highway links. The 9 percent difference would be supported through existing Highway Trust Fund appropriations to the States.

Funding for this initiative could be supported by an increase to the authorized level of the Federal Highway Trust Fund. The amount of the increase would be based on the financial needs of such projects and reflective of fiscal realities. Each State would be permitted to seek designation for one toll road under the program. Funds would be allocated on a competitive basis.

Although we feel that a toll road strategy is the most effective means to develop economic development highway links, consideration should be given to broadening the participation to permit other innovative public/private financing techniques or mechanisms. The use of such innovative techniques is repeatedly referred to in the National Policy Report. For our region, the priority highway link program would provide a means to ensure the timely completion of the Mon Valley/Fayette Expressway. On a national level, the proposal would place the Federal Government in a leading role for the implementation of innovative techniques that promote a wide range of financing strategies necessary for the development of new highways.

Again, I thank you, and I welcome your questions.

Mr. MINETA. Thank you very much, Mr. Kirk.

Could you briefly describe your experience in advancing that Mon Valley pilot toll project?

Mr. KIRK. Sure. First, I come from about 15 years' experience in the economic development area. I worked in South Carolina for a number of years and worked for a university and taught courses in economic development, and now have been Executive Director of the organization I'm with for some three years.

Our background is that the Mon Valley Progress Council had been active for quite a number of years as an organization in the promotion of this project, and in fact helped to move the project forward on both a State and Federal level prior to 1987.

Mr. MINETA. The Progress Council is proposing to limit the number of toll projects within States to just one project. Why is that?

Mr. KIRK. Again, Mr. Chairman, if you look at the 1987 demonstration program, the intent was to take a very limited approach to toll roads, not to really look to opening the door to toll roads across the Nation, which I think is counter to commerce, and to look at this as a technique to advance a limited policy on the Federal level by providing some financial assistance toward that. That is possible if we limit the number of toll roads per State.

Mr. MINETA. Very well. Thank you very, very much, Mr. Kirk, for being before us.

[Mr. Kirk's prepared statement appears on page 888.]

Mr. MINETA. I would now like to call on Mr. Thomas S. Stedman, Vice President, National Private Truck Council, and Director of Corporate Transportation for Walgreen Company—oh, I see that Mr. Stedman has changed.

Mr. Eisenhart, it is nice to see you.

Mr. EISENHART. I don't know that Mr. Stedman has changed, but unfortunately Mr. Stedman is unable to be here due to an illness.

Mr. MINETA. Please proceed.

TESTIMONY OF EARL B. EISENHART, STAFF VICE PRESIDENT FOR GOVERNMENT AFFAIRS, NATIONAL PRIVATE TRUCK COUNCIL

Mr. EISENHART. My name is Earl Eisenhart. I am Vice President for Government Affairs, National Private Truck Council, and I will be delivering Mr. Stedman's statement on his behalf.

I appreciate the opportunity very much to be here this morning to express the positions of the National Private Truck Council on the reauthorization of the Federal Highway Program.

The National Private Truck Council represents private fleets, that is, companies that own and operate their own trucks in support of their primary business activities, whether that be manufacturing, retail, distribution, service, or whatever it may be. Approximately two-thirds of the large trucks that you see on the highway are private fleet trucks. We haul well over 50 percent of the Nation's freight which is hauled on the Nation's highways.

Mr. Chairman, the condition of our highway transportation system directly affects our domestic economic strength and our overall quality of life. Highway transportation costs are imbedded in virtually every product and service produced in America. The cost and quality of highway transportation have a direct bearing on profits, prices, capital investments, and subsequently on exports. American business cannot remain competitive in world markets if we allow our highway system to deteriorate and if shippers and carriers are not able to make the most productive and efficient use of that system.

A highway system which will allow American industry to be as efficient and productive as possible relies on two critical elements: the physical integrity of highways, roads, and bridges, and a predictable and uniform system of regulations governing commercial vehicles.

With respect to maintaining the physical integrity of the highway system, NPTC recommends the following.

First, the program must include a level of funding which is sufficient to maintain the value of existing highway transportation assets, provide for selective highway expansion, and ensure safety. NPTC believes that an increase in highway funding is needed to meet these needs from the current level to perhaps $17 billion to $19 billion per year. According to the Highway Users Federation and studies done by that group, these funds can be provided by drawing down the balance in the Highway Trust Fund in a responsible manner over the next several years without the need to raise highway user taxes.

Second, with respect to highway expansion, we believe there is a need for some selective additions to the system, particularly to relieve congestion in some urban areas and to serve traffic patterns brought about by demographic changes.

Third, we need to maintain the Highway Trust Fund as a mechanism to finance the Federal Highway Program. It has been an excellent program. We still need it, and we need to make sure that those funds are available to take care of our unmet highway needs, now and in the future.

Fourth, let's not use the fund or highway user taxes to reduce the Federal budget deficit. It is a bad idea, pure and simple. First, it would destroy the concept of trust in the Highway Trust Fund, and taxes on fuels are regressive. This major burden of reducing the deficit would not be tied to the ability to pay, but would be placed unfairly on individuals and businesses who use the highways to get to work or in the conduct of their business.

Fifth, let's not use the Highway Trust Fund for other non-highway purposes, either. NPTC fully understands that American industry is being asked to pay a lot more in highway taxes and user fees. In fact, this is already happening. Eighteen States have recently raised fuel taxes, and most of the others are expected to follow suit shortly.

We are not shunning our responsibility to pay our fair share, but we would like some assurances that the taxes and user fees which have already been paid and will continue to be paid into the Highway Trust Fund will in fact be used for the purposes for which we thought they were collected.

Sixth, Congress should act to correct a severe drain on the Highway Trust Fund revenues by eliminating the $0.06 per gallon gasohol fuel tax exemption. Gasohol-using vehicles cause the same wear and tear on the highways as other vehicles and should pay a fair share of the maintenance and repair.

I would like to take just a few seconds to talk briefly about the issues of uniformity of State tax regulations as well.

While the need to maintain the physical integrity of our national system is clearly of paramount importance, it is also extremely important that we make the most productive possible use of that system. Unfortunately, this can't be done under the current system of State economic regulations, tax procedures, and operating restrictions.

To relieve this problem, NPTC recommends that the following be done.

First, eliminate remaining economic restrictions on the efficient use of trucks.

Two, promote uniformity in State tax procedures.

Three, limit the sheer number and variety of taxes imposed on trucks.

Four, allow greater access for vehicles authorized by Federal law.

With respect to the first two points, NPTC strongly endorses legislation which was introduced yesterday by your colleague on the committee, Mr. Hastert, which would resolve a large number of these regulatory problems by getting rid of costly State economic regulations and by requiring uniformity in State tax procedures. We urge the committee's support for this important legislation.

As a final point, Mr. Chairman, let me just say that with respect to the National Transportation Policy and the focus on decentralized funding responsibility for highway construction and repair, we recognize it may be true that local highway needs should be more directly financed by local assessment of user fees. At the same time we are concerned that this may lead to a proliferation of inconsistent tax procedures, and indeed, to a larger number of local tax schemes that are directed at trucks. So we have a very real concern about that. We don't need a greater proliferation of inconsistency in our regulations imposed on trucks, and as a country, I don't think we can afford them. This is a time when we have to be competitive, we have to be efficient, and we have to be productive if we're going to be able to compete in the world marketplace. We believe that these inefficient barriers to highway transportation should no longer be tying us down.

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Thank, you, Mr. Chairman. I would be pleased to respond to any questions that you may have.

Mr. MINETA. Thank you very much, Mr. Eisenhart.

The committee has received testimony in support of developing a post-interstate highway program based on a category of Highways of National Significance which would include the existing Interstate System and certain major arterial highways. Would NPTC support the inclusion of certain urban highways under this new proposal?

Mr. EISENHART. We want to look at the urban highways, but in general, I think the answer to that question would be yes, particularly if it is needed to resolve serious congestion problems. We feel that there is a need there and that there can be funds provided for that through spending down the excess in the Highway Trust Fund. We would support that for urban area highways to relieve congestion.

Mr. MINETA. Research supported by the National Private Truck Council shows that it is possible to have higher capacity trucks that are as safe as other trucks. Would the productivity benefits achieved through the use of higher capacity trucks require higher taxes for those vehicles to pay for the additional wear and tear on the highway system?

Mr. EISENHART. Mr. Chairman, in the research that we've seen, we think that the weight of evidence is that it's possible to have higher capacity trucks that do not cause additional wear and tear on the highway surface. We would support those higher productivity trucks for the reason that they are more productive and because we think they can be put on the highways without increasing the wear and tear on the surfaces.

Mr. MINETA. Very well. Thank you.

Mr. Hastert?

Mr. HASTERT. Thank you, Mr. Chairman.

We have about talked the gamut, but it really comes back down to trust funds and what you pay and what you get back. I will ask you the same question I have asked previous witnesses.

If we doubled the gas tax, ostensibly to shade the deficit or to pay off the deficit, what would that do to your industry?

Mr. EISENHART. It would be a disaster, Congressman.

I think that the other point, too, is that that's an extraordinarily regressive tax, as I think previous witnesses have testified. It seems inappropriate and unfair to us to ask people who use the highway system as a part of their business or to get to work, or for whatever reason, to take the burden, that tremendous burden of reducing the deficit. Reducing the deficit is a top priority and we all have to have a part in that, but let's not undermine our productivity and the efficiency of American industry at a time when we need that so desperately to compete in the international marketplace.

Mr. HASTERT. What is the position of your association as far as the excess in the Highway Trust Fund that we have?

Mr. EISENHART. We feel very strongly that that money ought to be spent down in a responsible manner over the next several years. We also feel very strongly that that money should be dedicated exclusively to highway needs, with the exception of the so-called transit penny, that it should not be used as an offset against the deficit.

Mr. HASTERT. If you had a wish list that you might like to include in the transportation act or some type of legislation, what are some things that need to be done to enhance and make your industry more competitive? I view our transportation as really the key to competitiveness, both in this country and internationally. What do we need to do?

Mr. EISENHART. Well, let me emphasize that we are strong supporters of the Hastert legislation that was introduced yesterday. We would like to see those kinds of productivity improvements included in highway legislation. We believe that the International Registration Plan and the International Fuel Tax Agreement are ideas whose times have come, and now ought to be implemented, and we certainly feel that we need to get rid of these outdated and outmoded State economic regulations that are a real productivity drain on American industry. It costs the U.S. Treasury absolutely nothing to do that. It's one of the beauties of it.

The time has come now to do away with some of those regulations that do nothing but cost American industry tremendous amounts of money. So that would be on our list.

Mr. HASTERT. What is the cost to your industry, and then, of course, to the consumers?

Mr. EISENHART. It's really billions of dollars. I don't have the figures here with me, Congressman, but we would certainly be happy to supply those. There is research that has been done that puts a dollar amount. I would be happy to supply that to the committee.

Mr. HASTERT. Thank you.

[Information received from Mr. Eisenhart to be supplied follows:]

A recent study by W. Bruce Allen, professor of public policy at the Wharton School of Economics, shows that the U.S. Economy would gain up to $12 billion each year from the removal of State economic regulations on trucking.

Mr. HASTERT. One of the things that we've talked about and that previous witnesses have talked about is the intermodal part of the transportation industry. As we become more and more dependent on the "just in time" philosophy and those types of things, do you think that part of that Federal dollar should go for updating those intermodal facilities and the infrastructure that would be involved in that?

Mr. EISENHART. Well, I think intermodalism is an important element. It is going to be an important element in the future. If you mean, should we take a part of the Highway Trust Fund and use it to support intermodalism, I would be cautious about that. I think we have a tremendous number of highway needs out there that are unmet, and I think we need to make sure we use that money for highway purposes. Government support for intermodalism in some form may be appropriate, but as far as the Highway Trust Fund is concerned, we believe that that ought to be addressed to highway needs.

Mr. HASTERT. Fine. Thank you.

Thank you very much, Mr. Chairman.

Mr. MINETA. Mr. Lewis?

Mr. LEWIS. No questions, Mr. Chairman.

Mr. MINETA. Well, thank you very, very much, Mr. Eisenhart, for making this presentation. I hope Mr. Stedman—is it personal illness on his part?

Mr. EISENHART. It's an ear infection. I think it's not serious, sir, but he didn't feel like he wanted to fly.

Mr. MINETA. I don't blame him.

Thank you very, very much.

[Mr. Eisenhart's prepared statement appears on page 848.]

Mr. MINETA. At this time I would like to call on Mr. K. Michael O'Connell, Counsel, Owner-Operator Independent Drivers Association.

TESTIMONY OF K. MICHAEL O'CONNELL, COUNSEL, OWNER-OPERATOR INDEPENDENT DRIVERS ASSOCIATION, INC.

Mr. O'CONNELL. Thank you, Mr. Chairman, members of the committee, and committee staff. My name is Michael O'Connell and I appear as counsel to the Owner-Operator Independent Drivers Association. OOIDA is the national trade association representing the Nation's more than 350,000 independent truck owner-operators.

Owner-operators typically are the smallest of small businesses in the trucking industry. They lease their equipment and services to larger trucking companies. As Mr. Donohue mentioned earlier, 96 percent of the companies in the trucking industry own six or fewer trucks, and these are generally owner-operators.

We applaud the committee for holding these hearings. While there are a number of highway issues that we would like to address, given the time constraints we will limit our testimony at this time to only four.

First, it is the belief of OOIDA that the Federal Government must maintain its historically strong role in highway policy. We do not believe that the Department of Transportation's policy shift, which would place greater emphasis on the States, is wise. We need a national transportation system, not a collection of 50 States or 48 States that have interconnecting roads.

The States in the past have proven reluctant to take the steps necessary, and to take the political heat to raise taxes in their States, by imposing taxes on their own citizens. As a result, in the past 10 years we have seen a series of discriminatory highway taxes to try to tax out-of-State interests, and then retaliatory taxes to try to retaliate against those States that are trying to tax out-of-State interests, and a field day for lawyers—such as myself—in the courts, trying to overturn these. OOIDA does not believe that this is a wise or prudent system as we face competitive issues as a Nation in the 1990s.

Another area where the States have diverged greatly is in the areas of licensing, permitting, and registration. These requirements are burdensome, duplicative, and they add little to the States, while imposing a great burden on the productivity of the trucking industry. They are also used to raise revenues, and they result in lost productivity.

The problem is long-standing. When I first became acquainted with the truck transportation industry in 1979, one of the main problems was that of State uniformity, and in 1990 it still is.

OOIDA applauds the Hastert bill, and it hopes that the bill will be supported by the committee. We think that if it is not, it is time during the reauthorization process to address this issue and to homogenize the truck transportation system.

We also believe that a national transportation policy must be neutral as to the choice of modes of transportation. There are a number of suggestions in the policy that was issued by the Department of Transportation in using the "underutilized modes" of transportation, such as rail. We don't believe that it is a legitimate role of the Federal Government to cause modal shifts through specific policies—taxation or otherwise. We think that the issue should be left to the marketplace without Federal intervention.

Along those lines OOIDA also opposes the increased use of toll roads. The policy is especially inappropriate to even be considered at a time when there is a huge surplus in the Highway Trust Fund. Toll roads represent a significant opportunity for the States to tax interstate commerce and further proliferate what we've seen over the last 10 years. There is no effective means for accounting for the toll road revenues, and hence they should be discouraged.

The third issue that we would like to address is that of highway safety. It is a very high priority for owner-operators as they spend more than 300 days per year on the road. But safety must make sense. Some of the present safety measures that have been implemented or that are being considered for the trucking industry are driving well-qualified drivers out of the industry. Measures such as drug testing, retinal scanning, tracking of trucks by satellites, computer monitoring of every movement of the driver in the truck—cause good, seasoned drivers to leave the industry. Simply the hassle of going through those types of humiliating procedures for a job that pays $20,000 to $25,000 is not worth it to many. That's one of the reasons that some of the witnesses from the trucking industry have been talking about a driver shortage. That driver shortage should be of great concern to this committee because it represents the greatest highway safety threat. The drivers that are replacing the experienced drivers that are leaving the industry are generally untrained and inexperienced. Inexperienced drivers in heavier trucks mixing with lighter cars, causes a degradation in overall highway safety.

In addition, the current structure of fines in some States for minor paperwork violations in the safety area is nothing more than a revenue-raising measure. One city charged $2,500 for a routine paperwork violation in a driver's logbook. The paperwork violation is that the driver forgot to physically draw a line on a piece of paper when he changed his duty status from having lunch at a truck stop to getting back behind the wheel of his truck and operating it. That is excessive, and those types of fines are eroding the faith of drivers in the enforcement community. They also breed contempt for the safety regulations. Safety must be a consensual process, and it is not now.

We also believe the committee must address the overweight container issue in the context of reauthorization. Overweight containers are causing severe damage to our infrastructure, not only in port areas, but in other areas as these containers are shipped all over the country on rail cars. This is not just a port problem. The

trailers that they are going on are oftentimes poorly maintained. OOIDA had a driver contact it from the Port of Savannah. He was supposed to take a container that was clearly overweight—as Mr. Donohue pointed out, pointing the headlights up at the sky when it was loaded on—and he found that the tire was cut through three layers of cord. He had an overweight container and three layers of cord showing on the tire, so he refused to haul it. It took about two minutes to replace him with another truck that was more than willing to haul it. This is a problem that cannot be addressed by the trucking industry alone. It is simply too competitive an industry.

You might be interested as well in knowing that there is an incentive system for overweight containers that is not often talked about in the industry. The companies who are shipping the containers out of the port areas and out of the railheads offer what are known as "scale fees" which are bonuses for the drivers if they will evade the scales in order to avoid detection of the overweight load. This is a very common practice, the drivers report to us.

On a related issue, OOIDA also believes that the calls for increased truck size and weight should be resisted, that larger and heavier trucks result in reduced safety and overall damage to the infrastructure, and that they should be avoided.

Lastly, owner-operators are the most productive and safest segment of the trucking industry. The California Highway Patrol recently studied the operations of owner-operators and for-hire carriers with employee drivers. CHP found that owner-operators were indeed the safest segment of the industry. That was a joint study with the California Highway Patrol and the Public Service Commission.

The Association believes that the shipping public should be given direct access to owner-operators, and therefore that further economic deregulation of the trucking industry is in order.

Thank you.

Mr. MINETA. Thank you very much, Mr. O'Connell.

Given the policy statement that has just come out from the Secretary of Transportation, and in view of the tremendous highway needs throughout the country and the lack of Federal funds to address these needs, several States have now advocated the use of Federal funds, along with toll revenues, for the construction of these toll facilities.

It is my understanding that the Owner-Operator Independent Drivers Association strongly believes that Federal policy should discourage the use of State-sponsored and private sector toll roads, but I'm wondering, would the Association support the use of Federal funds for the construction of new facilities or for adding capacity on existing facilities?

Mr. O'CONNELL. I think the decision on that would have to be on a case-by-case basis. The Association is generally opposed to toll roads, especially the mix of toll roads and Federal dollars, because we think it amounts to double taxation.

The Association would like to look at each individual project. There are projects where that could conceivably make sense. I think as a blanket policy, though, we would oppose it.

Mr. MINETA. The Association has urged the committee to resist calls for increased size and weight limits. Is this request related to the safe operation of the larger vehicles, or on the impacts that the larger trucks would have on highway pavement?

Mr. O'CONNELL. It is related to both. While there is a problem with the infrastructure that can arguably be dealt with by shifting axle weights, as you are calling for longer and heavier trucks you are creating a real safety problem on the highways. Experienced drivers will tell you that these trucks, especially the 48-foot doubles, are not easy to control. I can tell you from personal experience of going out on the highways and meeting with the truckers that even the drivers that are driving them are not in favor of getting longer trucks than we have now. In fact, they are concerned about what we already have out there.

So it is a legitimate safety concern, as well as an infrastructure concern.

Mr. MINETA. All right. Thank you, Mr. O'Connell.

Mr. Hastert?

Mr. HASTERT. Thank you, Mr. Chairman.

Thank you, Mr. O'Connell, for appearing here today.

You indicate that current economic regulations create a barrier to direct relationships between shippers and owner-operators. What prevents owner-operators from obtaining their own authority?

Mr. O'CONNELL. Largely, a lack of knowledge of the industry and a lack of knowledge of how the process works. The independent owner-operators for a long time have leased their services to trucking companies and have not dealt directly with shippers and don't understand what is involved in the ICC application process. The process right now is actually streamlined to the point where it can be done by owner-operated. In fact, the ICC has kits that they put together that they circulate to truckers. It's just a matter of getting that information out.

We, as an organization, have done that, but the owner-operators are reluctant to do it themselves.

Another problem is interestingly addressed by your bill, Congressman. Owner-operators and small business truckers are disproportionately affected by conflicting State licensing and registration requirements. They pay the same cost to register and fill out a form as a large trucking company that registers 50 trucks on the same form. That permitting is now done by the companies that they are leased to. It's not as simple as just getting their ICC authority. They have to purchase their insurance; they have to get involved in the permitting process themselves, rather than having that done for them.

Now, if the ICC barrier were eliminated, I think a lot of them would take the other steps and would obtain authority for themselves. The ICC barrier is a major hurdle that you have to overcome before you can even get to the point where you're talking about the State licensing and permitting.

But those are the primary barriers: the lack of knowledge of the ICC regulations and what it takes to get operating authority and what they need, and I would say that an extremely high hurdle is the State registration requirement.

Mr. HASTERT. One of the real questions—and I'm creating a fault here and asking questions because I don't know what your answer is going to be to this—but there has been criticism of further deregulation in safety. How do you see that or perceive it? Is there?

Mr. O'CONNELL. As I said earlier, our organization supports highway safety because we have the greatest stake in it. Owner-operators spend 300 days per year, day and night, on the highway.

But safety policy has run somewhat amok at the Federal level. The short answer is that deregulation is probably not causing a degradation in safety if the federal government watches what it is doing and it sanely applies programs such as the Motor Carrier Safety Assistance Program, roadside inspections, that sort of thing—but they have to be sanely applied. There has to be a consensus among truckers and the enforcement community that what happens on the side of the road when you get stopped makes sense, and that it's not a revenue measure and it's not a shakedown. If that's the case, then there would not be an adverse safety impact from further deregulation. If it is not the case, then you have no effective safety enforcement at all.

Rates right now in the truckload industry are such that it is really not an economically regulated industry. The cost of operating a truck is about a dollar a mile, and there are trucking companies that are hauling freight on what they call "weekend specials," from Friday at noon until Sunday, hauling west out of the east coast for $0.59 a mile. So if the question is, is economic regulation keeping rates high enough to support safety which is the theory no, it is not.

Mr. HASTERT. You expressed before, on a question from the chairman, about increasing truck size and weight. What is the impact on your owner-operators if they have to buy bigger trailers and bigger trucks to be competitive? Will there be an economic impact there?

Mr. O'CONNELL. There could be some impact, although most of them, just because of the general demands of the industry that they operate in, have already reequipped with the larger equipment that has been permitted recently. In some cases they would have to invest in equipment, but that would not be a major consideration for most owner-operators. They would be operating with truckload carriers that are primarily running single truck operations.

Mr. HASTERT. You have stressed that increased uniformity and reasonableness, as you put it, should be required by Congress in the Motor Carrier Safety Assistance Program. Can you suggest specific guidelines that the Congress should require of the States?

Mr. O'CONNELL. In the MCSAP, I think that streamlining some of the Federal safety regulations that literally dictate the thickness of the mattress, the opening of the entrance to the bunk, and regulations that have evolved for God knows what reason over the years, and bringing that package under control would be very desirable. We should all agree on what critical items are necessary to ensure safety. The Commercial Vehicle Safety Alliance is an organization that has done that, and it has come up with what are known as "out-of-service criteria" to place trucks out of service where they present an immediate danger in safety. That that type

of uniformity should be supported. As an organization we strongly favor that and strongly support CVSA.

Another thing that should be addressed, although I'm not sure that it can be addressed in this reauthorization of MCSAP, is the current fine structure. We must eliminate $2,500 tickets for paperwork violations, because among drivers they do simply breed contempt for enforcement. You're not punishing the drivers, you're simply turning safety into a cat-and-mouse game where the drivers evade the checkpoints. They will go to the checkpoints to have their trucks inspected if they believe that there's a benefit to doing so. They will not go there if they believe that the State is simply interested in raising revenue.

If I may just elaborate a little bit more, the Tennessee Public Service Commission's Chairman is publicly chastising truckers every week because he is "fighting the good war against trucks." He is randomly stopping and inspecting trucks on the side of the road, going into the drivers' sleeping compartments, emptying their suitcases on their beds, and looking for drugs and alcohol without probably cause. OOIDA will challenge that practice—I believe the suit will be filed tomorrow, and if not, it will be filed on Monday. That sort of practice is condemned by the highway safety enforcement community throughout the country. But the lee-way that currently exists in the safety programs that allow that sort of practice is causing a great backlash among truck drivers.

Mr. HASTERT. From all reports, the truck industry has used both legal and legislative channels to fight discriminatory State taxation. Has there been any significant improvement in the procedural uniformity?

Mr. O'CONNELL. There has been some movement in that direction, but the movement that I am aware of has been over 10 or 12 years. It predates my tenure in the trucking industry. Movement has been slow, and the discriminatory taxes are still there. The States are getting very clever in their efforts to come up with new taxes post the Flat Tax decision of the U.S. Supreme Court. We are now looking at heavy enforcement of property taxes and income taxes on truckers. The State of Ohio, I believe it is, has a property tax that they have begun to impose on truckers. There is an internal memorandum that was furnished to us that actually states—I would be pleased to provide this—that this new tax creates a great new revenue opportunity for Ohio. The law has been on the books for eight years, and Ohio finally decided on how they could impose that tax on trucks.

Mr. HASTERT. So in the consensus of your Association, then, you would support even some type of preemptive type of legislation that says there would have to be a uniform type of taxation, probably one-stop taxation and registration issues?

Mr. O'CONNELL. Absolutely.

Mr. HASTERT. Fine. Thank you very much.

Thank you, Mr. Chairman.

Mr. MINETA. Mr. Lewis?

Mr. LEWIS. No questions, Mr. Chairman.

Mr. MINETA. Thank you very much, Mr. O'Connell. We appreciate very much your being here and submitting testimony.

[Mr. O'Connell's prepared statement appears on page 914.]

Mr. MINETA. At this time I would like to call on Robert G. Bartlett, Immediate Past Chairman of the Construction Industry Materials and Services Suppliers Coalition, and William J. Grayson, Jr., Chairman of the National Stone Association, accompanied by Val Riva, Vice President of Government Affairs of the National Stone Association.

We have your testimony and we will go ahead and make it a part of the record, so you may proceed, Mr. Bartlett.

TESTIMONY OF ROBERT G. BARTLETT, IMMEDIATE PAST CHAIRMAN, THE CONSTRUCTION INDUSTRY MATERIALS AND SERVICES SUPPLIERS COALITION, AND PRESIDENT, NATIONAL STONE ASSOCIATION, ACCOMPANIED BY WILLIAM J. GRAYSON, JR., CHAIRMAN, NATIONAL STONE ASSOCIATION, AND PRESIDENT, VULCAN MATERIALS COMPANY; AND VALENTINE RIVA, VICE PRESIDENT FOR GOVERNMENT AFFAIRS, NATIONAL STONE ASSOCIATION

Mr. BARTLETT. Thank you, Mr. Chairman. It is a privilege to be here, Congressman Lewis, Congressman Hastert, Mr. House, Ms. Elliot. I would say that in the interest of time you have our statement, sir, and I would like to just summarize the salient features and then, as indicated previously, have my colleague, Mr. Grayson, also provide testimony.

My name is Bob Bartlett. I am the President of the National Stone Association and the Immediate Past Chairman of the Construction Industry Materials and Services Suppliers Coalition. Mr. Grayson is the Executive Vice President of Vulcan Materials Company, the leading producer of crushed stone in the United States, with operations, I might add, in the greater Atlanta area, in Illinois, but unfortunately not in the city of San Jose—not yet, anyway, Mr. Chairman.

With me also is Mr. Valentine Riva, the Vice President for Government Affairs for the National Stone Association.

Mr. Chairman, it is a pleasure to be here and to provide testimony in your deliberations regarding the future of the highway program on behalf of the Coalition of Construction Industry Suppliers, called CIMSSC. This organization is made up of 15 associations: the American Coal Ash Association, American Concrete Pipe, American Consulting Engineers Council, the Asphalt Institute, Associated Equipment Distributors, National Aggregates Association, National Asphalt Pavement Association, National Corrugated Steel Pipe, National Lime Association, National Ready Mixed Concrete Association, National Slag Association, National Stone Association, Portland Cement Association, the Wire Reinforcement Institute, and the Construction Action Council of the United States Chamber of Commerce.

Many of these organizations compete in their daily activities, but we are unified in providing this testimony because of our concern about the future of America, its infrastructure, its highways and bridges, and what we do about it in the coming decade. For that, we are privileged and pleased to provide this testimony.

We have a perspective of a broad industry which represents every corner of this country, from small family-owned operations to

large publicly-traded corporations. Our total industry is represented by some 700,000 employees. Our dependence on the transportation system of this country is indicated not only by our employees using roads and streets daily to commute to work, to do their shopping, enjoy the leisure and recreational opportunities, and to attend school, but in addition, the bulk of our products are shipped to consumers and to our construction projects by the transportation system of this country. And then finally, we are in a position where we are alert to the roads and the infrastructure because we assist in providing materials that are being incorporated into these construction projects and therefore we see it from a user perspective, as well as a builder point of view.

In short, our testimony focuses on what can be and ought to be America's competitive edge in the future. Much has been said about this and many reports have been written. Indeed, the Bush Administration's NTP on Moving America addresses the point, as has been testified to previously today, about the need to keep America moving in this economic area. Many economists have testified to that fact. In addition, the Nobel Prize Award-winning economist, Dr. James Tobin of Yale University, has testified that the infrastructure problems of this country represent the third deficit, the first being the governmental fiscal deficit, the second being the trade deficit, and the third being the infrastructure deficit that we need to redress if we're going to prepare for the coming decade.

Many reports have been submitted—the National Council of Public Works, this subcommittee, AASHTO, and the list goes on—addressing and identifying the deficits that exist in this country regarding roads and bridges. We would concur with the AASHTO recommendations that we must get to a level of Federal involvement in the order of $18 billion by fiscal year 1992, growing to some $26 billion in fiscal year 1995, if we are to achieve the generally accepted level of $100 billion investment—investment—in America's infrastructure.

We are also well aware that in order to do this, there are resources that must be applied. We feel it is a shame that the Highway Trust Fund has been permitted to build up to in excess of $10.2 billion of your tax money and ours that has not been used for its intended purpose. We would therefore encourage an accelerated spend-down of the Highway Trust Fund so that these dollars can be used for not only their intended purpose, but for the demonstrated need that exists.

Second, we believe that there is a necessity in the coming period over which this long-range program you are considering will cover, to increase user fees. In fact, we recognize that the most equitable way is to continue the principle that those people and vehicles that use the transportation system ought to pay their equitable share for its construction and upkeep.

We also believe that there are certain other funding limitations, such as the gasohol exemption. While we might agree with the laudable objectives of the gasohol exemption, we don't feel that it should in essence divert funds from the Highway Trust Fund so that those people using the gasohol exemption who are using the highway don't pay their equitable share for its construction and upkeep.

We also believe that technology plays a great role in the future to ensure that the dollars that we spend in our Nation's important public works programs are well placed and well invested. As an industry, we encourage greater research and development for better materials, for better designs, for improved construction procedures and practices. As a matter of fact we are proud as one association, National Stone Association, to be participating with the highly-recognized National Strategic Highway Research Program, SHARP, by providing 11 quarry access roads as part of their testing program so that different climates, different uses, and different criteria and parameters can be explored with industry cooperation to the researchers in order to assure that the American taxpayer is getting full measure of value for the invested funds.

Mr. Chairman, we believe that there is an exciting future for all of us out ahead. While we may be a basic material and a building block, we believe that it is the future of this country to provide the kind of support and the infrastructure basis on which to maintain not only the worldwide competitive edge, but also to provide for the quality of life that is so characteristically American.

Now I would like to introduce our Chairman of the Board of National Stone Association, as I indicated previously, the Executive Vice President of Vulcan Materials, Mr. William J. Grayson, Jr.

Bill?

Mr. GRAYSON. Thank you, Bob.

Mr. Chairman, subcommittee members, staff, it is indeed a pleasure for me to be here with you this afternoon and I appreciate the invitation to express our views.

The National Stone Association represents 461 firms that produce crushed stone or manufacture equipment for use in such operations. The crushed stone produced by NSA members is a basic material in building the Nation's highways, airports, and other vital components of our infrastructure. A substantial portion of the crushed stone that is produced by our members is also used for agricultural and chemical purposes, erosion and sedimentation control, railroad ballast, and a multitude of environmental projects. Stone indeed is a ubiquitous, unique, and fundamental natural resource.

I would like to take this opportunity on behalf of NSA's entire membership to commend this subcommittee for the leadership it has shown in forcefully advocating the need to improve the roads and bridges that constitute the Federal-aid Highway System. It has not been an easy task, I can appreciate that, especially in a time of budgetary concerns that loom large over all the domestic programs, but it is clear that without the leadership of this subcommittee, the prospects for devising an efficient Federal Highway System in the post-1991 period would certainly be less bright, to say the least.

Mr. Chairman, I am well aware that the subcommittee has a tight schedule, so I will keep my comments and suggestions brief.

The American Association of State Highway and Transportation Officials, or AASHTO, in their excellent report, New Transportation Concepts for a New Century, states that in 1988 "Americans traveled 2 trillion vehicle miles by auto, truck, bus, and public transit, more than triple the national average of 1956, when the Interstate Defense Highway System was begun." As further noted

in the report, the total travel by these modes of transportation will again double, after having tripled from 1956 until now. They will double again by the year 2020.

If the report makes one thing perfectly clear, it is this: the $66 billion spent in 1987 by local, State, and Federal Governments will no longer be sufficient if we are to make a serious effort to remain competitive in the global market. Americans are blessed with a built-in competitive advantage that exists in no other market of our size. In contrast to Europe, for example, we have one currency, one language, and what up to now has been a transportation system that literally has been the envy of the entire world. I, for one, would hate to see the deterioration of this last component be the thing that makes us lose our competitive edge.

The basic objectives of the Federal-aid Highway Program were to provide users of the highway system access to trade and travel opportunities. For the most part, this has been accomplished through the development of the Interstate, primary, secondary, and urban systems, and other programs that foster highway safety, bridge improvements, and research and development.

Congress further envisioned that the Interstate System would be completed in 1991, and anticipated no further funding for additional construction beyond that year. Yet the AASHTO report cited above and other studies have shown that segments of the Interstate and primary systems have reached the end of their design life and must now be replaced.

Urban congestion, deteriorating and inadequate bridges, and the need for additional capacity in both urban and rural areas warrant continued Federal support of our Nation's highway and bridge network. In fact, this was brought home to me recently when I learned that the Federal Highway Administration has rated 60 percent of our roads as substandard, and 42 percent of our bridges as structurally deficient or functionally obsolete.

Making the system functional and making the system adequate will require a guaranteed source of funding such as that provided by the Highway Trust Fund. Much of this can readily be accomplished. For example, I strongly believe that the Highway Trust Fund should be drawn down to the extent permitted by law to meet these demonstrated needs and protect public safety. Although this will not take the place of additional revenue needs in excess of the Federal spending levels of $13 billion to $13.5 billion per year, it would be an important first step in ensuring that the needed improvements can be made.

Unfortunately, there is a current unexpended $10.248 billion balance in dedicated user fees being held hostage in the highway account of the Highway Trust Fund. This continuing build-up of $1 billion to $2 billion in unspent Highway Trust Fund balances is simply without justification in view of the documented needs for road and bridge construction and repairs.

To this end, I would note that AASHTO recently recommended increasing the annual Federal Highway Program funding levels from $18 billion to ultimately $26 billion over the life of the next Highway Program.

Mr. Chairman, NSA wholeheartedly supports AASHTO's recommended funding levels for the post-1991 Federal Highway Program

and believes, as does AASHTO, that these recommended funding levels represent a conservative estimate of the amounts needed to fund the documented needs.

I would also add that the overall annual investment by Federal, State, and local entities in highway construction and maintenance must achieve the $100 billion per year level widely recognized as the minimum future program necessary for the country.

In addition to drawing down the Highway Trust Fund balance, it is clear that additional funding will be required to meet the projected need for capital improvements and repairs. To this end, we believe that a significant increase in the motor fuels user fee is warranted in order to finance these improvements. We are firmly convinced that the users of our highway system are willing to accept the highway user fees in return for an adequate system that will enable us to be fully competitive in the world market. In fact, at the 1989 meeting of the U.S. Chamber of Commerce more than 80 percent of the participants stated that they would support highway user fees if they were earmarked for transportation improvements.

NSA also believes that the current $0.06 Federal excise tax exemption for gasohol fuels should be eliminated. According to the Federal Highway Administration this tax exemption costs the Highway Trust Fund more than $500 million annually, even though vehicles powered by these alternative fuels inflict the same damage on roadways as vehicles using gasoline.

In light of legislative proposals pending before Congress that would mandate the use of alternate fuels in certain areas, it is essential that this tax subsidy should be repealed in order to avoid a further drain on highway funding. If it is the wish of Congress to provide this exemption, it should come from general fund revenues and not from dedicated highway user fees.

The unexpended total of the highway account of the Highway Trust Fund balance now exceeds $10.25 billion, all of it in gasoline tax revenues and other user fees that you and I and every motorist pay for the privilege of driving over our roads and bridges. The dollars are piling up, being held hostage because the Highway Trust Fund remains a part of the Federal unified budget. To spend them in effect would make the Federal deficit appear greater than it is now, just as not spending the money makes the deficit appear smaller than it is. This is nothing but an illusion.

Our Federal budget deficit is a major problem, but we must call a halt to this acrobatic accounting process when it comes to the Highway Trust Fund. We must insist that your dollars, my dollars, and those of every motorist be spent on fixing up the roads and bridges in the name of mobility, safety, and economic well-being.

NSA therefore believes that the Highway Trust Fund should be removed from the Federal unified budget and that the programs financed by the fund should be exempt from any across-the-board spending cuts required under the Balanced Budget and Emergency Deficit Control Act of 1985.

We also believe that highway projects should not be put on hold because of policies concerning air quality, speed limits, and other matters that have no material connection with the program. Moreover, we recommend that Congress abolish the use of obligation

limitations or ceilings which serve no purpose other than to artificially limit the availability of funds for much needed road and bridge projects by indirectly controlling the level of cash outlays. In fact, I fail to comprehend why the funding for fiscal year 1991 is not based on expected user fee revenues in that year, which are expected to exceed $15 billion.

Mr. Chairman, NSA applauds the initiative taken by the Administration in developing a comprehensive proposal which recognizes the pressing need to revitalize the Nation's transportation infrastructure. As the drafters of the DOT report, Moving America, so eloquently state, "The Nation's vitality has always been linked to mobility. Transportation is an engine for economic growth and a link between the regions and the business people of this Nation and the world. Americans have moved farther, gone faster, and made more progress as a Nation than any other society in history. As we enter the 21st century, our transportation system, the symbol of that movement, will drive our growth and signal our success in forging solutions to the social and economic challenges we face. Transportation will be tomorrow, as it has always been in the past, integral not only to the way we live but also to building a better America for the future."

Mr. Chairman, DOT's report clearly makes the case for revitalizing the Nation's ailing transportation infrastructure. However, I am sad to say that it does not provide the Federal leadership required to provide the wherewithal for meeting its stated goals and objectives. This is all the more disappointing because it fails to recommend an immediate spend-down of the sizeable balance in the Highway Trust Fund and to match obligation levels to projected revenue in order to allow much-needed road and bridge projects to go forward. We hope everyone will soon come to the full realization that the post-1991 Federal-aid Highway Program must be adequately financed, even if it means upsetting those architects of the unified budget who would rather have the Highway Trust Fund be used to mask the Federal deficit than to allow it to be used to finance the very projects that ultimately can only serve to promote the continued growth of the Nation's economy.

The bottom line is that with our overwhelming road and bridge improvement needs, we can no longer ignore the fact that we must spend the dedicated user fees that have been collected for this very purpose, increase the revenue to meet those needs, and put aside any thought of continuing to subsidize extraneous programs, such as the exemption provided for gasohol.

Mr. Chairman, this concludes my remarks. Thank you for the opportunity to appear here before you this afternoon, and I would be pleased now to answer any questions that you or other members of your subcommittee may have.

Mr. MINETA. Great. Thank you very much, Mr. Grayson and Mr. Bartlett, for your thorough testimony.

Mr. Bartlett, I would like to ask you about your testimony. You state that "optimum use of highway user fees should be emphasized through the application of life cycle cost analysis." I'm wondering if you could explain to the committee the benefits of life cycle cost analysis.

Mr. BARTLETT. There was an example of a demonstration project, Mr. Chairman, in the Pennsylvania district of your colleague, Congressman Shuster, where one of the aspects of the road construction, as an example, was Portland Cement and concrete paved shoulders. Now, there was initially more cost, but over the longer term less maintenance was required or is anticipated to be required on that.

So by putting in additional dollars in the initial construction to reduce the long-term maintenance costs, life cycle costing would be a savings.

In addition, the type of material and the size of aggregate used in flexible pavements is a factor. By spending more for thicker, deeper, better designed pavements we won't get the rutting and shoving and pushing characteristics that mean that pavement has to be repaired and replace more quickly than normal.

Mr. Chairman, we believe that there are some things that should be done in order to provide better overall long-term investments, and as an industry we endorse that principle.

Mr. MINETA. Let me ask about that shoulder. Is that what I've heard referred to as the "French drain"? Is that something different?

Mr. BARTLETT. No, sir. When you talk about a "French drain" you talk about a ditch that has been excavated and stone placed in it so that there is a porosity or openings between the stones so that water can flow through it——

Mr. MINETA. What is it doing? Draining it from the center of the pavement to the sides?

Mr. BARTLETT. Precisely. You have what is known as a drainable base course of material so that the water coming down seeps down, and then out to the side into the drainage ditches that parallel the roadway. Now, that would be a French drain concept.

The Portland Cement concrete shoulder that is part of the Shuster Highway, as it were, Route 220 south of Altoona, has a Portland Cement paved shoulder which should last over a much longer period of time.

Mr. MINETA. The roadway may be asphalt or concrete?

Mr. BARTLETT. It could be, or the shoulder would have been asphaltic or stone chip in other days, but this was a design that was incorporated in this particular project.

Mr. MINETA. For all too long the Nation has not focused on the use of innovative technology in the design and construction of public facilities. What new innovations in use of materials and construction techniques are now being applied in the construction of highway systems?

Mr. Grayson?

Mr. GRAYSON. Well, there is a lot of applied research going on in that area, Mr. Chairman, such as the use of larger sized aggregates to prevent rutting, for example, in flexible pavement; the use of thicker crushed stone bases in order to make the highways more durable for longer periods of time. There is quite a bit of research going on in academia, much of which is being jointly sponsored by our National Stone Association, to get into applied research to make our highways last longer than ever before.

Mr. MINETA. Very well. Thank you very much.

Mr. Hastert?

Mr. HASTERT. To follow up on the question by the chairman, you talked about making these changes. What are the incentives? You talked about incentives to promote innovation in highway design and building. How would you structure such incentives?

Mr. BARTLETT. The examples of incentives are twofold. Number one is the opportunity for the contractor and the materials supplier to revise the specs, to revise the plans to come up with some innovation that would be cost-saving and would be a significant improvement. The contractor or the supplier ought to share in the lower cost of that particular innovation.

Second is time. We heard earlier today the plea of the City Engineer from Des Moines, Iowa about the 10- to 12-year life cycle of planning a project, from inception to completion. I think we ought to have incentives for the contractor to get it done quicker and better and get it open to public use and public benefit. If they do so, they should receive a portion of the value of the benefit for the early access to this needed facility.

Those are two examples that come to mind, Mr. Congressman.

Mr. HASTERT. Previously today we had testimony that said that if you add an extra inch of concrete, it is going to prolong the life of the highway and only adds 1 percent to the cost. Have you borne that out in your research? Is that accurate?

Mr. BARTLETT. Well, I haven't seen specific research on it, but we do know that——

Mr. HASTERT. I'm saying, is there cost-effectiveness in that?

Mr. BARTLETT. Without question, sir. You are improving the ride characteristics of the pavement. You are making it watertight so that it doesn't get into deterioration, and you're giving it greater structural rigidity so that it will last longer. It's a sound investment, rather than having the pavement fall apart in use prematurely that has to be totally replaced.

Mr. HASTERT. That sounds like my old legislative days when we were arguing whether it should be three-eights inch of asphalt or a half inch of cover.

Mr. BARTLETT. The bigger the better is our motto.

Mr. HASTERT. Right. I am sure.

You fellows really haven't beaten around the bush at all. I understand from your testimony you would just as soon see the Highway Trust Fund off budget?

Mr. BARTLETT. Correct.

Mr. HASTERT. For the record?

Mr. BARTLETT. Absolutely.

Mr. GRAYSON. Yes, sir.

Mr. HASTERT. All right. Thank you very much.

Thank you, Mr. Chairman.

Mr. MINETA. Mr. Lewis?

Mr. LEWIS. I have no questions, Mr. Chairman.

Mr. MINETA. All right. Well, again, Mr. Bartlett and Mr. Grayson, thank you very much for the testimony here. Mr. Riva, we always appreciate your counsel and your work with the committee.

So again, thank you very much for the testimony.

Mr. BARTLETT. Thank you very much, sir.

Mr. MINETA. You have hit a home run ball, and because of that we are going to take a seventh inning stretch at this point.

[Mr. Bartlett's prepared statement appears on page 733.]

[Mr. Grayson's prepared statement appears on page 880.]

[Recess.]

Mr. MINETA. This hearing will come back to order.

We will call now Mr. William H. Dempsey, President and Chief Executive Officer of the Association of American Railroads.

Mr. Dempsey, your statement will be made a part of the record, so you may proceed in your own fashion.

TESTIMONY OF WILLIAM H. DEMPSEY, PRESIDENT AND CHIEF EXECUTIVE OFFICER, ASSOCIATION OF AMERICAN RAILROADS, ACCOMPANIED BY L. LEE LANE, EXECUTIVE DIRECTOR, INTERMODAL POLICY DIVISION, ASSOCIATION OF AMERICAN RAILROADS

Mr. DEMPSEY. Thank you, Mr. Chairman. I will be accompanied in a minute by Mr. Lee Lane, who is the head of our Intermodal Transportation Policy Group at the AAR.

I am glad to be here to present the railroad industry's views on the single and very pressing concern that we have in terms of the upcoming 1991 highway reauthorization legislation. That concern, and I hope it is unfounded, is that the legislation might wind up increasing the Federal 80,000 pound weight limit. To the rail industry, that is quite literally a matter of life and death. Our studies, for example, indicate that had there been nationwide broad operation of 135,000-pound twin-48 combinations in 1986, we would have lost some 9 percent of our annual ton miles, but that wouldn't have been the worst result by far. We would have lost some 52 percent of our net operating revenue. That is obviously a prescription for disaster, for a return to the cascade of bankruptcies of the 1970s, and for a consequent and very, very sharp constriction of the rail system of the country and a much heavier burden upon those shippers that depend and must depend upon rail.

Now, the public shares our concern about longer, heavier trucks—for different reasons, of course, principally because of their concern over safety. We commissioned a study by the respected public opinion survey organization of Frederick/Schneiders, and they conducted that survey in January of this year. What it demonstrated was that 90 percent of those who were surveyed want to see truck lengths kept the same or reduced. Only 6 percent wanted to see longer trucks. As I say, safety is a matter of overriding public concern: 86 percent surveyed believed that longer trucks would be less safe than trucks on the road today, so they share the very same concern as was just expressed by the representative of the independent operators.

There is a basis for that concern. The 1985 FHWA study of a proposed national system of long combination vehicles concluded, "We simply do not know whether LCVs can be operated safely in general use."

The country, as you know better than I, faces a transportation crisis. The Interstate System is fortunately almost complete, because it is now beginning to fall apart. The requirements for in-

vestment in the highway infrastructure are high, extremely high. The rail system can provide a partial answer to that crisis because our infrastructure, in contrast, is in splendid condition. The mainline track system of the freight railroads in the United States is probably in the best condition that it has ever been in and, as Secretary Skinner pointed out, it is, in addition, greatly underutilized. We have a good deal of excess capacity that could be put to good public use. Now, I will return to this in a moment.

I agree with the trucking witness who said that it is no business of the Government to distort the marketplace one way or the other in order to shift freight among the modes. I say that to emphasize it. Nevertheless, to the extent that more freight is carried by the rail system rather than the highways, there would be significant public advantages. One would be, as I have indicated, safety. In terms of a comparison, the fatality rate in connection with rail transportation is about half that which is connected with motor carrier transportation.

Obviously, another would be congestion, a growing and alarming problem in the country.

Next, the railroads are about three times as fuel efficient as the motor carriers, and that then bears upon questions of energy conservation and pollution.

Finally, there is the cost associated with vehicles traveling upon roads that are in poor condition.

But we are hampered at the present time in our ability to make that contribution to the transportation problems of the United States by virtue of the fact that, as the most recent FHWA study indicated, the heavy trucks are not paying anything like their appropriate share of the direct highway costs associated with their operations. The last study indicated that as a group they were only paying about two-thirds of their appropriate share, and if one extrapolates to the motor carriers that are the heaviest and the most directly competitive with the railroads, we are looking at about a 50 percent underpayment by these trucks. That ratio does not take into account the so-called external costs of congestion and pollution and safety, for example, that Secretary Skinner indicated in his National Transportation Strategy should be calculated and should be assessed.

So what we are urging is that this imbalance, this present distortion of the marketplace, not be exacerbated as it would be so greatly by an increase in the Federal weight limits.

Mr. Chairman, one further thing. I would like to request that the public opinion survey that I referred to be made a part of the record.

That, then, concludes my comments.

Mr. MINETA. Thank you very much, Mr. Dempsey. That will be made a part of the record. (See page 771.)

The Federal Highway Administration's 1985 study of a proposed national system of longer combination vehicles indicated that the Federal Highway Administration did not know whether LCVs or these longer combination vehicles, could be operated safely in general use. Does AAR have any information that would indicate that the use of LCVs would create a safety hazard on our Nation's highways?

Mr. DEMPSEY. I'm going to turn to Mr. Lane in a second, but I would like to make two comments about that in a general way.

The question, in the first place, is not necessarily whether LCVs can be operated as safely as other motor vehicles, although we think that the evidence indicates they cannot, and I think the testimony of the representative of the independent operators is strong evidence to that effect. The further question, though, is how many more motor carriers would be introduced upon the Nation's highway system by virtue of this enormous diversion of traffic from the rail system to the motor carriers. Because it is unquestioned that rail transportation is substantially safer than highway transportation. I don't say that in criticism in any way of the motor carrier industry. The fact of the matter, though, is that they operate in a much less controlled environment than the Nation's railroads do, so that the net adverse impact upon highway safety would be serious, even assuming arguendo that LCVs could be operated as safely as existing motor vehicles.

Lee, would you like to add to that?

Mr. MINETA. The recently-announced National Transportation Strategy supports intermodalism as a means to enhance the movement of people and goods. Can intermodalism work effectively between the railroad and the trucking industries?

Mr. DEMPSEY. Well, intermodalism is operating very effectively by virtue of cooperation between the motor carrier and rail industries. Intermodal traffic is far and away the fastest growing segment of rail transportation today and has been now for the past five or six years. It is now number two in terms of commodities or lines of rail traffic, and growing by leaps and bounds. It is an excellent development so far as we are concerned and so far as the motor carrier industry is concerned that participates with us.

Mr. MINETA. There was some reference to the cargo that comes off ships, the containerized cargo, and the whole issue of weights, who should really be looking at that and who do we look to to limit those. Do you have any thoughts on that, Mr. Dempsey?

Mr. DEMPSEY. I noted that with interest in Mr. Donohue's testimony. It is a matter that clearly is not within the control of the railroads, but I would be glad to inquire into that and report to you. It may very well be that we agree with much of what Mr. Donohue has to say on that subject.

[Information previously supplied.]

Mr. MINETA. Your statement focuses on this whole issue of whether or not there is any possibility that in the reauthorization legislation there would be any provision for increased truck weights from the Federal level. Again, looking at this from a narrow viewpoint, I am just wondering, does the AAR oppose the use of longer combination vehicles because it puts the railroad industry at a competitive disadvantage?

Mr. DEMPSEY. Yes. We have no question about that. As I indicated at the outset, it is not a modest encroachment that we would have. It would be an encroachment of something on the order of 50 percent of our net operating revenue.

Now, let me say that if that can be justified in terms of the economics of the marketplace, and that would require a full assessment of user charges against the heavy trucks, including social

costs, then we could scarcely be heard to complain. It is very evident that you would still hear protests of all sorts from the general public and from organizations that are concerned with such social questions as pollution and safety and congestion. But in those circumstances, I think it would not be appropriate for the railroad industry to complain because that would not be a distortion of the marketplace in economic terms. But there is that distortion now and the introduction of these vehicles would simply amplify it greatly.

Mr. MINETA. Very well. Thank you very much.

Mr. Hastert?

Mr. HASTERT. Thank you, Mr. Chairman.

Mr. Dempsey, we certainly appreciate your appearance here today and welcome you to this committee.

Mr. DEMPSEY. Thank you.

Mr. HASTERT. I am going to piggy-back off the chairman's questions, no pun intended.

We heard about the container weight problem that was in the testimony of a previous witness who said it was a problem for the trucking industry, that it was hard to refuse a package once it was there on the docks, etc. He also said that in the railroad industry if you don't know what those weights are and you simply have a container, it is dangerous when you stack a heavy on top of a light. Is that a problem?

Mr. DEMPSEY. I doubt it, Congressman Hastert. I really do. It's an operational question and, if it were a problem, I am pretty sure we would have heard about it at the AAR, and we simply haven't. So I am very skeptical that this is a problem that affects railroad safety, but I will investigate and I will report to the committee specifically on that question.

Mr. HASTERT. Thank you.

You said that you would submit the Frederick/Schneiders study?

Mr. DEMPSEY. Yes.

Mr. HASTERT. I think that's important. We would certainly like to take a look at it.

Both AASHTO and the National Transportation Policy recommend greater Federal investment in intermodal linkages. We talked a little bit about intermodal here, but how do you see it? What is your vision of being able to develop the facilities, the ship/train/truck/airport facilities that we need to be competitive in this country?

Mr. DEMPSEY. I am going to turn to Mr. Lane on that question because he is far more expert than I am.

Mr. LANE. Well, my impression is, Mr. Hastert, that there are some fairly severe local problems in a number of areas where there are large volumes particularly of international containers, but there are some inland examples of it too, where local highway facilities in particular are being stressed by the volume of intermodal container flows. Insofar as those highway facilities cause bottlenecks in the flow of those containers and trailers, that becomes a major barrier to the development of intermodal transportation.

Insofar as it is appropriate to concentrate highway improvements on those bottlenecks, obviously that would represent a potential solution or amelioration of the problems that currently exist.

Mr. HASTERT. I think maybe you missed the point of my question. I'm saying, do we need to make major investments, and should it be public or private, when you start to facilitate port unloading and railheads and trucking docks so that you can become truly intermodal in this economy?

Mr. LANE. I guess my reaction to that is to say that there is a great deal of that investment that is already being made under the existing institutional arrangements. As I say, that doesn't imply that there aren't some serious bottlenecks that need to be dealt with, but I'm not aware of our industry having a perceived need for a major public investment program in rail intermodal facilities.

Mr. DEMPSEY. I will again check back, but to seek public funds to invest in, let's say, rail facilities would, in general, be in opposition to our overall policy which says, in effect, that there should be no subsidies to any mode of transportation, except in emergencies of one sort or another.

So I would be skeptical that we would be in favor of Federal assistance to either the trucking mode or the shipping mode, although I must say that I haven't thought about it and I'm not clear on my answer.

Mr. HASTERT. The Federal Highway Crossing Program is authorized at a level of $160 million for fiscal year 1990. What is the position of your Association? Do you support the extension of this program, more or less? How do you feel about it?

Mr. DEMPSEY. Well, it has been one of the most successful programs in our experience. We do regard that as essentially a highway problem, and therefore we think that there it is entirely appropriate for the Federal Government to provide those monies.

Therefore we would like two things: one, to keep it a categorical grant, because our experience has been that if the States have flexibility in using that money for different purposes, they are very likely to do so, and that shouldn't be done, as I say, because this program has been so terribly successful in reducing grade crossing accidents, which is far and away our number one safety problem.

Secondly, it ought to be kept at least at current levels. That would be my personal view about it.

Mr. HASTERT. What is your view or vision when we start to work on this highway bill and transportation bill as far as grade separations? One of the things that we deal in my district, I am crisscrossed with about seven different railroads, large and small. A lot of the grade separations go back literally to the 1880s and 1890s, and it is a real problem. Today it is $3 million or $4 million to do that type of work.

Should there be some cooperative effort, or should it be the responsibility of the Highway Trust Fund, to start to focus in on those problems and actually create new grade separations?

Mr. DEMPSEY. Yes, I think so. I think it falls in the same category in terms of responsibility as the Grade Crossing Protection Program. You can't have anything more successful at preventing crossing accidents than separation. So while it is expensive, it is also very, very effective. Again, the railroads by and large were there first, so we regard it as a highway program responsibility. I don't mean a truck responsibility, but a highway program responsibility.

Mr. HASTERT. Well, thank you, Mr. Dempsey. The hour is late this afternoon. I could probably extend this question and answer period, but we won't. I appreciate your being here. Thank you very much.

Thank you, Mr. Chairman.

Mr. MINETA. Mr. Lewis?

Mr. LEWIS. Thank you, Mr. Chairman.

Mr. Dempsey, in my district, the city of Atlanta, we have substantial piggy-back facilities. What impact would increasing the weight limit have on piggy-back facilities?

Mr. DEMPSEY. That's a very good question, Congressman, and I'm very glad you asked it.

What would happen——

Mr. LEWIS. We should have more piggy-backs?

Mr. DEMPSEY. Piggy-back, as I have indicated, is very promising. It's our number two line of commodities now. It does take advantage of the long haul efficiencies of the rail system and the short haul efficiencies of the motor carrier system and the delivery advantages of the motor carrier system. And you have seen down there how many trucks it takes off the highway. So it deals, then, with the safety problems and with pollution problems and with congestion.

In my judgment and the judgment of others in the industry with whom I have spoken, the broad-scale introduction of twin-48s would just about wipe out the piggy-back element of rail freight transportation. The reason is that as a category, it is the least profitable form of rail freight transportation. It is close to marginal. Therefore, when you take 52 percent of the net operating profit of the railroads away, what you're going to find is that you are going to try to restrict your operations to only those operations that are pretty good in terms of profitability. I'm talking now about coal and I'm talking about ores and those sorts of things, and the margins would just go.

Now, the first order of destruction of rail freight transportation, in my judgment, would be piggy-back.

Mr. Lane, do you want to comment?

Mr. LANE. Well, piggy-back is really a business which is dominated by volumes. It really does benefit as volume increases because you've got those very large terminal facilities through which you've got to run a large volume of traffic in order to keep the facility viable.

For that reason in particular the point that Mr. Dempsey makes applies especially to piggy-back. If you lose 20 or 25 percent of the volume of piggy-back as a first order effect of legalizing twin-48s, which is what our research indicates would happen, the facilities that are left just aren't economically viable with the remaining 75 percent of the traffic. We have had very senior executives from major railroads say that if twin-48s are legalized, they will simply get out of the piggy-back business and out of the intermodal business as a whole, lock, stock and barrel. I sincerely believe that that's true just because the remaining volumes will not be sufficient to justify the continuation of an intermodal system, which is very capital-intensive.

Mr. LEWIS. Thank you very much.

Thank you, Mr. Chairman.

Mr. MINETA. Well, thank you very much, Mr. Dempsey and Mr. Lane, for being with us and for your testimony here today.

Mr. DEMPSEY. Thank you, Mr. Chairman and members of the committee.

Mr. LANE. Thank you.

[Mr. Dempsey's prepared statement and policy paper appears beginning on pages 751, 771.]

Mr. MINETA. At this time I would like to call on Mr. George Berg, Assistant Director of National Affairs, American Farm Bureau Federation.

Mr. Berg, we have your statement. It will be made a part of the record, so you may proceed in your own fashion.

TESTIMONY OF GEORGE BERG, ASSISTANT DIRECTOR OF NATIONAL AFFAIRS, AMERICAN FARM BUREAU FEDERATION

Mr. BERG. Thank you very much, Mr. Chairman. I will try to be as brief as possible.

My name is George Berg and I am an Assistant Director of the National Affairs Division of the American Farm Bureau Federation. Farm Bureau is the world's largest farm organization, representing 3.8 million member families throughout 50 States and Puerto Rico. We appreciate the opportunity to present our views on surface transportation programs which will be expiring at the end of fiscal year 1991.

In my full statement to the committee I have listed a number of highway transportation policies which were approved by our voting delegates at the annual meeting this past January. One of the policy positions I mentioned states that for purposes of maintaining primary and secondary roads, we support allowing more flexibility in the use of Federal highway construction funds at the State level when a State has completed 90 percent of its Interstate Highway System responsibility. Hopefully, this would earmark more funds that are desperately needed for the secondary highway and bridge program.

The secondary road system is in the poorest condition of all Federal-aid highway systems. Given its extent of 401,000 miles and its relatively high usage, it is not surprising that the secondary system has been unable to keep abreast of the other systems, particularly when other more heavily used roads are competing for scarce funds. According to the Federal Highway Administration, almost 40 percent of the secondary paved mileage either requires, or will shortly require, major capital improvements.

The agriculture industry depends on local road and bridge transportation. All highway studies have acknowledged the poor condition of local roads and bridges, but they have usually failed to recognize their economic importance to every citizen in the State. They are essential to agriculture, forestry, rural tourism, rural industries, rural living, essential services, and general State economic development. Rural roads and bridges are, indeed, a vital link to agricultural prosperity.

The supplies and equipment that our farmers use in producing their crops are all hauled by truck or by rail to the rural locations

where they are used. After the crops are harvested, all modes of transportation—truck, railroad, barge, and ocean vessel—are utilized to move the commodities to the people who want and need them. Modern agriculture also requires the use of heavy equipment and machinery which must travel on rural roads and bridges. Other industries have similar needs, but in agriculture any disruption of the transportation system is most certainly reflected in the prices that our farmers receive for their commodities.

Farmers also recognize that we have a substantial bridge problem in the United States. Bridges help maintain the vital transportation services that are necessary for agriculture and rural development. Bridges allow vehicles to move with ease across this country. They allow cities to function and make truck transportation feasible. They permit farmers to move modern equipment to their fields and transport their products from the field to the marketplace.

We in agriculture are proud of the fact that we have the most productive and most efficient system of agricultural production to be found anywhere. We are reminded, however, that all of that production on our farms and ranches is of little value if we are unable to move it to market in a timely, economical, and efficient manner. Agriculture is unique from many other industries due to its low density population, geographic features, and highway patterns. The sudden loss of a bridge on a primary or secondary road would have a serious impact on farm economy and rural communities in general. A section of highway can be poor but still serviceable, but the loss of a bridge can cause long-term disruption to the transportation of agricultural commodities. This is why we believe that providing adequate highways and bridge facilities is a proper role of Government at all levels.

In summary, Mr. Chairman, we hope that the reauthorization of the post-interstate surface transportation program will recognize that millions of Americans living on farms, ranches, and in rural communities must have access to major highways. Rural roads are essential to the safe, efficient, and economical transportation of food products from farms and ranches to consumers everywhere. In view of the fact that the Interstate Highway System is nearing completion and the secondary road system has been neglected for many years, we believe it is time that Congress recognized the importance of these farm-to-market roads and bridges and authorize a realistic increase in this category of roads. In reauthorizing funds for the rural secondary highway system, Farm Bureau recommends a $4 billion appropriation annually.

The basic dilemma that confronts the bridge situation is how to replace or rehabilitate as many bridges as possible with the limited funds available. The General Accounting Office found that costs to replace a given bridge can vary by thousands of dollars, depending on which State the bridge is in, who is paying for its replacement, and who makes the decisions on its design and construction. Some of these cost differences are due to varying climate, terrain, and methodology. Different policies at the local, State, and Federal levels are also major factors. In rural America, we feel that the timber bridge program promoted by the USDA Office of Transportation provides an effective, low-cost method of replacing many

rural bridges. Because bridges are vital to all road systems, Farm Bureau recommends $4 billion annually, which we also believe is realistic.

Again, we thank you and the members of the subcommittee for the opportunity to present our views. I would be happy to answer any questions, Mr. Chairman.

Mr. MINETA. Thank you very much, Mr. Berg.

The Farm Bureau Federation has proposed funding levels for several Federal-aid highway programs that you've mentioned—Interstate 4-R, primary roads, secondary roads, bridges. Are there other Federal-aid highway programs that the Federation would support funding?

Mr. BERG. Oh, yes, Mr. Chairman. We do favor completion of the Interstate Highway System. We certainly are in favor of improving and maintaining the primary system, and an adequate highway system for the Nation.

Mr. MINETA. The Federation is not recommending any increase in user fees?

Mr. BERG. No, sir, we are not.

Mr. MINETA. Would the requested authorization levels of $4 billion for the secondary roads and $4 billion for the bridge program adversely affect the ability of the States to fund other Federal-aid highway programs?

Mr. BERG. Well, Mr. Chairman, the balance in the Highway Trust Fund is anywhere from $12 billion to $18 billion. I don't think anybody in this room who has testified can really tell you how much is in there. But we feel that the $4 billion can be drawn down from that Highway Trust Fund. As I said in my statement, the Interstate Highway System is nearing completion. There are only 300 or 400 more miles to go on it. Frankly, I don't think those miles will ever be built because they are in too high-cost areas to be completed.

So I think some of this money, could be used to improve the rural road and bridge program in this country. There could also be Interstate connecting roads, and that is what we need more than anything else right now, roads that will connect rural America to the Interstate Highway System.

Mr. MINETA. During consideration of the surface transportation reauthorization legislation the committee will establish the Federal role for the Nation's transportation system. What is the significance of a Federal role for a secondary system and for off-system bridges?

Mr. BERG. What is the significance?

Mr. MINETA. Is there a Federal role for those secondary roads and for the off-system bridges, especially when you talk about timber bridges? That would be categorized as an off-system bridge, and I believe that under the present law it is something like no less than 10 percent but no more than 35 percent that can be spent on that off-system bridge program.

Mr. BERG. Well, we would favor anything along that line on an off-system timber bridge because, Mr. Chairman, this has been a very successful cost-sharing plan of the Forestry Service in the Department of Agriculture. In the last two years, I think in 1988 and 1989, they received $2.7 million for their bridge program, and they

have built 130 bridges throughout the country. Some of these bridges are significant. They are 24 x 100 feet long and it only cost about $147,000 to build the one south of Fort Collins, Colorado.

So I think that more consideration should be given to this program, and maybe it's time the Department of Transportation started to talk to the Forestry Service to find out how successful they have been.

We're not asking for Interstate-type bridges in rural America. We're simply asking for bridges that will get us across creeks and small rivers and culverts, and this timber bridge program can be very effective.

Mr. MINETA. I guess that's part of the question, though. What would be the national significance, from a national public policy perspective? Let's say, why would the Highway Trust Fund monies be used for a timber bridge on an off-system road?

Mr. BERG. Well, to promote the highway program. To give us the roads that will connect us to the Interstate Highway System and the primary system, the Federal-aid Interstate and the Federal primary system. That's what I would say would be the national interest. We need these highways to get our agricultural products to the market and to international markets.

Mr. MINETA. But we also have, in effect, the farm-to-market road system. We have the forestry road system. We have a lot of different specific categories of road programs.

Mr. BERG. Yes, but they've all been neglected, and that's my point, Mr. Chairman. They have been neglected for several years because we've all waited patiently for the Interstate Highway System to be completed. I think we've waited 40 years now, and there's a great deal of concern out there—not only since the Secretary announced his new highway policy, but I've gone to seminars all over the country in the last four or five years and they are all complaining that the secondary road system, local roads, rural roads, whatever you want to refer to them as, are in a sad state of condition and repair.

Mr. MINETA. There's no question that you're correct, because when we look at how much has been put into the transportation infrastructure in the 1960s and the 1970s, we find that it averaged 2.3 percent of GNP, and in the 1980s that dropped to 0.4 percent. So I think that's reflected right there in that figure.

Thank you very much.

Mr. Hastert?

Mr. HASTERT. Thank you very much, Mr. Chairman. I am just getting a quick education on what a timber bridge is, here.

I represent a pretty large mixed urban, suburban, and rural area in northern Illinois. One of the troubles that we have in a farm community is getting a truck off the Interstate highway, where they can haul 80,000 pounds, and into the farmer's market area at least, if not the farmyard itself, to deliver those goods or to pick them up and get them on the Interstate.

Is this an area where you're talking about the timber bridges being useful?

Mr. BERG. Well, Congressman, from what I understand there are about 260,000 bridges in this country that are obsolete or structurally deficient, and most of those bridges are in rural areas. If there

is a bridge that these trucks can't pass over to get to an Interstate, certainly, that's the bridge I'm talking about.

Mr. HASTERT. Sixty percent of them in Illinois are in urban Chicago, but that's another problem.

Mr. BERG. Well, I'm not necessarily favoring a timber bridge on an Interstate Highway——

Mr. HASTERT. No, no. I know that. I'm not asking that. I'm saying that the purpose of these timber bridges, the shoring up of the highways that you have, is to get your 80,000-pound trucks off the highway in where the farm commodities can be either picked up or sold or delivered, is that correct?

Mr. BERG. Yes, sir.

Mr. HASTERT. Okay.

The second question I want to ask you, we had a lot of testimony in here this afternoon about the exemption of the tax on ethanol. This is a two-pronged question, what is your opinion of that, and second, what if in the clean air bill some magic happened and ethanol all of a sudden, or one of these magic fuels, clean fuels, if you will, become mandated by law and you have to use the 10 percent ethanol or methanol; then would you think that the exclusion on that tax should still continue, or it could be added on? Two questions.

Mr. BERG. I think that by the exclusion—you mean the exemption that we get for gasohol?

Mr. HASTERT. Yes.

Mr. BERG. I think it should be continued.

We publicly and enthusiastically favor the ethanol use to make gasohol because, number one, it reduces farm subsidies. It increases net farm income, but it also——

Mr. HASTERT. It creates a market?

Mr. BERG [continuing]. Creates a market, and therefore it would increase net farm income. But it also reduces our dependency on foreign oil. It provides clean air.

Mr. HASTERT. I understand that. So you think that as the stage is set now, as the economy is set now, as the laws are set, you favor the extension?

Mr. BERG. Yes, I do.

Mr. HASTERT. Okay. Then, the second part of the question: if an ethanol mix or a clean fuel mix became mandatory or mandated by law, do you think it's still necessary to keep the exemption there? The exemption is there to give a competitive advantage. If there's not any reason for a competitive advantage any more, if it's actually there because it's there, do you think we need to keep that exclusion? That's an important question because a lot of people ask that.

Mr. BERG. Well, I'm sure that it is. I don't think that we've given any thought to that. Our policy doesn't call for that because up until this point—we've been working on the Clean Air Act for 12 years or so and we haven't had to face that problem. If indeed it did, I think our leadership in the Farm Bureau would take another look at the exemption for gasahol.

Mr. HASTERT. I have corn growers in my district and it's an important issue, but it's an issue that ought to be thought about seri-

ously because it does hinge on what we can do in our transportation programs.

Mr. BERG. I can understand that, but I'm not at liberty to say what they would do.

Mr. HASTERT. In other words, you haven't thought that policy out yet?

Mr. BERG. No, they have not.

Mr. HASTERT. Okay.

The third question, and then I will let you go. What is your position on whether the Highway Trust Fund should be on budget or off budget?

Mr. BERG. Off budget. We favor taking the Highway Trust Fund out of the unified Federal budget.

Mr. HASTERT. Why?

Mr. BERG. It's in our policy.

Mr. HASTERT. Why?

Mr. BERG. Well, because we think it would give the Department of Transportation more flexibility to use the fund for purposes as they see fit. It wouldn't go toward keeping the deficit higher than it really should be.

Mr. HASTERT. Thank you, Mr. Berg.

Thank you, Mr. Chairman.

Mr. MINETA. Mr. Lewis?

Mr. LEWIS. No questions, Mr. Chairman.

Mr. MINETA. Thank you very much, Mr. Berg, for your fine testimony here today.

Mr. BERG. Thank you, Mr. Chairman.

Mr. MINETA. Next we have a panel made up of Fran Pavley, a member of the City Council of Agoura Hills, California, and former Mayor, representing the National League of Cities; Mr. Ed McMahon, Executive Director, Scenic America; Dr. Charles Floyd, Professor of Real Estate, the University of Georgia, representing the American Planning Association; Paul Barkley, A.I.A., Barkley & Pierce Architects, Falls Church, Virginia, representing the American Institute of Architects; Phoebe Driscoll, Chairman of the National Affairs and Legislation Committee, Garden Club of America; and Elizabeth S. Merritt, Chief Litigation Counsel, National Trust for Historic Preservation.

[Mr. Berg's prepared statement appears on page 744.]

TESTIMONY OF HON. JOHN LEWIS, A REPRESENTATIVE FROM GEORGIA, ACCOMPANIED BY FRAN PAVELY, A MEMBER OF THE CITY COUNCIL OF AGOURA HILLS, CA, AND FORMER ED McMAHON, EXECUTIVE DIRECTIOR, SCENIC AMERICA; CHARLES FLOYD, PROFESSOR OF REAL ESTATE, UNIVERSITY OF GEORGIA, REPRESENTING AMERICAN PLANNING ASSOCIATION; PAUL BARKLEY, A.I.A. BARKLEY & PIERCE ARCHITECTS, REPRESENTING AMERICAN INSTITUTE OF ARCHITECTS; PHOEBE DRISCOLL, CHAIRMAN, NATIONAL AFFAIRS AND LEGISLATION COMMITTEE, GARDEN CLUB OF AMERICA; AND ELIZABETH S. MERRITT, CHIEF LITIGATION COUNSEL, NATIONAL TRUST FOR HISTORIC PRESERVATION

Mr. MINETA. So with this fine lineup of wonderful witnesses, I would like to turn first to our colleague from Georgia, Mr. Lewis.

Mr. LEWIS. Thank you very much, Mr. Chairman.

Mr. Chairman, I really would like to thank you for giving members of this coalition that is supporting H.R. 3389, the Billboard Control Act of 1989, the opportunity to come here so late in the afternoon, after you have spent all day—I know you must be tired; it has been a long day, and I'm going to make my statement brief and submit my complete statement for the record.

I'll tell you, Mr. Chairman, this is a dedicated group, really committed to putting an end to visual pollution along Federal highways. It is a large and diverse coalition. H.R. 3389 is a very important bill. It is going to put teeth back into the Highway Beautification Act. It's going to make our highways more scenic, it's going to make our highways more safe, it's going to improve the quality of life in rural, suburban, and urban communities throughout this country.

I know that the speakers who are here today are going to provide us with some very valuable information. They will tell us what the States would do to combat the billboard problem if they could, if the Federal Government would let them. They will tell us about some of the fallacious arguments that have been bantered about and the false information that is being passed around about the Billboard Act. And they will tell us what this bill means to historic preservationists, landscape architects, city planners, local and other political subdivisions throughout the country.

Mr. Chairman, I look forward to listening to these witnesses, and I want to welcome them here and thank you for making this opportunity possible.

[Mr. Lewis' prepared statement follows:]

JOHN LEWIS
5TH DISTRICT, GEORGIA
WHIP AT LARGE
COMMITTEES:
PUBLIC WORKS AND TRANSPORTATION
SUBCOMMITTEES:
AVIATION
PUBLIC BUILDINGS AND GROUNDS
SURFACE TRANSPORTATION
INTERIOR AND INSULAR AFFAIRS
SUBCOMMITTEES:
NATIONAL PARKS AND
PUBLIC LANDS
INSULAR AFFAIRS
SELECT COMMITTEE ON AGING

Congress of the United States
House of Representatives
Washington, DC 20515

WASHINGTON OFFICE:
901 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-3801
DISTRICT OFFICE:
THE EDITORIAL BUILDING
100 PEACHTREE STREET, N.W.
SUITE 2750
ATLANTA, GEORGIA 30303
(404) 659-0116

STATEMENT BY CONGRESSMAN JOHN LEWIS BEFORE
THE SUBCOMMITTEE ON SURFACE TRANSPORTATION
MARCH 15, 1990

Mr. Chairman, I applaud you for giving the members of the coalition supporting HR 3389, the Billboard Control Act of 1989, an opportunity to present testimony here today. I'll tell you, Mr. Chairman, this is a dedicated group, really committed to putting an end to visual pollution along federal highways. It's a large and very diverse coalition. I have worked closely with them and others in fashioning the "billboard bill."

Before we hear from them, I would like to say a few words about the bill. There are two provisions about which I want to say something. First, the reporting requirement. Second, the "just compensation" requirement.

By all accounts, no one knows how many billboards there are along federal highways. No one knows how many billboards comply with the Highway Beautification Act. And, no one knows how many do not comply with the Highway Beautification Act.

The Federal Highway Administration doesn't know.... The General Accounting Office doesn't know.... The states don't know... The only one who probably does know is the Outdoor Advertising Association. But, they won't let us know what they know!

The Congressional Research Service stated in a recent report that the quality of the data which does exist is considered "suspect."

How can the U.S. Department of Transportation regulate outdoor advertising --- as the Congress has required it to do --- unless it knows what's out there?!

We need to know how many billboards there are along federal highways? How many of them are "conforming?" How many of them are "nonconforming?"

So, my bill calls for an annual report about the numbers of billboards. This report is to be prepared by the U.S. Department of Transportation based on inventories prepared by the states.

Before I get to the "just compensation" issue, let me say a few things about the Highway Beautification Act and the changes it has undergone since 1965. The 1965 Act established a national program and policy for the control of billboards. The purpose of the legislation was to provide for "scenic development and road beautification" along federal highways. It was to protect our tremendous investment in our highway system. And, it was to promote the safety of our highways.

By most accounts, the Highway Beautification Act has been a failure. Why? Because of a 1978 amendment which made it impossible for states to compensate billboard owners for the removal of their "nonconforming" billboards.

Prior to 1978, states could compensate billboard owners for the removal of their signs without paying cash. The 1978 amendment required that the states compensate them with cash.

So, the states were put between a rock and a hard place: They were required by the Highway Beautification Act to remove billboards which did not conform with the requirements of the Act. They were prohibited from removing "nonconforming" billboards unless they paid cash to the billboard owners. The U.S. Department of Transportation, which was to pay 75% of the cash compensation, didn't have the money to pay its share.

The U.S. Department of Transportation didn't have the money to pay its 75% share because it didn't want the money to pay its 75% share. Never has enough money been made available for the federal government to pay its share. And, since 1982, no money has been made available for the federal government to pay its share because the Administration has not requested any.

The Department described its compliance with the Highway Beautification Act as a "low priority." Indeed, in a June 1983 memorandum by the Federal Highway Administration to the Secretary, it was proposed that the requirement that nonconforming billboards be removed be eliminated. In other words, the Federal Highway Administration proposed that there be no control of billboards along federal highways!

As a result of the 1978 amendment making it impossible for billboard owners to be compensated in any way other than by the payment of cash, the states' efforts to control the proliferation of billboards were put on hold. The states' hands were tied.

What I have proposed is that we un-tie the states' hands.... free them to address the billboard problems in their communities.

I have proposed the removal of the provision in the Highway Beautification Act which calls for "just compensation." We don't need it in the Act! "Just compensation" is required by the U.S. Constitution wherever there is a "taking."

Let's assume for a minute that there is a "taking" when a billboard is removed. The U.S. Constitution would require that the owner of that billboard receive "just compensation." The Highway Beautification Act wouldn't have to require it.

Just compensation for the removal of a billboard can take at least two forms: (1) cash compensation; or (2) amortization. That's what the highest courts in the land have told us.

By removing the "just compensation" language in the Highway Beautifiation Act, we are freeing the states to compensate billboard owners either by a cash payment or by amortization.

According to a 1985 GAO report, at least 27 states favor the removal of the "just compensation" language. They want to be free to work to put an end to highway pollution within their own boundaries. I want them to have that freedom!

It has been 25 years since the enactment of the Highway Beautification Act. When President Johnson signed the bill into law, he had in mind that it would improve the quality of life, help clean up our environment and improve the safety of our roads.

Now look at us. We haven't progressed toward those goals. We have turned back the clock. In terms of the number, size, lighting and spacing of billboards along our federal highways, we have regressed --- terribly!

The irony and most unfortunate thing about this is that while the federal government is "turning its nose up" at the Highway Beautification Act, states, cities and counties throughout this country are passing ordinances and laws designed to put an end to the visual pollution along their highways and byways. That's exactly what we asked them to do in 1965 when we asked them to develop plans for the control of outdoor advertising and told the states that we would help them make sure that their plans were adhered to.

Now, not only are we unwilling to help the states, we are doing a lot to hurt them in their efforts to clean up the highways and byways.

I know that the speakers here today are going to provide us with some very valuable information --- information about what the states would do to combat the billboard problem if they could, information about some of the fallacious arguments that are being bantered about relative to the billboard bill (for example the First Amendment "argument"), etc. I am very much looking forward to their testimony.

Again, I want to thank the Chairman for giving us this opportunity to hear from them. Thank you.

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Mr. MINETA. Thank you very much, Mr. Lewis.

Councilmember Pavley.

Ms. PAVLEY. Thank you, Mr. Chairman. Good afternoon.

I have served as Mayor and Councilmember of the city of Agoura Hills for the past eight years. I am here today representing the National League of Cities, as well as the League of California Cities. Agoura Hills became L.A. County's 83rd city back in 1982. Agoura Hills is located about 35 miles west of downtown Los Angeles. We are bisected by the 101 freeway. We are nestled in the Santa Monica Mountains area.

The beautification of the freeway corridor has been our top priority since we incorporated. We have been very successful in adopting ordinances to encourage quality development, while also preserving the natural beauty of our area. We have passed sign ordinances, protective hillside ordinances, and adopted a community-supported general plan.

We have, however, been unable to eliminate the 30 billboards that dot four miles of our Ventura Freeway, the 101 corridor. Federal and State law has made it impossible to remove these structures.

I am continually asked by local residents, "Why can't you do something about the billboards?" This is the number one question that people ask me. They don't understand why the State and Federal Governments can regulate this undesirable land use within our city limits.

Our City Council has been actively seeking legislative solutions to address this problem. Our local State legislators have authored several bills on our behalf. The crux of our problem is the requirement that we have to use taxpayer dollars to buy out prohibitively expensive billboards. There are no State or Federal formulas to determine the value of a billboard. The lease and potential rental income, in addition to the value of the structure, determine the worth of the billboard. According to billboard companies, the value of each billboard could be as high as $100,000. It is interesting to note that even though the property owner is obtaining income from the improvement to his property, no additional property tax is paid by either the landowner or the billboard company.

Congress should amend the Federal Highway Act because cash payments to the billboard industry are wasteful, unwise, and Constitutionally unnecessary.

First, nonconforming signs are a local problem, to be solved through local law under land use powers defined by the State constitutions. State courts in the country have held that amortization is a Constitutional method for removing billboards. The decision on whether to make cash payments or to use the amortization technique should be left to local government.

What's more, billboards are a form of movable property which can be dismantled and relocated. Indeed, the billboard industry does this all the time. When a billboard is removed pursuant to a zoning ordinance, the billboard is not literally taken and used by the Government. On the contrary, the billboard is simply dismantled, after which it can be put on a truck and moved to another location. The landowner, of course, retains full title to the property, which can be used for any other lawful purpose.

Requiring local governments to pay cash for billboard removal gives special treatment to billboard companies not received by any other industry or nonconforming land use. All other land uses are regulated by local government without Federal interference and without cash payments.

The courts have approved the use of zoning to relocate billboards and other land uses, such as junk yards or cement factories. However, today only billboards are being singled out for special protection by Congress.

The courts say that the Government interest in regulating billboards is especially strong because billboards don't derive their value from the private land they stand on, but from the public roads that they stand next to. Without the captive audience delivered by a public highway, billboards have no inherent value.

Last year we asked our State legislators to amend the State's Business and Professions Code to allow local government the option of using amortization. It is legal for cities to amortize all other nonconforming uses over a period of time in order that landowners have ample opportunity to recoup their investments. The California courts have found reasonable amortization to be a Constitutional exercise of police power which does not require compensation.

Our billboards in Agoura Hills have already been in existence for at least 10 to 20 years, well before an amortization period would even begin. Our State legislators told us that they could not amend the State law to allow for the amortization of nonconforming billboards adjacent to Interstate Highways. To do so, they said, would mean our State could risk losing 10 percent of its Federal highway money. This is the requirement imposed by the Federal Highway Beautification Act.

Our city would like to remove billboards to meet the intent of the Highway Beautification Act. We would like the opportunity to enhance the beauty of our freeway for traveling motorists, attract quality development, and also improve our property values. In order to accomplish this goal, the Federal Highway Act should be amended to allow local governments the option of using amortization to reduce the number of billboards.

Agoura Hills has now become the gateway to the Santa Monica Mountains National Recreation Area. Their office headquarters are located within our city limits. We should no longer have to be called "billboard alley."

Forcing cities to use taxpayer dollars to remove billboards is unrealistic. Our city's relatively small budget makes this impossible. Our limited reserves are being spent on improving the freeways, overpasses, and local arterials.

I have heard that the 1990s is the decade of the environment. Please amend the Federal Highway Act in order to allow local governments to use amortization to reduce the visual blight on Federal highways without jeopardizing our State's Federal highway money.

Thank you very much for your attention.

Mr. MINETA. Thank you very much.

Now I would like to call on Mr. McMahon, Executive Director of Scenic America.

Mr. McMahon. Thank you, Mr. Chairman. Good afternoon, members of the committee. Mr. Lewis, thank you for coming this afternoon.

I am Ed McMahon. I am the Director of Scenic America. It is a national conservation organization dedicated to preserving America's scenic and unique landscapes, roadways, cities, and towns. I respectfully request that the complete text of my statement and the attached special report on the Highway Beautification Act be included in the official hearing record today.

Mr. Mineta. Without objection, so ordered.

Mr. McMahon. I am here today to testify on the need to reform the 1965 Highway Beautification Act. This law was passed to promote the safety and recreational value of public travel and to preserve natural beauty. Today, it does neither of those things.

Members of this committee may recall that the House of Representatives voted in favor of reform of this act in 1986, and then again in 1987, during the last highway reauthorization debate. Though supported by a majority of Congress, strengthening amendments to the Highway Beautification Act, including a cap on new billboards, were removed during the final conference on the 1987 highway bill.

Today we strongly urge the committee to include reform of the Highway Beautification Act in the 1990 highway reauthorization. We also urge the committee to hold hearings on H.R. 3389, the Billboard Control Act of 1989, introduced by Representative John Lewis and now pending before this committee. Without reform of the Highway Beautification Act, America's scenic resources will continue to deteriorate. Today, the Highway Beautification Act allows new billboards to be put up virtually everywhere, including in totally rural countryside, inside National Historic Districts, next to our National Parks, even adjacent to schools and churches.

In 1984 the Inspector General of the United States Department of Transportation reported that in a five-year period between 1979 and 1984 taxpayers paid to remove 1,957 nonconforming billboards along Federal highways in Florida. During the same period, 8,218 new billboards were erected along the same roads, resulting in a net gain of 6,251 billboards. Imagine if we had a Water Pollution Control Act that worked the same way.

Why are new billboards going up along our supposedly protected rural highways? Well, simply because the Highway Beautification Act is riddled with loopholes and exceptions. These exceptions have swallowed the rule. You will hear more about these exceptions from some of our following witnesses, but briefly, you may erect new billboards on any land zoned commercial; on any land zoned industrial; on any land which is called an unzoned commercial area; on any land called an unzoned industrial area; on Indian land and lots of other places you can put up a billboard. It doesn't make any difference if it's in totally rural countryside, miles from the nearest town or exit—or building, for that matter. You can put up a billboard today virtually anywhere.

Advertising Age reported in November of 1988 that eight of the top ten billboard advertisers in the United States promote cigarettes or liquor. What's more, they are numerous. The point of that is that most billboards have nothing to do with motorist informa-

tion. These include things like logo signs, low frequency radio, rest stop advertising, and many other nonpolluting alternatives to billboards. Indeed, the new National Transportation Policy makes it Federal policy to "promote standardized signs and increased information for travelers, particularly along scenic highways and pastoral routes."

A couple of thoughts on a few of the other loopholes.

First, size and height limitations on billboards—there is currently no height limitation on billboards along Federal highways. Billboards can be as tall as technology allows.

Size limitations—well, the average billboard in 1965 when this act was passed was 300 square feet, so the Federal Highway Administration set the limit at 1,200 square feet, four times bigger than the existing billboards at that time. You can build billboards as big as 3,000 square feet, bigger than most people's houses in many urban areas.

What about spacing? The law allows 20 billboards per mile along Interstates, 34 billboards per mile along primary highways, and up to 104 billboards per mile on primary roads inside cities.

To add insult to injury, the billboard industry has erected thousands of new billboards in minority and low income neighborhoods, the largest number advertising cigarettes and alcoholic beverages. Once again, there are no setbacks from things like schools or churches or National Parks. You can even put a billboard inside of a National Historic District.

While the law is overly permissive with respect to the construction of new billboards, it is overly restrictive with respect to the removal of nonconforming billboards. Today, as you have already heard, the law requires taxpayers to pay cash for the removal of all nonconforming billboards. Ironically, however, no money has been appropriated for billboard removal since 1982. As a result cities are told, "You can't take down a billboard unless you pay for it," but conveniently, there's no money available to do that.

The law also takes away the power of local governments to use their own local land use powers. The 1978 amendment to the Federal act says that communities which want to use their own land, use authority to remove billboards over time, a practice called amortization, run the risk of losing 10 percent of their highway construction funds.

There is not another industry in America that receives this special protection.

In 1985, the U.S. General Accounting Office declared that "accomplishing the goals of the Highway Beautification Act will require either additional Federal funding or a change in the compensation requirement of the act." We agree with the General Accounting Office. Either give us the money or repeal the requirement.

Perhaps the most environmentally destructive aspect of the so-called Beautification Program is its use as justification for the chain-sawing and herbiciding of trees on public land in front of billboards. When the Interstates were built, the Federal Highway Administration provided the money to plant millions of trees along our roadsides. The billboard industry doesn't like trees blocking the view of billboards, so in 1977 it persuaded the Federal Highway Ad-

ministration to legalize tree destruction by reclassifying it as "vegetation control." State officials now annually issue thousands of tree cutting permits to sign companies. Ironically, many of the trees being destroyed were originally planted under the Federal Landscaping Program.

Billboards are users of the Federal Highway System, but unlike motorists, truckers, and other road users, the billboard industry currently pays no road user taxes, tolls, or fees to use our roads. Likewise, there is no Federal property tax or excise tax on outdoor advertising. The average billboard along an Interstate Highway today will earn in excess of $30,000 a year. Despite that enormous revenue, there is currently no Federal permit fee to operate a billboard along a Federal highway.

We think it is time to end the national disgrace called the Highway Beautification Act and to reform it so that it indeed preserves natural beauty, protects trees, parks, historic districts, scenic roads, and allows a mechanism for removing nonconforming billboards that communities want to remove. We urge the subcommittee to support changes in the act which will: One, halt the construction of additional billboards; two, limit and reduce the size and height of existing billboards; three, increase the spacing between existing billboards; four, prohibit the destruction of trees on public land in front of billboards; five, remove existing billboards along designated scenic roads and near historic sites and districts, National, State, and local parks, wetlands, and other areas of critical environmental concern; six, either restore local governments' ability to remove nonconforming billboards, or appropriate the money to meet the cash payment requirement; seven, impose a Federal permit fee on billboards and use the money for effective enforcement of the act; and eight, promote alternative forms of motorist information, including logo signs, etc.

I appreciate your consideration. I would be happy to answer any comments that the committee might have. Thank you very much.

Mr. MINETA. Thank you very, very much, Mr. McMahon.

Now we will call on Dr. Floyd from the University of Georgia.

Mr. FLOYD. Thank you, Mr. Chairman. I am pleased to be here today, testifying on behalf of the 25,000 members of the American Planning Association.

I must tell you that the Highway Beautification Act is an almost total failure. In fact, it is difficult to imagine how the program could be made more ineffective in achieving its original stated objectives, be more perverted to benefit the supposedly regulated outdoor advertising industry, or be modified to more greatly hinder the efforts of State and local governments to cleanup billboard blight in their communities.

You don't have to depend just on my opinion. For one thing, we have the Inspector General of the Department of Transportation, who conducted a study in which they concluded that the outdoor advertising control program has been ineffective in improving highway beautification, as the number of signs located adjacent to the Nation's highways continues to increase.

The General Accounting Office also did a study, reaching similar conclusions. But the definitive word on the effectiveness of the pro-

gram comes from the outdoor advertising industry. They love it! If the program was any good, they wouldn't like it, much less love it.

In a recent press release, the Outdoor Advertising Association of America praised the Highway Beautification Act as "The Highway Beautification Act: A Law That Works." They rapturously extolled its virtues, saying that "taxpayers can only dream that every law that Congress passes works as well as the 1965 Highway Beautification Act."

I think any of us knows that when a regulated industry tells us how wonderful the regulation is, there is a very high probability that it isn't all that great.

Now, the question is, why does the outdoor advertising industry love the Highway Beautification Act? Well, for the first thing, the Highway Beautification Act was supposed to prohibit the erection of new signs in rural areas and in areas that were not areas of actual commercial or industrial use. Unfortunately, that has not been the case. There were tremendous loopholes, as others have told us here already, and the Federal Highway Administration has not enforced the law. For example, I personally ran into one when I saw billboards going up in a flood plain in an area that had no possibility of any industrial development, so I went to the local planning office. I said, "I'd like to see the zoning change request for this land." So they let me have it, and it said on there, "The purpose of this change is to get the land zoned industrial so that we can put up billboards." An absolute violation and circumvention of the act. The Federal Highway Administration refused to do anything, and the billboards are still there.

Another failure of the act is that at the same time we have had many billboards going up, we haven't been getting the old ones down. I would like to address one thing. We oftentimes hear about how many hundreds of thousands of billboards have come down as a result of that act. That is simply not correct. In 1966, the Federal Highway Administration conducted an inventory in all the States of all the signs that were out there on the so-called "protected highways." There has not been another inventory made since that date, so we don't even know how many are out there today. And you don't have to believe me for that; you can simply go to your own Congressional Research Service, who reached a similar conclusion.

However, certainly there were a lot of signs in the earlier days of the program, the little junk signs, that did come down. No question about that. Since 1980, however, according to the figures of the Congressional Research Service, we have something like 100,000 new conforming signs that have been erected during this time period. So there are simply more new signs going up all the time.

Of course, traditionally, communities have been able to get rid of nonconforming signs through amortization. This is characterized by the billboard industry as a "taking." It is not a taking. If it was a taking, we wouldn't have to be here discussing it because any time a community passed such a law, the billboard company would simply go to court and the court would say, "This is a taking and is thereby unconstitutional." But that is not what the courts are saying, except in a very few jurisdictions. Let me give you one example, and that is Raleigh, North Carolina.

Raleigh passed a new billboard ordinance several years ago, prohibiting the erection of any new billboards. They also said that existing billboards had to come down, except those on the Interstate and primary systems that were protected by this Highway Beautification Act. The other signs did have to come down.

It's kind of an irony that the Highway Beautification Act is the act which protects the existing billboards, but, of course, that's the way the billboard industry designed it.

The billboard industry then took the city to court. The Federal District Court gave summary judgment to the city, saying that this was not a taking. For one thing, the city wasn't taking the property. They were simply saying, "Move it." The billboard company retained title to this property, and they could move it, as they move signs all the time. This decision was also upheld in the Circuit Court, and the Supreme Court refused to take the case on the issue of amortization.

But right now we have communities, such as you've heard in the example here today, that are kept from cleaning up visual pollution in their communities by this supposedly anti-pollution legislation.

I would like to compare this with the Clean Air Act. Suppose that Congress wanted to amend the Clean Air Act to make it as ineffectual in achieving its stated objectives as the Highway Beautification Act is in achieving its stated objectives. First, it would be necessary to conduct an inventory of the existing air pollution sources, and then set a standard for new plants that is twice as bad as that, and new plants would be permitted anywhere the land was zoned commercial or industrial, or where there was any type of existing commercial or industrial polluting source, even when a country store burned its trash out back. Existing polluters would not be required to reduce their emission levels until they were paid to do so, and mandatory compensation levels would be set far in excess of original investments. Of course, Congress would not appropriate any money for the cleanup process, but at the same time Congress would prohibit States and local governments from using their Constitutional police powers to force polluters to reduce their emissions.

I am sure you will agree that to even suggest that the Clean Air Act be amended in this way would be totally ludicrous. Unfortunately, however, this absurdity is a valid analogy to the current Highway Beautification Act.

The American Planning Association, first, supports Congressman Lewis' bill to reform this program, and specifically recommends that the provisions of existing law should be enforced, including this absurd policy of permitting trees on the right-of-way to be destroyed to permit a greater view of billboards.

Second, new billboards should be permitted only where genuine and extensive commercial or industrial land use currently exists—which, I might add, is something the Federal Highway Administration could do on their own right now, if they would.

Third, Federal legislation should be enacted that restores to local governments the authority to remove billboards through amortization under local law through land use powers as defined by State constitutions.

Fourth, Federal, State, and local legislation should be amended to require the removal of billboards in inappropriate locations, especially in rural, scenic, historic, and residential areas.

And finally, the APA supports the logo-type signs to provide motorist information in a way that is not so visually offensive.

Thank you, Mr. Chairman. I would also be glad to entertain any questions.

Mr. MINETA. Thank you very much, Dr. Floyd.

I would now like to call on Paul Barkley, A.I.A.

Mr. BARKLEY. Thank you, Mr. Chairman. My name is Paul Barkley of Barkley & Pierce Associates, Falls Church, Virginia, an architectural firm. I am a former member of the Board of Directors of the American Institute of Architects and a Past President of the Virginia Society of Architects. We appreciate the opportunity to offer our views in support of Representative John Lewis' bill, H.R. 3389, to reform the Highway Beautification Act.

The Highway Beautification Act is a failure. It has been captured by the very industry whose excess it was designed to curb. It desperately needs reform, and H.R. 3389 will accomplish it. We hope that the subcommittee will incorporate this bill into the legislation you will craft to reauthorize the post-Interstate surface transportation program.

The A.I.A. supported the original Highway Beautification Act. We are deeply involved in our communities in shaping sign design. Architects care about the control of signage because billboard clutter damages the environment, undermines sound urban planning, detracts from good architecture, and hurts business. Any community bent on improving its image as a good place to live, work, and do business begins by cleaning up its signage. Signage well integrated into our urban settings and compatible with the landscape can be a public asset. Uncontrolled signage is a blight and, ironically, not very useful to the advertisers who want their messages noticed.

I speak not only as an architect, but also as Past President of the Falls Church Chamber of Commerce and as a former Chairman of the Falls Church Development Commission, where we have addressed many of these same issues.

The Highway Beautification Act is today a public policy outrage, and the loudest voice in favor of it belongs to the billboard industry. The act encourages construction along Federal highways. It shoves aside localities' traditional authority to regulate signage through zoning powers. It frustrates good community planning and design. It allows the sacrifice of publicly-paid-for trees and shrubs to billboard visibility. It blocks removal of signs that are supposed to come down.

The current law requires that cash be paid to an owner to compensate for the removal of a nonconforming sign. The cash compensation requirement is deceptive because it appears so reasonable. In fact, it is a cynical, unjustifiable barrier to sign removal. It relies on the inability of governments at all levels to divert scarce budget dollars to sign removal.

The traditional means of getting rid of nonconforming signs is amortization. Amortization as a method of compensation has been tested repeatedly in State courts and in Federal courts, and repeatedly affirmed. According to the Federal Highway Administration,

385 nonconforming signs were removed in fiscal year 1989. At this rate it would take over 200 years to remove just today's nonconforming signs. They will sooner fall down from old age.

The A.I.A. believes that owners should be compensated for removal of nonconforming signs. Amortization works, but cash compensation does not. H.R. 3389 repeals the cost compensation requirement. It would allow existing nonconforming signs to remain standing for five years. Owners would be compensated, but through the use of their billboards, not through the public treasury.

The number of signs along Federal highways has grown alarmingly, particularly through the unzoned commercial and industrial areas loophole, mentioned earlier. In 1985, a GAO report documented how those unzoned areas are established, with billboard companies planting gas pumps in corn fields and writing "district headquarters" on the side of the sheds.

H.R. 3389 would bring a halt to this nonsense by placing a moratorium on all new off-premise billboard construction along Federal highways. The idea of a moratorium will no doubt produce an outcry from the billboard industry, posing as the champion of small business. The claim is that billboards are essential economic tools, pointing motorists toward necessary businesses and services. This would be a powerful argument if it were true. It's not. The fact is that more than 85 percent of the billboards promote a product, and almost half push alcohol and tobacco.

A moratorium is not a radical proposal. The Republican Senate approved one when it passed tough highway sign controls in 1986. Ugliness does not aid a local economy or help business. That's why many places dependent on tourism have banned billboards entirely, or imposed moratoria.

Since 1985, more than 500 cities and counties have toughened their sign controls. In places where billboards have sprouted like weeds, such as Houston and Philadelphia, the business community is in the forefront of the sign control fight.

In my own community of Falls Chruch we brought down the last billboard years ago. We are now an attractive community and our economy is strong.

I thank you for your attention, and I will be glad to answer any questions.

Mr. MINETA. Thank you very much, Mr. Barkley.

Now let me call on Phoebe Driscoll of the Garden Club of America.

Mrs. DRISCOLL. Good evening, Mr. Chairman. Good evening. Mr. Chairman and members of the subcommittee, I certainly appreciate your staying so late to hear us.

I am Phoebe Driscoll, and as Chairman of the National Affairs and Legislation Committee, I am testifying for the Garden Club of America in support of H.R. 3389, Mr. Lewis' bill.

Established in 1913, the Garden Club of America is a national organization with member clubs from coast to coast and in Hawaii. United by our love and concern for plants, our members come to Washington and to our seats of local governments to be advocates for the welfare of our plants, which is directly tied to the welfare of our people.

Plants, like people, need clean air, clean water, and suitable habitats, and people, like you and me, have the right to see our plants, the flowers, grasses, shrubs, and trees of our rural and urban landscapes. The imposition of billboards along our highways denies our right of view.

Since 1914, when the Garden Club of America established a committee on beautifying settlements and highways, we have advocated billboard control. Today we strongly support H.R. 3389, the Billboard Control Act of 1989, legislation that would halt construction of new billboards along Federal highways, and would return control over billboard removal to States and local government, where it belongs.

The Highway Beautification Act of 1965 was supposed to protect our roadsides from billboard blight. Today, the law does little more than protect billboard companies from local regulation. In 1985 the U.S. General Accounting Office reported that new billboards were being erected three times faster than nonconforming billboards were being removed. Today, the removal of nonconforming billboards has essentially stopped. In fact, the Federal Highway Administration reports that only 385 nonconforming billboards were removed in fiscal year 1989. At this rate it will take 260 years—I hope our facts agree—to remove the remaining 99,990 nonconforming billboards. Our members simply can't wait that long.

At the same time, that removal of nonconforming billboards has come to a halt. The industry continues to erect thousands of new so-called "conforming billboards" in areas where they are completely out of place. Today, billboards are being erected in National Register Historic Districts, in wetlands like those outside of Assateague National Seashore, on the edge of National Parks and monuments like the Gettysburg National Park, the Lowell National Historic Site, and the Smokey Mountains National Park, and even along designated Scenic Highways.

I must say, I have noted that they are notably absent from the beautiful Washington cherry trees.

Last fall, when my husband and I drove the magnificent Skyline Drive in Virginia, we paid a fee to enjoy the billboard-free scenery. However, we have to endure a barrage of billboards before entering, truly "litter on sticks." The fact that people pay to see scenery free of billboards suggests to me that people want scenery free of billboards.

Adding insult to injury to a gardener, as new billboards are going up, millions of trees on public lands are being destroyed by billboard companies as they seek to make their billboards more visible. Many of the trees being destroyed were planted with taxpayer money, yours and mine. And as you know, trees—with their ability to absorb carbon dioxide—are truly one of the keys to our survival.

For example, the GAO's 1985 report stated that while Louisiana had planted 2 million pine trees between 1973 and 1978, the State now allows billboard companies to cut these trees down in order to enhance sign visibility.

The Garden Club of America urges Congress to reform the Highway Beautification Act, and particularly we urge the Surface Transportation Subcommittee to halt the construction of new bill-

boards and to allow State and local governments to remove existing billboards in and around historic sites and districts, local, State, and National Parks, and along designated Scenic Roads. At a minimum, no billboard should be allowed within one mile of our National Parks and historic landmarks.

In addition, the Garden Club of America urges the Surface Transportation Subcommittee to halt the practice of allowing billboard companies to destroy trees and other vegetation on public right-of-way near billboards.

Finally, the Garden Club of America urges the Surface Transportation Subcommittee to restore local authority over billboards and to establish a category of Scenic Highways where no billboards would be permitted.

Truly, if you have sensed some anger in my voice, it's not the lateness of the evening. It's what I've had to say, because I am truly angry at the visual pollution of billboards that blemishes my view of our urban and rural landscapes.

In a slightly lighter tone, perhaps Ogden Nash said it all: "I think I shall never see, A billboard as lovely as a tree. And indeed, if the billboards do not fall, I shall not see a tree at all."

Thank you for the opportunity to present the views of the Garden Club of America.

Mr. MINETA. Thank you very much, Mrs. Driscoll.

Now I would like to call on Elizabeth S. Merritt, Chief Litigation Counsel for the National Trust for Historic Preservation.

Ms. MERRITT. Thank you, Mr. Chairman and members of the committee. I know it is late and I know I'm the last witness and we would all like to go home, but I would like to take just five more minutes, because the reason I'm here is to talk about something that you haven't heard much about today, and that's the Department of Transportation's Congressional mandate to protect and enhance historic places and the environment.

A significant part of the National Trust's advocacy and litigation efforts involves transportation projects that threaten historic neighborhoods, landmarks, bridges, and archaeological sites. I am the person who goes to court to try to save these sites from harm and destruction by highway projects. If there is one thing that the National Trust and the Federal Highway Administration agree on, it is the ultimate goal that the Trust will stop filing lawsuits against them.

The National Trust was chartered by Congress more than 40 years ago to lead the private sector historic preservation movement. Today we have nearly 235,000 members around the country, and with the support of these members, the Trust works to advocate historic preservation as a fundamental value in Federal policy and community planning.

The national preservation program and Federal transportation policy have been closely intertwined from their inception. In fact, the National Preservation Act and the Department of Transportation Act were both signed into law on the same day in 1966. At that time, historic and scenic areas were severely threatened by the aggressive and destructive highway projects of the 1960s. In order to respond to this threat, Congress endowed the Department with a special responsibility for protecting and enhancing the re-

sources that would otherwise be most vulnerable to harm from the Nation's transportation program. Section 4(f) of the act prohibits Federal transportation projects from harming historic places unless there is no feasible and prudent alternative to doing so, and even then the projects must include all possible planning to minimize harm.

Almost 25 years later, section 4(f) remains one of the most important and most effective historic preservation policies on the books. This law really works to save the Nation's heritage for future generations.

The National Trust has undertaken a major institutional effort to ensure that transportation projects do not destroy our historic neighborhoods and landmarks. Ten times in the last ten years the National Trust has gone to Federal court to enforce the Department's compliance with section 4(f). Many of these controversies have resulted in strong legal precedents that mandate adherence to both the letter and the spirit of the law.

The function of section 4(f) is to hold everyone's feet to the fire, to force the project planners to look just a little bit harder for good alternatives that will minimize harm to historic resources. For every project that we fight in court, such as the Presidential Parkway in Atlanta, there are countless others where the 4(f) process itself leads to the successful modification of highway projects in a way that resolves transportation problems without harming historic resources. In our view, this is exactly the way section 4(f) is supposed to work.

Currently, the National Trust is urging the Federal Highway Administration to deny funding for a proposed highway that would bulldoze through five historic districts in South Pasadena, California, at a cost of more than half a billion dollars for six miles. This massive highway would destroy nearly 1,500 homes and 7,000 trees, and this is in a metropolitan area that doesn't exactly have a surplus in either category.

Right now, section 4(f) is just about the only thing standing between neighborhoods like South Pasadena and the bulldozer. We don't want South Pasadena to suffer the same fate as the historic neighborhoods of Atlanta, where 750 homes were bulldozed before a court finally stopped a devastating highway project in the early 1970s. Today, those empty acres remain as a haunting reminder of the communities that were sacrificed. Little stairs and walkways still lead up to vacant lots where homes once stood. But in Atlanta, the surrounding historic neighborhoods joined forces and vowed not to let the damage go any further. With the help of section 4(f) and the National Trust, and now the city of Atlanta, these committed local citizens have been able to save their neighborhoods from the ravages of the Presidential Parkway.

After almost two decades, the city is on the verge of having the opportunity to reclaim this land for people, not pavement.

One of our primary reasons for being here this afternoon is to emphasize that section 4(f) is extremely effective, and the National Trust wants to keep it that way. In light of this mandate, the Trust is especially disappointed that the new statement of National Transportation Policy, released this past week, has apparently

overlooked section 4(f) altogether. Incredibly, we find not a single reference to section 4(f) in this entire 129-page report.

The National Trust advocates the continued use of section 4(f) as a fundamental component of Federal transportation policy. We believe that strong support for section 4(f) is a litmus test of the Nation's commitment to the conservation of our natural and historic resources.

Today I would like to point out just three of the measures we suggest to make this policy even more effective.

The first is a stronger emphasis on integrated planning. The lure of low-match Federal highway funding remains a powerful temptation to State and local governments to trade off their heritage for the promise of highway mobility, and that promise is too often illusory, as new highways only induce new development, more traffic, and ultimately, gridlock.

To restore the connection between transportation decisions and comprehensive planning, we recommend that new legislation should require the development of State and local plans that integrate transportation roles with broader regional and land use planning. These planning efforts must begin to realistically address the vicious cycle of growth management problems that is generated by these new highways.

The second measure we propose is the availability of more flexible funding options. New legislation should provide adequate flexibility to ensure that the States do not become locked in to more destructive options simply because they are afraid of losing Federal funding altogether. The new transportation policy does endorse greater funding flexibility, but it suggests this flexibility will only be used to find the most cost-effective solution. We believe this approach is too restrictive. Funding flexibility should also be used to promote projects that will be less harmful to historic places and the environment.

Third, we propose the adoption of mitigation incentives. Given the enormous potential for highways to harm historic places, new legislation should provide affirmative incentives to the States to place more emphasis on conserving and protecting these resources. This kind of incentive would promote the Department's mandate of protecting these special places.

In conclusion, Mr. Chairman and members of the committee, we believe that transportation projects can be planned in a manner that minimizes harm to historic places and actually enhances the environment. That's the essence of the recommendations that we have made today. We would love to see the day when a 4(f) lawsuit against the Department of Transportation is a rare exception. In the meantime, the National Trust is eager to work with the committee and the Administration to incorporate the preservation of America's heritage into a new transportation vision.

Thank you.

Mr. MINETA. Thank you very much, Ms. Merritt.

Let me ask the panel, many of you on the panel believe that the Highway Beautification Act has been a failure. According to the 1983 GAO report, over 2,230 nonconforming signs have been removed. In this regard, I am wondering how effective city and county regulations are for controlling the erection of billboards.

Mr. McMahon?

Mr. McMahon. Cities and counties can stop the construction of new billboards. Over 2,000 cities in this country have done that, including your own city of San Jose, California; Fulton County, Georgia, most recently; DeKalb County, Georgia, where Mr. Lewis is from; and many, many other places.

The problem, however, is that while you can stop the construction of new billboards, you simply can't remove the existing ones because the existing law prevents you from doing that.

Second, we think that there is a Federal interest. The law that was passed was the Federal Highway Beautification Act, and there are certain places where, as a matter of Federal law, we should not be allowing new billboards regardless of what local communities are doing, and those are places like next to our National Parks, in historic districts, along scenic roads, and rural countryside, and certainly no billboards should be allowed next to schools and churches and places like that.

So yes, local communities can stop the construction of new billboards. The law doesn't prevent them from doing that. It just prevents them from taking them down.

Mr. Mineta. Even in the case of taking them down, the law authorizes that, but it's just that monies haven't been appropriated for that purpose?

Mr. McMahon. That's right. Congress stopped appropriating money in 1982, so cities now essentially face a Catch-22. They are told, "You can't take them down unless you pay for them." It's a 75 percent Federal share, and the 75 percent of the Federal share is not there so they just can't do it.

Mr. Mineta. Now, the existing provisions of the Highway Beautification Act require the payment of "just compensation" for the removal of nonconforming signs along Interstate and primary highways. Could you explain to the committee why amortization should be considered "just compensation" upon removal of nonconforming billboards?

Mr. McMahon. I would make a couple of comments on that.

First, I would say that a better way to describe cash compensation is "unjust enrichment" or paying a polluter to stop polluting. Amortization is the traditional way in which local governments get rid of nonconforming land uses. I mean, there are lots of nonconforming land uses in this country, garbage dumps, junk yards, taxidermy shops, smelters—all of those are nonconforming land uses. In every case in the United States, those nonconforming uses are given a period of time—you change the zoning, and people typically will give you three years, five years, ten years in which to remove the nonconforming land use. That's what's called amortization. The owner of whatever the use is is given a whole period of time to remove it.

Billboards are the easiest thing to move because they are personal property, not real property. You can take it down, put it on a truck, move it around, just like any other form of industrial equipment. However, the billboard industry has a special deal, and their special deal is that you can't use local land use authority to amortize billboards. You can't use local government authority. You can for everything else, but not for billboards. The only reason is a po-

litical reason, and we simply think that's wrong. We think this is a local government issue. Land use is a local government issue. If I was up here advocating Federal land use controls, people would be throwing me out the door. But we have Federal land use controls for the benefit of the billboard industry.

What we are saying is, give control back to local government. If a city wants to be ugly, wants to be overrun with billboards, then I say so be it. But if a city wants to be beautiful, the Federal Government shouldn't prevent them from being beautiful, and that's the way the law is working today.

Mr. FLOYD. Mr. Chairman, I would point out that this is the only Federal anti-pollution program that tells the polluters they can keep on polluting until they are paid to stop polluting. But then, of course, Congress doesn't appropriate the money to pay them to stop polluting. To me, that doesn't make any sense.

Billboard pollution should be cleaned up like other pollution. As others have emphasized, we're not talking about taking property. We're talking about moving property. This is personal property.

Yes, there is some loss, obviously, in doing so. But there is also loss in any other pollution program where we tell someone whose factory is polluting the air, for example, "Clean it up." Why do we tell the billboard industry, "You don't have to clean up"? Not only that, we are making sure that no State or local government can make them clean up.

Mr. MINETA. Dr. Floyd, wait until we get through with the Clean Air Act and then we'll see about that. [Laughter.]

In areas where nonconforming billboards are being removed, what is the source of funding for payment of that?

Mr. MCMAHON. Well, there are not a lot of nonconforming billboards being removed today. There are a couple of things going on. One is that a number of communities have decided to do the same thing with billboards that we do with things like toxic waste dumps. We have a Superfund, and chemical companies pay into that and they use that money to clean up toxic waste dumps. So some communities have decided, well, if we're going to be forced to pay, then why don't we set up a sign abatement fund, like a Superfund for visual toxic wastes, put a tax on billboards, and we'll use that money to take down nonconforming billboards? That's one thing that's happening.

Another thing is that a number of communities have simply decided that it is ridiculous to allow new, conforming billboards to go up in one location, like an area that is zoned for heavy industry, and at the same time the billboard industry is refusing to remove billboards in a residential area. So they simply said, "All right, if you want a permit to put up a new billboard in a conforming area, then you have to take down one—two, three, whatever—nonconforming billboards somewhere else. In other words, they condition the grant of the permit upon the bringing into conformity of something else.

There are some States that basically have paid. Maine, for example, has no billboards, as do three other States today. They did pay to remove them. They used Federal money before the Federal Government stopped appropriating it. But there is very little billboard removal going on in this country anymore, except by amortization,

and that's only along State highways and local streets, not along Federal highways.

Mr. MINETA. In that regard then, Mr. McMahon, to what extent do local laws determine the location of billboards?

Mr. MCMAHON. It varies tremendously, from no control whatsoever to "You can't have any at all." Take the Silicon Valley. There's almost no community in the Silicon Valley that allows any billboards at all. Palo Alto, Menlo Park, you name it—San Jose is the same thing. San Jose said, "No more." Now, there are other places you can go, like Los Angeles—where you can put a billboard anyplace. I mean, literally, there are billboards in people's front yards in low income neighborhoods and rental housing. The billboard industry will go in and put a billboard in someone's front yard, simply because there is no control.

We think that there is a compelling national interest to keep billboards out of certain places, and we think the National Park System is one of them. You can go to Gettysburg today and there are billboards one foot from the Park boundary. You can stand and watch where Pickett's troops charged, past the billboards and the Tastee-Freeze parking lot, and they regrouped next to the Kentucky Fried Chicken billboard, and then they charged up the hill. That's what it looks like today. We think that that's simply wrong.

Mr. MINETA. Well, maybe we can get something from the peace dividends. [Laughter.]

Mr. MCMAHON. We hope so.

Mr. MINETA. Mr. Hastert?

Mr. HASTERT. I would like to thank the chairman for the opportunity to talk, but remind him that when you borrow money and operate your business on borrowed money, there are never any dividends. So there's peace, but that's another issue for another time.

You cite a lot of numbers and statistics about billboards being removed and erected since enactment of the Highway Beautification Act. I hear some conflicts. Some give a lot of statistics, and then someone else says there's never been a comprehensive study done. Please answer that question. Has there been a study done? Has there been an inventory done, nationally?

Mr. FLOYD. Sir, there was an inventory done in 1966. That's the last one.

Now, the Federal Highway Administration keeps some numbers on the number of nonconforming signs and illegal signs that are——

Mr. HASTERT. Well, let me ask Mr. McMahon, then.

Didn't you say that you had statistics on signs taken down?

Mr. MCMAHON. Here are the statistics. The Federal Highway Administration did do an inventory in 1966, They took an inventory of so-called "illegal" signs and so-called "nonconforming" signs. There has been no inventory done since 1966, but based on the numbers they came up with in 1966, they will tell you every year how many so-called "illegal" signs were removed, and how many nonconforming signs were removed. They keep no statistics on so-called "conforming" signs that take the place of the so-called "nonconforming" signs.

Mr. HASTERT. So you're telling us—and GAO did a study in 1983, and that's a while back, too—so you are saying there are no statistics?

Mr. MCMAHON. There are no valid numbers on this. Nobody has a clear idea of how many billboards there are.

Mr. HASTERT. Because if you had numbers and were citing numbers, I was going to ask you to submit them for the record. But if you don't have them, you can't do it.

Mr. MCMAHON. Right.

Mr. HASTERT. Okay.

I guess I am going off the reservation here in a sense, but I understand that most of the owners of billboards are small businesspeople, not large billboard companies.

Mr. MCMAHON. Well, there are some people in the room who might differ with that. Most of the billboards in this country, over 60 percent, are owned by about nine big companies. They are represented here today, among them Gannett Outdoor, which is a big multinational company, owns USA Today, among other things; 3M Company; Nagle Outdoor Advertising, among others. In fact, the billboard industry has been changing dramatically over the last 15 years. Where there used to be lots of small locally-owned companies, they have been gobbled up by big companies.

Mr. HASTERT. I think you misunderstand. I said "individually owned billboards."

Mr. MCMAHON. Very few of those. Most billboards are owned by companies.

Mr. HASTERT. I beg to differ with you, but I might be misunderstanding.

Let me just make my comment. You frame this argument in the frame of pollution, and that's fine. It's an emotive issue and you frame it in that issue when you talk about the Clean Air Act and you cite pollution, and I guess that's something. But, you know, in 1970 when I was in another life as an educator, I had the opportunity to travel to the Soviet Union and Eastern Europe. In that time there were no billboards, there were no signs. There was nothing at all that talked about products or places to sleep or places to eat, I guess particularly because there were no choices that people had economically. I am told—I haven't been there recently, but I am told that now in Eastern Europe, as there are economic choices, as there is economic development, as there is a free trade system of free economy that is starting up, all of a sudden you have "Eat at Joe's" and "Buy Levis" and "do this and do that," which I guess is somewhat endemic of a free economy.

I am saying that maybe what you are talking about is part of freedom of speech that we have in this country and freedom of choice that we have in this country, and that maybe it isn't all sight pollution, but that we do give people economic choices. I think of the area that I represent—I don't particularly like billboards and I don't think they're particularly attractive, but I think they do serve an economic function and give people the economic choices in this country. It's what institutions you support and what you believe in. If you, as the City Council or the Garden Club or anybody else, think in your minds that a beautiful America is this, that's one thing. But if there is an economic function and some

freedoms that are guaranteed in the Constitution—and property is one of those—when you say "This is a property," it is a property that you can move down the street. But when Joe's Bait Shop, for instance, may be next to a beautiful lake or something, there is, you move his sign two miles down the road, it's not very effective any more.

That's a comment. I don't expect any answer, and with that I will relinquish my time.

Mr. McMahon. I have an answer——

Mr. Hastert. I'm not asking for an answer, thank you.

Mr. Mineta. Mr. Lewis?

Mr. Lewis. Mr. Chairman, I would like to say that I hope, as the people of Eastern Europe move toward Democracy and exercise free speech and freedom of assembly, that they are not copying the worst of America. They should profit from our mistakes.

Maybe a member of the panel could provide us with some data or some information addressing some of the concerns that my colleague from Illinois raised?

Mr. McMahon. A couple of things. We would ask that the General Accounting Office report and the Inspector General's report both be submitted into the record. That's two things.

[The reports follow:]

BY THE COMPTROLLER GENERAL

Report To The Chairman, Committee On Environment And Public Works United States Senate

OF THE UNITED STATES

The Outdoor Advertising Control Program Needs To Be Reassessed

The Highway Beautification Act of 1965 required that states control outdoor advertising along federally funded interstate and primary highways. Since the enactment of the act, thousands of outdoor advertising signs have been removed to enhance the natural beauty of the nation's highways. However, many prohibited signs are still standing and are likely to remain so because federal funds are not being appropriated to compensate sign owners for their removal, as required by the act.

Accomplishing the goal of the Highway Beautification Act will require either additional federal funding or a change in the compensation requirement of the act, as amended. GAO recommends that the Congress reassess the outdoor advertising control program. In making this reassessment the Congress will need to weigh the program's goal and requirements against program costs.

UNITED STATES GENERAL ACCOUNTING OFFICE

GAO/RCED-85-34
JANUARY 3, 1985

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

B-216911

The Honorable Robert T. Stafford
Chairman, Committee on Environment and
Public Works
United States Senate

Dear Mr. Chairman:

In response to your request, this report provides information on the effectiveness of the outdoor advertising control program which was established by the Highway Beautification Act of 1965.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 21 days from the date of the report. At that time, we will send copies to the Chairmen, House Committee on Public Works and Transportation, Senate Committee on Appropriations, and House Committee on Appropriations; the Secretary of Transportation; and other interested parties. We will also make copies available to others upon request.

Sincerely yours,

Charles A. Bowsher

Comptroller General
of the United States

COMPTROLLER GENERAL'S
REPORT TO THE
COMMITTEE ON ENVIRONMENT
AND PUBLIC WORKS
UNITED STATES SENATE

THE OUTDOOR ADVERTISING CONTROL PROGRAM NEEDS TO BE REASSESSED

D I G E S T

The Highway Beautification Act of 1965 established a national policy and program for the control of outdoor advertising along federally funded interstate and primary highways. The purpose of control is to protect the public investment in such highways, to promote the safety and recreational value of public travel, and to preserve natural beauty. Each state is required to develop and administer its own sign-control program consistent with the national policy and program. The Department of Transportation, through its Federal Highway Administration (FHWA), oversees the states' programs. The Secretary of Transportation is authorized to withhold 10 percent of the annual federal highway funds of any state that has not established and maintained an effective sign-control program.

The act and implementing regulations require states to remove "nonconforming" and "illegal" signs and restrict the construction of new signs. Nonconforming signs, as defined by the regulations, are those that were legally erected before the program's requirements became effective. Owners of these signs and their sites must be compensated for their removal. The federal government pays 75 percent of the cost of compensation and the states are responsible for 25 percent. Illegal signs are those that were erected after the act's requirements became effective. These signs must be removed expeditiously and removing them does not require the payment of compensation to sign and site owners.

A 1978 amendment broadened the Highway Beautification Act's compensation provision by requiring that monetary compensation be paid to sign and site owners for signs that are removed because they do not conform to local laws or ordinances. Prior to the amendment, localities could remove signs that did not conform to local laws or ordinances without providing monetary compensation.

While over $200 million has been spent on the program since 1965, annual federal program expenditures have declined from about $27 million in fiscal year 1976 to about $2 million in fiscal year 1984. As of September 30, 1984, about $15 million in program funds have been obligated and remain to be spent by the states. Current funding authority for the program expires at the end of fiscal year 1985.

The administration has not requested new program funds in its budgets since fiscal year 1982, explaining that the program was being reassessed. The Congress appropriated no new funds to the program for fiscal year 1984. States cannot be required to remove nonconforming signs if no federal funds are available for paying compensation but they must continue to remove illegal signs and restrict new signs.

In a July 1, 1983, letter, the Chairman, Senate Committee on Environment and Public Works, asked GAO to obtain information on the effectiveness of the outdoor advertising control program. On the basis of that letter and discussions with the Chairman's office, GAO focused its work on:

--How many illegal and nonconforming signs remain standing and what will it cost to remove them?

--How effective are state sign-control programs and how effective is federal oversight of such programs?

--How has the 1978 amendment to the act affected sign control?

As requested by the Chairman, GAO also addressed other specific questions regarding program status and sign-control policies, procedures, and practices. (See pp. 28 to 41.)

In carrying out its work, GAO reviewed seven states' outdoor advertising control programs and conducted a questionnaire survey of the 50 states.

STATUS OF SIGN REMOVAL

Although about 587,000 signs have been removed since the program began in 1965, about

172,000[1] nonconforming and illegal signs remained standing along our nation's interstate and primary highways as of September 30, 1983, according to FHWA data. Of the remaining signs, about 124,000 are nonconforming and about 48,000 are illegal. These were the most recent comprehensive data available at the time of the GAO review. GAO is concerned, however, about the reliability of some of these data. GAO found the data on remaining illegal signs to be unreliable for three of the seven states it reviewed. (See pp. 6 and 14.)

The removal of nonconforming signs has declined about 78 percent since 1979 as federal program expenditures have decreased. It is unlikely that the remaining nonconforming signs will be removed in the near future since FHWA estimates that about $427 million in federal funds would be required to remove the 124,000 such signs that remain standing. (See p. 7.)

The removal of illegal signs has also declined in recent years. Seventy-three percent fewer signs were removed in 1983 than in 1980. This decline is not, however, attributable to the reduction in federal funds, since removing illegal signs does not require the payment of compensation. Rather, limited state resources, state procedures which slow sign removals, and lack of program support have contributed to the slow removal of illegal signs, based on GAO's review of programs in seven states. (See p. 11.)

FEDERAL OVERSIGHT AND STATE PROGRAM PROBLEMS

Although federal law requires states to remove illegal signs and restrict new ones irrespective of federal funding, FHWA's overall oversight of state sign-control programs declined as federal funding decreased. FHWA deemphasized the program and, in one FHWA regional administrator's view, states may have taken advantage of this relaxed approach. A 1983 FHWA review of state programs identified or

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[1]Not including signs affected by the 1978 amendment. (See p. iv.)

restated problems with state programs and suggested that some states were not effectively controlling outdoor advertising. For example, the review indicated that Arizona, Kentucky, and Louisiana were not removing illegal signs expeditiously. While the Secretary of Transportation has not penalized any state for a program infraction since 1977, FHWA has worked with some states to resolve problems with their programs. (See p. 17.)

In June 1983, FHWA presented to the Office of the Secretary of Transportation a proposal for revising the outdoor advertising control program which calls for

--limiting outdoor advertising control to rural interstate routes,

--eliminating the mandatory compensation requirement for the removal of nonconforming signs,

--removing nonconforming signs within 5 years with discretionary federal highway funds, and

--replacing the 10-percent funding penalty with a more flexible enforcement provision.

As of October 1984, the proposal was still being considered by the Office of the Secretary. (See p. 21.)

EFFECTS OF THE 1978 AMENDMENT

The 1978 amendment increased the cost of outdoor advertising control by increasing the number of signs that cannot be removed without compensation. FHWA estimates that 38,000 additional signs that did not conform to local laws or ordinances became eligible for monetary compensation because of this amendment and that their removal will require an additional $334 million in federal funds. The amendment has hindered sign removal in some localities that had planned to remove signs without paying monetary compensation. In lieu of monetary compensation, these localities would have allowed sign owners to retain their signs for a specified period of time in order to recoup their investment. (See p. 22.)

Views on the 1978 amendment and its effects vary. In response to the GAO questionnaire survey, 32 states indicated that the amendment had no effect on their states' sign-control program and 17 states indicated that the amendment made it more difficult to remove signs. One state did not respond to this question. Nine of the 17 affected states indicated that the amendment prevented them from removing signs without paying monetary compensation. Twenty-seven states greatly or somewhat favored repealing the amendment.

Several national organizations, such as the Garden Clubs of America, the Sierra Club, and the National League of Cities, also favored repealing the amendment. However, advertising and business organizations generally opposed repeal; one such organization stated that the 1978 compensation amendment closed a "loophole" in the act that allowed localities to remove signs without paying compensation.

The Department of Transportation also opposed the 1978 amendment. In a letter included in the congressional record, the Secretary of Transportation stated that the broadened compensation requirement represented a federal intrusion into local land-use control prerogatives and would undermine sign-control efforts.

RECOMMENDATION TO THE SECRETARY OF TRANSPORTATION

FHWA has completed a review of the outdoor advertising control program and has proposed program changes to the Office of the Secretary of Transportation, which would require legislation. GAO recommends, therefore, that the Secretary of Transportation complete the review of the FHWA proposal, develop the Department's position on the program, and present that position to the Congress. (See p. 43.)

RECOMMENDATION TO THE CONGRESS

GAO's review shows that without additional federal funding or a change in the compensation requirement of the Highway Beautification Act, as amended, the 1965 act's goal--to control outdoor advertising along federally funded interstate and primary highways--will not be accomplished. GAO recommends, therefore, that the Congress reassess the outdoor

advertising control program. In making this reassessment, the Congress will need to weigh the program's goal and requirements against program costs and, if warranted, consider changes to the goal and requirements which reflect an appropriate level of funding. (See p. 43.)

AGENCY COMMENTS

GAO did not request agency comments on this report. However, GAO did discuss the report's contents with officials from the Department of Transportation and the states it reviewed.

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ABBREVIATIONS

FHWA	Federal Highway Administration
GAO	General Accounting Office
NYSDOT	New York State Department of Transportation

GLOSSARY

Amortization	To provide for the gradual extinguishment of an obligation over time. Amortization allows sign owners to retain their signs for a specified period of time in order to recoup their investment. After that period of time, the signs are removed without monetary compensation.
Arterial highway	A highway primarily for through-traffic, usually on a continuous route.
Federal-aid highway	A designated route upon which federal funds may be used.
Illegal sign	A sign erected or maintained contrary to state law. Such signs must be removed without compensation.
Information center	A building or portion of a building in a roadside area under the control of the highway agency, primarily to furnish travel, other information, and services to motorists.
Just compensation	That payment required by law for the loss sustained by the owner as a result of taking or damaging private property for highway purposes.
Logo	A distinctive emblem, symbol, or trademark that identifies a product or service.
Nonconforming sign	A sign that was lawfully erected but that no longer complies with state laws or regulations passed after it was constructed or that fails to comply with state laws or regulations due to changed sign conditions, such as the addition of lighting. Just compensation must be paid when a nonconforming sign is removed.
Off-premise sign	An outdoor sign, display, or device advertising a service or product at a location other than on the property where such service or product may be obtained.
On-premise sign	An outdoor sign, display, or device advertising an activity conducted on the property on which the sign is located or advertising the sale or lease of that property.
Primary highway	A rural arterial highway and its extension into urban areas.
Right-of-way	That portion of land, property, or interest therein, usually in a strip, acquired for or devoted to transportation purposes.

CHAPTER 1

INTRODUCTION

Federal control of outdoor advertising grew out of the construction of the Interstate Highway System. In 1958, about 2 years after states began building interstate highways, the Congress declared it in the public interest to control outdoor advertising near these highways. As an inducement, the Federal-Aid Highway Act of 1958 (Public Law 85-381) offered highway funding bonuses to states that agreed to control signs near new interstate highways. Through fiscal year 1984, about $42 million had been awarded to the 23 states in the "bonus program," which is still in effect.

The Highway Beautification Act of 1965 (Public Law 89-285) broadened outdoor advertising control by requiring that states control signs near both interstate and primary highways or risk a federal highway funding penalty. Among other things, the act stated:

> "The Congress hereby finds and declares that the erection and maintenance of outdoor advertising signs, displays, and devices in areas adjacent to the Interstate System and the primary system should be controlled in order to protect the public investment in such highways, to promote the safety and recreational value of public travel, and to preserve natural beauty."[1]

Each state has established and now administers its own sign-control program. It may, if it chooses, set sign control standards that are stricter than the national ones. The Department of Transportation, through the Federal Highway Administration (FHWA), oversees state programs and administers federal funds appropriated for sign control. The act empowers the Secretary of Transportation to withhold 10 percent of annual federal-aid highway funds from any state that does not have an effective sign-control program.

HOW SIGN CONTROL WORKS

The Highway Beautification Act, as amended (23 U.S.C. 131), does not require states to remove all existing signs or prohibit the erection of all new signs. The major classifications of signs that are exempted from control are

--signs on the property on which the advertised activity is conducted (on-premise signs--see photograph, p. 3);

---

[1]The act also provided for the control of junkyards and for landscaping and scenic enhancement along interstate and primary highways.

--directional and other official signs and notices required or authorized by law;

--signs in zoned and unzoned industrial and commercial areas that meet state requirements as to size, lighting, and spacing (see photograph, p. 3); and

--signs classified as landmarks.

States are required to remove nonexempted signs and prohibit the erection of new ones. Signs that were lawfully erected but do not comply with state laws passed after the act are classified as "nonconforming." They are to be removed and the sign owners and site owners are to receive just compensation. Any sign erected contrary to state law is classified as "illegal" and must be removed promptly without compensation to owners.

The Federal-Aid Highway Act of 1978 amended the Highway Beautification Act's compensation provision. The amendment requires that monetary compensation be paid in all cases when nonconforming signs are removed, whether or not they are removed because of the beautification act's requirements. For example, under this amendment, monetary compensation must be paid if signs are removed because of local zoning or land use controls. Prior to the 1978 amendment, these signs could be removed without paying monetary compensation. Some localities had required that signs be removed after a write-off or amortization period.

PROGRAM FUNDING

Under the act, the federal government pays 75 percent of the cost of compensating owners of nonconforming signs and their sites. The states are responsible for the remaining 25 percent. Since 1965, about $203 million in federal funds has been expended for outdoor advertising control, including bonus program payments under the 1958 highway act. As of September 30, 1984, about $15 million in program funds have been obligated and remain to be expended by the states. Annual program expenditures peaked at about $27 million in fiscal year 1976 and have been declining since then. Only about $2 million was expended in fiscal year 1984. (For additional information on program expenditures, see app. I.) The administration has not requested new program funds in its budgets since fiscal year 1982, and the Congress appropriated no new funds to the program for fiscal year 1984.

Current funding authority for the program expires at the end of fiscal year 1985. However, the requirements of the Highway Beautification Act, as amended, are a permanent part of the U.S. Code and states must continue to implement the program or face the loss of 10 percent of their federal-aid highway funds. States must continue to restrict new signs and remove illegal ones even if the funding authority expires. States are not required to remove nonconforming signs, however, if no federal funds are available for the federal share of compensation.

On-premise sign.

Sign in an industrial or commercial area.

38-253 O—91——23

OBJECTIVES, SCOPE, AND METHODOLOGY

In a July 1, 1983, letter, the Chairman, Senate Committee on Environment and Public Works, asked us to obtain information on the effectiveness of outdoor advertising control under the Highway Beautification Act of 1965. On the basis of that letter and a subsequent discussion with the Chairman's office, we focused our work on the following three questions:

--How many illegal and nonconforming signs remain standing and what will it cost to remove them?

--How effective are state sign-control programs and how effective is federal oversight of state programs?

--How has the 1978 amendment to the act affected sign control in cities and other localities?

As requested by the Chairman, we also addressed other specific questions regarding program status and sign-control policies, procedures, and practices. See appendix II for a complete list of questions we addressed and page references for our responses.

In carrying out our work, we interviewed officials from the Department of Transportation, Office of the Secretary; FHWA headquarters, regions, and divisions; state transportation or highway agencies; cities and other local jurisdictions; and business, advertising, governmental, and environmental organizations. We reviewed program-related documents, including legislative records, federal-state agreements, federal and state regulations and procedures, progress reports, state sign-permit records, vegetation control and tree-cutting procedures and permits, FHWA's reviews of state programs, and correspondence.

Because each state establishes and administers its own program, we selected, with FHWA's and the Committee's assistance, seven states for review: Arizona, Georgia, Kentucky, Louisiana, Maine, Oregon, and South Dakota. We chose these states because they had different program performance records, are geographically dispersed, and are within six of FHWA's nine regions.

To examine the impact of the 1978 amendments, we also looked at sign control in Dallas, Texas; Portland, Oregon; and Southampton, New York--local jurisdictions whose sign-control programs were affected by the amendments.

To obtain states' views on the sign-control program and information on how they are implementing it, we conducted a questionnaire survey of all state transportation or highway agencies. We received responses from all 50 states. The results of this survey are included throughout this report. States' views on options for the future of the program are included in appendix III.

To obtain interested parties' views on the program and how it is being implemented, we interviewed officials from the American Association of State Highway and Transportation Officials, the American Automobile Association, Garden Clubs of America, National Coalition to Preserve Scenic Beauty, National Electric Sign Association, National League of Cities, Roadside Business Association, Sierra Club, Small Business On-Premise Sign Foundation, and Travel Information Centers, Inc. Officials from the Outdoor Advertising Association of America declined to be interviewed.

We did not evaluate the effectiveness of all state sign-control programs. We did, however, obtain information on the effectiveness of programs in the seven states mentioned.

We relied on data from FHWA's highway beautification program annual statistical progress reports for fiscal years 1979-1983 to determine the status of the outdoor advertising control activity because this was the only available comprehensive data. Although we did not examine in depth the reliability of these data, we are concerned about the reliability of some of these data and have noted these concerns where appropriate.

We previously reviewed the outdoor advertising control program. In March 1978, we reported[2] that

--progress had been achieved in controlling the erection of new signs and in removing illegal signs;

--progress in removing nonconforming signs had been slow; and

--if all illegal and nonconforming signs were removed, many signs would remain because of the exemptions granted under the act.

We concluded that the objectives of the act would not be accomplished in the near future and recommended that the Congress reassess the act.

The study on which we are now reporting was conducted from August 1983 to October 1984. At the Committee's request, we did not obtain agency comments on the report. We did, however, discuss the report's contents with officials from the Department of Transportation's Office of the Secretary and FHWA and the states we reviewed. Except as noted, we performed the review in accordance with generally accepted government auditing standards.

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[2]Obstacles to Billboard Removal (CED-78-38, Mar. 24, 1978).

CHAPTER 2

STATUS OF OUTDOOR ADVERTISING CONTROL

It has been almost two decades since the Highway Beautification Act required states to control outdoor advertising. Thousands of illegal and nonconforming outdoor advertising signs have been removed based on the act's requirements, but many signs remain standing along the nation's interstate and primary highways. In recent years, the number of illegal and nonconforming signs being removed has been decreasing. On the basis of our review of seven states' programs, we found that sign removal has been hindered by the limited availability of federal funds, limited state resources, state sign-removal procedures which slow sign removal, and lack of support for the program. States appear to be giving higher priority to restricting the erection of new signs.

NATIONWIDE STATUS OF SIGN REMOVAL

Federal regulations (23 C.F.R. 750.705) require that states remove illegal and nonconforming signs along interstate and primary highways in order to effectively control outdoor advertising. According to FHWA data, most of the illegal and about half of the nonconforming signs have been removed, but about 172,000[1] of such signs remain standing. FHWA reported the following status of program activity as of September 30, 1983. These data represent the most recent comprehensive data available at the time of our review.

	Total	Removed	(percent)	Remaining	(percent)
Nonconforming signs	238,079	114,252	(48.0)	123,827	(52.0)
Illegal signs	520,197	472,445	(90.8)	47,752[a]	(9.2)
Total	758,276	586,697	(77.4)	171,579	(22.6)

[a]We are concerned about the reliability of the FHWA data on remaining illegal signs. These figures are based on data provided by the states. We found the data on remaining illegal signs to be unreliable for three of the seven states we reviewed. (See p. 14 for additional information.)

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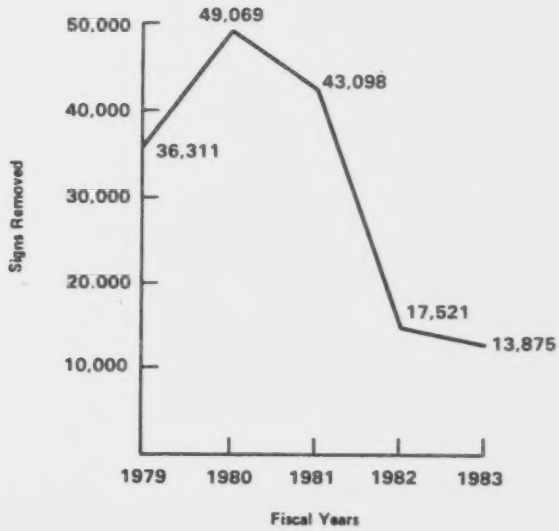
[1]According to FHWA officials, this figure includes signs that are nonconforming based on the requirements of the Highway Beautification Act but not signs that are nonconforming under stricter local sign control laws or ordinances. According to FHWA, about 38,000 signs in this latter category became eligible for monetary compensation because of the 1978 amendment to the act's compensation requirement. (See discussion, p. 22.)

As the following chart shows, the number of signs being removed has decreased in recent years. The total number of signs removed in fiscal year 1983 was lower than in any year since 1979 and down about 72 percent from the number removed in 1980.

SIGN REMOVALS SINCE 1979



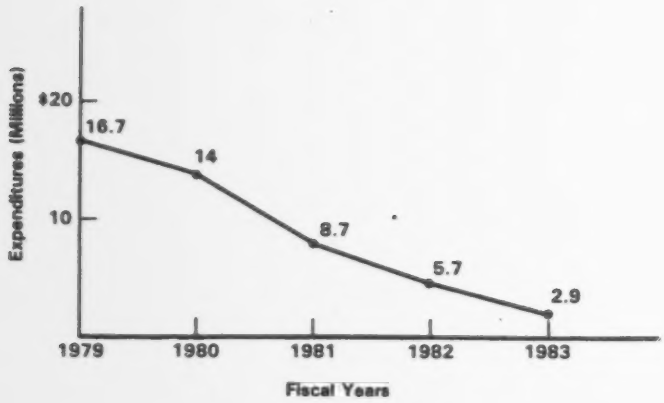
REMOVING NONCONFORMING SIGNS WILL REQUIRE ADDITIONAL FEDERAL FUNDING

Under the Highway Beautification Act, removing nonconforming signs requires the payment of just compensation to sign and site owners. States are not required to remove nonconforming signs unless federal funds are available to share in the cost of compensation. Based on FHWA estimates, less than 10 percent of the nearly 124,000 remaining nonconforming signs could be removed with the remaining $15 million in unexpended federal funds. FHWA estimated that about $427 million in federal funds--more than has been spent on the program to date--would be required to remove these signs.

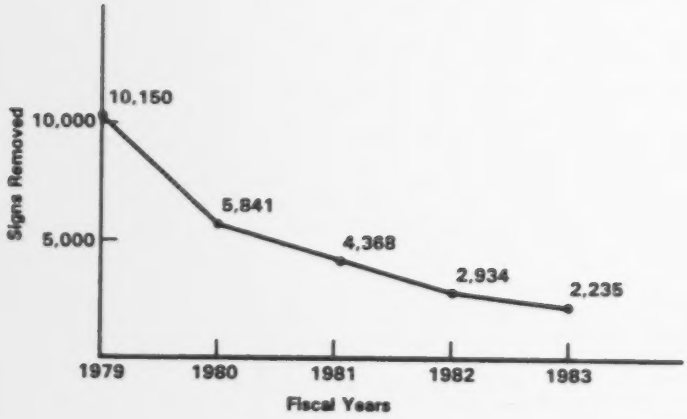
Most states indicated that the lack of federal funds had a negative impact on their sign-control programs. In response to our questionnaire survey, 29 states indicated that the lack of federal funds had a somewhat or very negative impact on their programs. Sixteen states reported that the lack of these funds had neither a positive nor a negative impact; 4 reported that it had a very positive impact; and 1 state did not respond to the question.

As the following charts show, nonconforming sign removals have decreased as federal program expenditures decreased. Nonconforming sign removals fell about 78 percent between 1979 and 1983. During the same period, federal program expenditures were down about 83 percent.

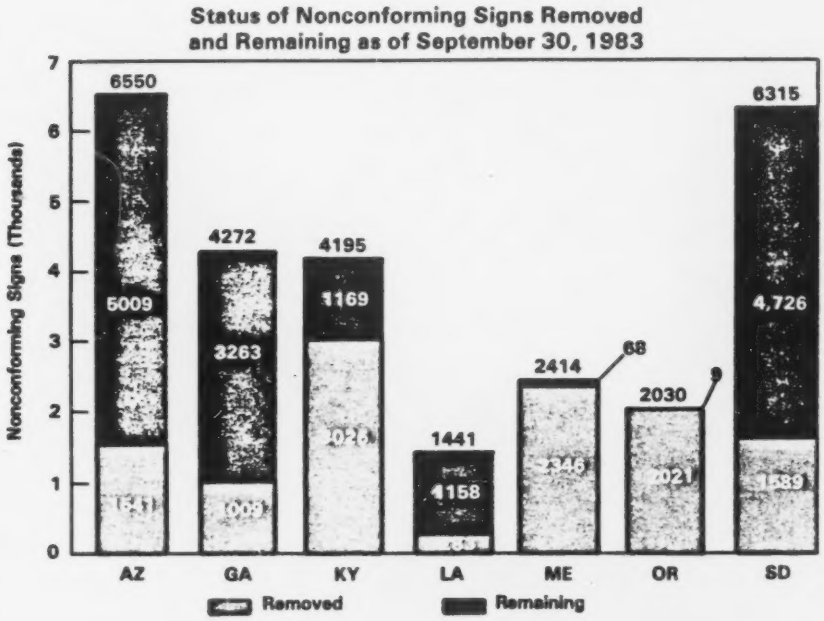
FEDERAL OUTDOOR ADVERTISING CONTROL EXPENDITURES



NONCONFORMING SIGN REMOVALS

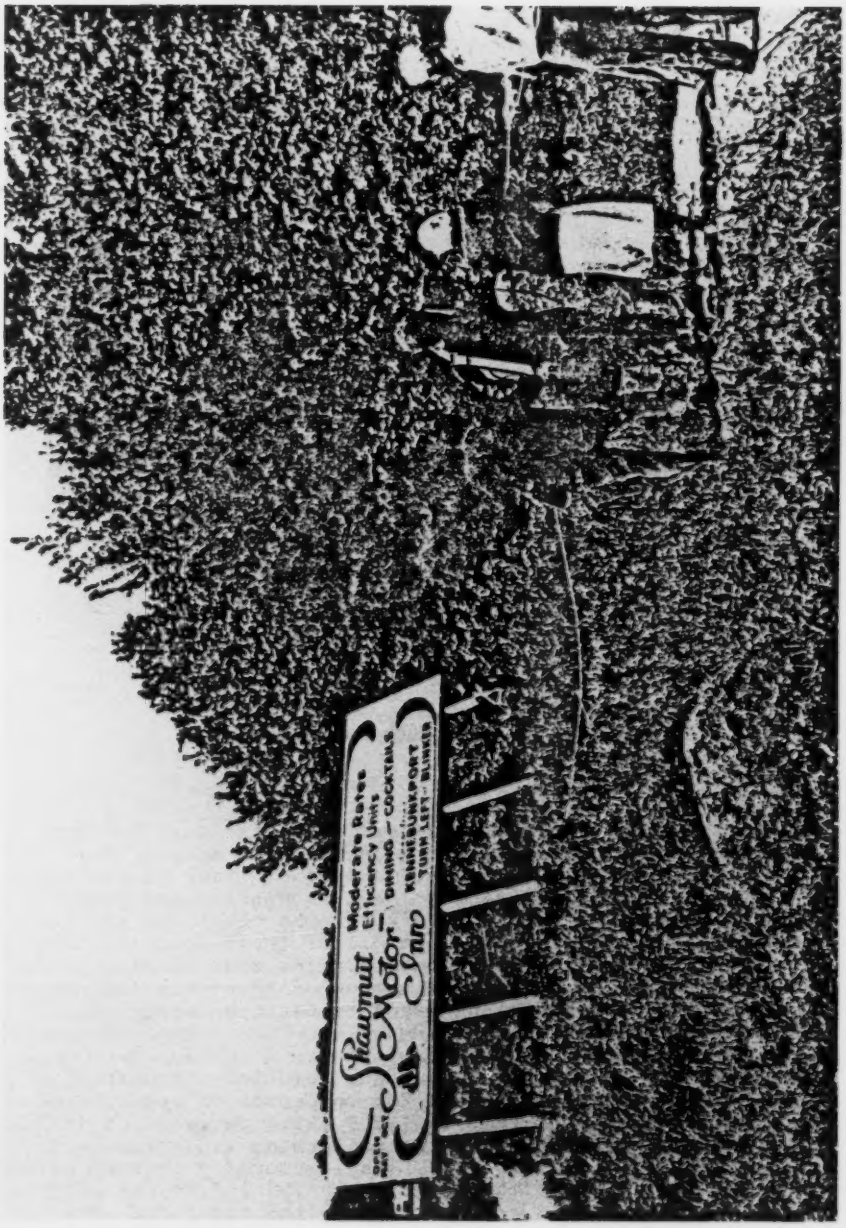


State progress in removing nonconforming signs has varied greatly. The following chart provides information on nonconforming signs removed and remaining in the seven states we reviewed.



In four of the seven states we reviewed--Arizona, Georgia, Louisiana, and South Dakota--about 75 percent or more of the states' nonconforming signs remained standing. Five of the seven states (including Kentucky) did not have enough federal funds available to remove the remaining signs. The other two states--Maine and Oregon--had removed almost all of their nonconforming signs. (Maine removed its last nonconforming sign on June 7, 1984--see photograph, p. 10.) The status of nonconforming sign removal in Georgia and Louisiana demonstrates the impact of reduced federal funding.

--Georgia may be unable to continue removing nonconforming signs because federal funds for compensation are running out. The state had removed 1,009 (23.6 percent) of its nonconforming signs; 3,263 nonconforming signs remained standing as of September 30, 1983, according to FHWA data. State officials estimated that only 150 additional nonconforming signs could be removed with the remaining $975,776 in unexpended federal funds. This would leave more than 3,000 nonconforming signs remaining on Georgia's interstate



Officials removing the last nonconforming sign in Maine, June 7, 1984.

Source: Maine Department of Transportation.

and primary highways. State officials estimated that about $18 million in federal funds would be required to remove all of Georgia's remaining nonconforming signs.

--According to a state official, Louisiana's nonconforming sign removal program was discontinued in fiscal year 1981 because the federal government did not allocate sufficient funds to continue the program. According to FHWA and state officials, the state has not paid compensation for the removal of any nonconforming signs since that year. As of September 30, 1983, Louisiana had removed 283 (19.6 percent) of its nonconforming signs. A state official estimated that it would cost about $1.1 million (including the federal share) to remove the more than 1,000 nonconforming signs that remained as of that date.

The administration has not requested program funding since 1982

Since fiscal year 1982, the administration has not requested the federal funding which is necessary to remove nonconforming signs. According to an official from the Office of the Secretary, Department of Transportation, no funding was requested because the program was considered a low priority by the administration. Administration budget statements cited the increasing cost of paying compensation for the removal of nonconforming signs and possible program changes. In an October 5, 1983, letter, the Secretary of Transportation indicated that the Department was reviewing possible revisions to the outdoor advertising control program. As of October 1984, the Department was still considering program changes, according to officials from FHWA and the Office of the Secretary.

MANY ILLEGAL SIGNS REMAIN STANDING

Although federal regulations (23 C.F.R. 750.705(d)) require that illegal signs be removed expeditiously, it has been more than 18 years since the Highway Beautification Act was enacted and many illegal signs remain standing along interstate and primary highways. Removals of these signs have been decreasing in recent years. Unlike the decrease in the removal of nonconforming signs, the decrease in illegal sign removals is not attributable to reductions in federal funds because removing these signs does not require the payment of compensation. In our review of seven states' programs, we found that the removal of illegal signs has been hindered by limited state personnel, state sign-removal procedures which slow sign removals, and lack of support for the program. States will continue to be required to remove illegal signs, even if federal funds are not appropriated.[2]

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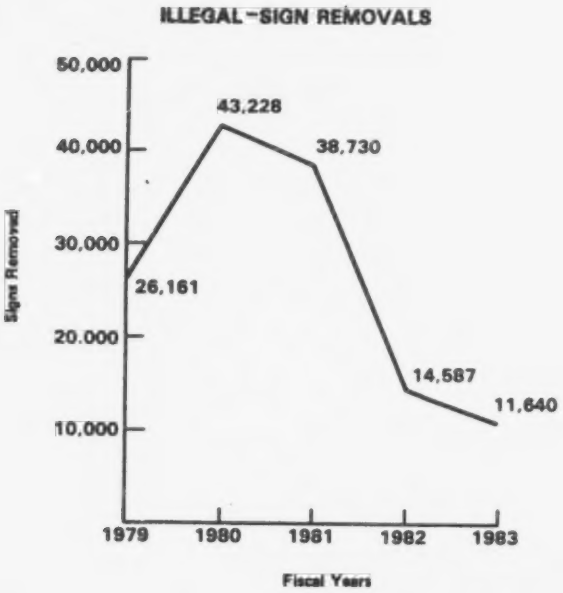
[2]FHWA estimates that it would cost about $1 million in federal funds--for reimbursable administrative costs--to remove the remaining illegal signs.

As the following chart shows, removals of illegal signs have decreased since 1980. The 11,640 signs removed in fiscal year 1983 represented about a 73-percent decrease from the 43,228 removed in fiscal year 1980. Fewer signs were removed in 1983 than in any of the last 5 years.



State progress in removing illegal signs has varied greatly. Our review of the programs in seven states showed that some states had removed all or almost all of their illegal signs but that thousands of such signs remain standing in other states. As of September 30, 1983, Maine had removed all of its illegal signs and only 23 remained standing in Oregon, according to FHWA data. In contrast, over 2,000 illegal signs remained standing in Georgia and over 3,000 were standing in Louisiana as of that date.[3]

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[3]The data on remaining illegal signs for the other three states we reviewed--Arizona, Kentucky, and South Dakota--are unreliable. Arizona reported to FHWA that 4,831 of its illegal signs remained standing, but this figure is based on an inventory that classified signs improperly. Kentucky and South Dakota reported that 6,171 and 41 illegal signs remained, respectively. However, these data are understated because Kentucky and South Dakota did not include new illegal signs that have been erected or identified. (See discussion, p. 14.)

On the basis of our review of the seven states' programs, we concluded that state support for the outdoor advertising control, state sign-removal procedures, and the availability of state resources are all factors affecting state progress in removing illegal signs. For example, we believe that the removal of illegal signs in Maine was facilitated by the state's longstanding support for outdoor advertising control and efficient state sign-control procedures. On the other hand, illegal sign removals in Georgia have been hindered by limited state personnel and state sign-removal procedures which slow removals. The Kentucky program appears to have been hindered by that state's lack of support for outdoor advertising control between 1980 and 1983. We obtained the following information regarding illegal sign removals in these states.

--Maine has evidenced longstanding support for outdoor advertising control: it enacted a sign-control law 30 years ago, prior to the enactment of federal outdoor advertising control requirements and it participates in the voluntary federal bonus program previously discussed. According to FHWA data, the state has removed all of its 5,120 illegal signs.

  Maine's sign-removal procedures seem to be efficient and effective. Current state law prohibits most off-premise signs on all roads in the state. Sign owners must remove illegal signs within 30 days of receiving notice from the state transportation agency. If the owner fails to comply, the state will remove the sign at the owner's expense without further notice or proceeding. According to state officials, this provision is rarely used because sign owners usually remove signs soon after they receive notice from the state.

--According to state officials, the removal of illegal signs in Georgia has been hindered by limited state personnel and state sign removal procedures which slow sign removals. The number of staff assigned to the outdoor advertising control program was reduced in response to state budget cuts, and sign removals are delayed until state personnel are available. Illegal signs cannot be removed without an administrative hearing, which can add 3 months to the removal process, according to state officials.

--The removal of illegal signs in Kentucky has been hindered by the state's lack of support for outdoor advertising control between 1980 and 1983. According to FHWA and Kentucky transportation officials, the state administration in these years did not support the program. As a result, in 1980 the state reduced personnel assigned to outdoor advertising control and decentralized program responsibilities.

  The number of illegal signs removed in Kentucky significantly decreased between 1980 and 1983. While 3,786 illegal signs were removed between 1976 and 1979, only 613 were removed between 1980 and 1983--including only 21 which

were removed in 1983. A new state administration, which took office in December 1983, established new sign control priorities that include the removal of illegal signs. In August 1984, FHWA officials told us that Kentucky has accelerated its removal of illegal signs.

--According to state officials, removing illegal signs is a low priority in Louisiana. They said that title searches for illegal signs are not given a high degree of attention and that removal of these signs is delayed until state personnel have completed higher priority tasks. As of September 30, 1983, only 2,277 (41 percent) of the state's 5,598 illegal signs had been removed. In August 1984, FHWA officials said that they had persuaded Louisiana to make removing illegal signs a higher priority. They said that the state had developed a plan for removing the remaining illegal signs.

Remaining sign data from some states are unreliable

Since 1978 FHWA has prepared an annual statistical progress report on the highway beautification program. This report contains state-by-state and nationwide data on the status of the outdoor advertising control. Included are data that are necessary for monitoring the effectiveness of outdoor advertising controls, such as data on removed and remaining nonconforming and illegal signs. We relied on these FHWA data because they are the only available comprehensive figures on the status of outdoor advertising control. As previously mentioned, however, we are concerned about the reliability of FHWA data on remaining signs.

According to FHWA headquarters officials, the FHWA report is based on data provided by the states. While we did not examine in depth the reliability of these data, we found the data on remaining signs to be incomplete or inaccurate for three of the seven states we reviewed. For example, the data for Kentucky and South Dakota are understated and the data for Arizona are based on a faulty sign inventory, on the basis of our review of state records and discussions with FHWA and state officials. The data for Georgia, Louisiana, Maine, and Oregon appear to be more reliable. Georgia and Louisiana update their sign inventories regularly. Maine and Oregon reported to FHWA that they have removed all or almost all of their illegal signs, and this was supported by state records and our observations. Information on the Arizona, Kentucky, and South Dakota data problems follows.

--Data on remaining signs that Arizona reported to FHWA are inaccurate. The data are based on a 1970 inventory which, according to FHWA and state officials, did not properly classify signs. The FHWA Arizona division administrator said that many of the signs listed as illegal are actually legal or nonconforming. A state official estimates that the actual number of nonconforming signs remaining was about 850 rather than the 4,992 signs reported as of September 30, 1983, in the FHWA inventory. The official also

said that the state started to conduct a new inventory in the mid-1970s but the project was never completed due to limited state resources.

--The number of illegal signs remaining that Kentucky reported to FHWA is understated because it does not include illegal signs that have been erected since 1972, when Kentucky completed its last sign inventory. While the number of illegal signs remaining in the state is unknown, FHWA and Kentucky officials agreed that there has been an increase in new signs along Kentucky's highways since 1980.

--The data on remaining illegal signs in South Dakota are understated because they do not include newly identified illegal signs. The state reported to FHWA that 40 illegal signs were removed in fiscal year 1983 and that 41 illegal signs remained as of September 30, 1983. The state report indicated that there were no new illegal signs in 1983; state documents showed, however, that sign inspectors identified 118 new illegal signs during that year. The state's sign inventory manager was unable to explain the discrepancy.

CONTROLLING NEW SIGNS

In addition to removing existing nonconforming and illegal signs, federal regulations (23 C.F.R. 750.705(a)) require states to prohibit the erection of new signs, other than exempted signs. Restricting new signs seems to be a high priority with the states. Of the 50 states, all but two--Indiana and South Dakota--have permit systems for the control of new signs. In the seven states we visited, we did not find any instances where sign permits were issued for signs that are not allowed under the Highway Beautification Act. However, some illegal signs continue to be erected in violation of state laws.

In response to our questionnaire survey, 22 states indicated that restricting the erection of new signs was their first outdoor advertising control priority. Seventeen other states listed it as their second, third, or fourth priority after removing illegal signs, removing nonconforming signs, or controlling the size, lighting, and spacing of signs. Eleven states indicated that they did not establish program priorities.

Forty-five states provided the following information on new legal signs erected in fiscal year 1983.

Type of new sign	Number
Signs in zoned commercial and industrial areas	8,810
Signs in unzoned commercial and industrial areas	4,712
Landmark, directional, or official signs (including logos)	14,044
Other or not specified	2,887
Total	30,453

We reviewed new sign permits in Arizona, Georgia, Kentucky, Louisiana, and Oregon[4] and found that new signs conformed to sign-control requirements. The signs were generally located in zoned or unzoned commercial and industrial areas. We did not find any instances where sign permits were issued for signs that are not allowed under the Highway Beautification Act.

While states are required to prohibit the erection of new nonexempt signs, new illegal signs continue to be erected in violation of state laws. For example, 109 illegal signs were erected in Georgia in fiscal year 1983. According to FHWA and state officials, most illegal signs in Georgia are small business directional signs and are usually erected on primary roads. The officials said that most of these signs are erected because of ignorance of the law; most small businesses are not aware of the state's permit requirements. Officials in Louisiana and Maine also said that most illegal signs in their states are small business or directional signs on noninterstate highways and were erected because their owners did not know about state restrictions. FHWA and Kentucky officials told us that there has been an increase in new illegal signs along Kentucky's highways since 1980 but that the exact number of new illegal signs is unknown because Kentucky has not updated its sign inventory since 1972.

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[4]These five states had sign permit systems that provided information on new legal signs. South Dakota does not have a sign permit system, and while Maine has a permit system for official directional signs, the state does not allow most off-premise signs.

CHAPTER 3

FEDERAL OVERSIGHT AND STATE PROGRAM PROBLEMS

Although removing illegal signs and restricting new ones do not depend on the availability of federal funds, FHWA decreased its oversight of state outdoor advertising control programs when federal program funds decreased. As one FHWA regional administrator suggested, FHWA's deemphasis of the program may have contributed to relaxed state enforcement of federal outdoor advertising control requirements.

A 1983 FHWA field office review of state programs identified or restated problems with the state programs and suggested that some states were not effectively controlling outdoor advertising. For example, the review indicated that Arizona, Kentucky, and Louisiana were not removing illegal signs expeditiously, as federal regulations require. While the Secretary of Transportation has not penalized any state for a program infraction since 1977, FHWA has worked with some states in an effort to resolve problems with their programs.

FHWA OVERSIGHT DECREASED BETWEEN 1981 AND 1983

Prior to 1981, FHWA conducted regular headquarters reviews of state outdoor advertising control programs, according to FHWA headquarters officials. Between 1981 and 1983--when federal funding for outdoor advertising control was decreasing--FHWA deemphasized the highway beautification program, including outdoor advertising control. FHWA headquarters staff assigned to the program were reduced from nine to two, regular headquarters reviews of state programs were eliminated, and field reviews were discouraged. The agency adopted a more reactive oversight approach, leaving program administration to the states unless problems surfaced.

The following statement was delivered in 1981 by the FHWA associate administrator responsible for outdoor advertising control[1] at a meeting of the American Association of State Highway and Transportation Officials. It indicates that FHWA's oversight of state programs would be minimal.

> "As to the Beauty program--its future is at a standstill. The Washington Office is not making any reviews of the Regions' or Divisions' Beautification program operations. I would suggest that the Regions not make any reviews of the Division's Beauty program. I would suggest that the Division Right-of-Way Offices, until some other guidance is issued to you, not make specific reviews of the States' Beauty programs. If the Divisions get complaints, look into them and forward them to the Region and to the Washington Office for proper

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[1]Associate administrator for right-of-way and environment.

> action. You cannot tell State highway agencies, or infer to them, not to enforce this Act, but until some direction is given to you, limit your overview. Other areas of right-of-way should receive your first attention."

This deemphasis of the program by FHWA may have contributed to relaxed state enforcement of outdoor advertising control requirements. In 1983--2 years after FHWA oversight had been decreased--the FHWA associate administrator directed an FHWA field office review of state programs because a growing number of problems had been surfacing in state programs. The review concluded that there was wide disparity in state attitudes toward and implementation of outdoor advertising control. Field office reports identified or restated state program problems and suggested that some states were not effectively controlling outdoor advertising. In his report on the 1983 review, one FHWA regional administrator linked state program problems to the decrease in federal oversight. His report stated:

> "It is our observation states have relaxed enforcement in the control aspect, especially at the administrative and management levels. States feel the program has been deemphasized by the Federal Government and it is no longer an active entity of the federal-aid highway program. This is evidenced by the expression of one state official who stated that FHWA would not impose any penalties for nonenforcement as long as they (the states) provided 'lip service.' Other states have expressed a feeling that, even if they were to pursue a strict policy in sign acquisition and control, FHWA would provide little support against a strong industry. Sign control inspectors have reported large companies erecting signs in known nonconforming and illegal locations with the thought that the beauty program was dead."

SOME STATES MAY NOT BE EFFECTIVELY CONTROLLING OUTDOOR ADVERTISING

On the basis of the previously discussed federal requirements and FHWA's 1983 review findings, we determined that some states may not be effectively controlling outdoor advertising. The FHWA review identified program deficiencies in four of the seven states we reviewed. Among other problems, information in review reports from FHWA's field offices indicate that Arizona, Kentucky, and Louisiana were not removing illegal signs expeditiously and South Dakota had unresolved zoning problems. FHWA reports on the other three states we reviewed indicate that these states had effective outdoor advertising control programs: Maine and Oregon had removed all or almost all of their nonconforming and illegal signs, and Georgia's program was significantly improved and effective. Information follows on the problems in Arizona, Kentucky, Louisiana, and South Dakota and on FHWA's efforts to resolve those problems.

Arizona

According to FHWA's 1983 program review, problems with Arizona's outdoor advertising control program included an inaccurate and incomplete sign inventory, inadequate regulations, and slowness in removing illegal signs. FHWA's previous reviews of the state's program--in 1975, 1978, 1979, and 1980--had cited problems with the state's sign inventory and sign-control regulations. On the basis of these problems, the FHWA Arizona division administrator said in his 1983 report that "there would appear to be grounds for warning the state that a penalty may be considered unless some progress is made." He added, however, that he was reluctant to recommend penalty action without a firm indication from FHWA headquarters that this was the proper approach because of the lack of federal appropriations for the program and the program's uncertain future.

FHWA recently wrote to Arizona in an effort to resolve some of the state's program problems. In an August 30, 1984, letter to the Arizona Department of Transportation, the FHWA Arizona division administrator reminded the state that it must continue to control signs and remove illegal signs in order to avoid the imposition of the 10-percent highway funding penalty. The letter also encouraged the state to improve its sign inventory.

Kentucky

As previously discussed, the number of illegal sign removals decreased in Kentucky between 1980 and 1983. According to FHWA's 1983 review, Kentucky was not removing illegal signs expeditiously, and many new illegal signs were being erected along the state's interstate highways. The state's removal of nonconforming signs was decreasing even though federal funds were available for compensation. However, according to FHWA officials, a new state administration appears to be interested in controlling outdoor advertising. They said that since the new administration has taken office, sign-removal activity has increased.

Louisiana

Louisiana has not been removing illegal signs expeditiously according to the 1983 FHWA review. About 3,300 (or 59 percent) of the state's illegal signs remained standing as of September 30, 1983. The FHWA Louisiana division reported: "It appears that the rate of removal of illegals is about equal to the number of new ones being erected." FHWA officials told us that FHWA has never penalized or threatened to penalize Louisiana for not having effective outdoor advertising controls. However, as previously discussed, FHWA has persuaded the state to develop a plan for removing illegal signs, and FHWA officials said that they will continue to monitor the state to ensure that the plan is implemented.

South Dakota

South Dakota was penalized about $3.4 million in 1973 and about $9.7 million in 1977 for not having effective outdoor advertising controls. According to the FHWA program coordinator, the state allowed strips of land along interstate and primary highways to be rezoned as commercial and industrial areas. FHWA would not recognize this zoning for outdoor advertising control because it believed that the zoning was designed to permit outdoor advertising and to circumvent the requirements of the Highway Beautification Act.

All but about $2.5 million of the above penalty amounts was restored on the basis of a 1973 federal/state agreement and a 1979 order by the Secretary of Transportation which stipulated that the state would enact complying legislation and remove certain signs at 100-percent state expense. However, in his report on the 1983 review, the FHWA Region 8 Director, Office of Right-of-Way, said that questionable strip zoning was still a problem in South Dakota and signs which should have been removed based on the 1973 and 1979 penalty agreement were still standing. He also said:

> "We agree with the Division's observation that the [South Dakota's] highway beautification program has been a minimum control program and has, perhaps, deteriorated further since the FHWA-[South Dakota] legal action in 1979. In fact, if a field review was to be made today it is likely the State would again be found out of compliance with Federal and State law. State outdoor advertising efforts have historically been directly proportionate to the degree of Federal pressure exerted, and there is no reason to believe . . . that this scenario will not continue."

As of August 1984, FHWA officials were working with South Dakota officials in an attempt to resolve problems with the state's sign control program.

USE OF THE FUNDING PENALTY

While problems with some states' programs continue and states report that the program's highway funding penalty encouraged outdoor advertising control, FHWA has been reluctant to use this enforcement tool in recent years. In response to our questionnaire survey, 47 states indicated that the penalty was a very great, substantial, or moderate incentive in the development of their sign-control programs. The remaining three states said that the penalty was little or no incentive. As shown on the next page, between 1973 and 1977 about $73 million was withheld from five different states because they did not have effective outdoor advertising controls. All but about $2.5 million was restored when the states agreed to take corrective action. Although states have been warned about the funding penalty, since 1977 no state has been penalized for not complying with federal outdoor advertising control requirements.

Outdoor Advertising Control Penalties[a]

State	Year	Federal-aid highway funds withheld but later restored	Withheld permanently
Alabama	1977	$12,390,285	-
New York	1977	34,361,957	-
Oklahoma	1977	6,094,014	-
South Dakota	1973	3,361,546	-
	1977	7,222,381	$2,505,103
Vermont	1973	7,318,063	-
Total		$70,748,246	$2,505,103

[a]See app. IV for additional information on these penalties.

When we asked FHWA headquarters officials why the funding penalty had not been used since 1977, they told us that the penalty is a difficult tool to use because it is too severe and inflexible. In June 1983, FHWA submitted proposed program changes to the Office of the Secretary which calls for replacing the 10-percent funding penalty with a more flexible enforcement provision. As of October 1984, the Office of the Secretary was still considering these changes. The proposed program changes also include limiting outdoor advertising control to rural interstate routes, eliminating the mandatory compensation requirement for the removal of nonconforming signs, and removing such signs within 5 years with discretionary federal highway funds.

CHAPTER 4

VIEWS ON THE EFFECTS OF THE 1978 AMENDMENT

The 1978 amendment to the Highway Beautification Act's compensation provision increased the cost of outdoor advertising control by increasing the number of signs that cannot be removed without compensation. The amendment requires that monetary compensation be paid in all cases in which nonconforming signs are removed, whether they are removed because of the Beautification Act's requirements or because of local requirements. States are subject to a highway funding penalty if they remove nonconforming signs without providing monetary compensation.

FHWA estimates that about 38,000 additional signs that do not conform to local laws or ordinances became subject to the act's compensation requirement because of the amendment. FHWA also estimates that removing these 38,000 signs would cost the federal government $334 million, in addition to the previously discussed $427 million that would be required to remove the 124,000 signs that are nonconforming because of the federal act's sign-control requirements. According to FHWA, had the 1978 amendment not been enacted, the 38,000 signs could have been removed under local laws or ordinances without the cost of compensation.

States varied in their views on the amendment and its effect on their sign-control programs. In addition, other affected groups and organizations expressed varying opinions on the amendment.

THE AMENDMENT'S EFFECT ON STATES AND LOCALITIES

While most states indicated that their state sign-removal programs were not affected by the 1978 amendment, they generally favored repealing the amendment. Of the 49 states that responded to our question on the effects of the amendment, 32 said that the amendment had no effect on their state's sign-removal programs and 17 said that the amendment hindered their programs. Nine of the 17 affected states said that the amendment hindered their programs because it precluded them from removing signs by amortization, without paying monetary compensation. On the other hand, when we asked the states whether they favored repealing the amendment, 27 indicated that they greatly or somewhat favored repeal; 10 states were somewhat or greatly opposed to repeal; and 13 states neither favored nor opposed repeal of the 1978 amendment.

We visited three localities--Dallas, Texas; Portland, Oregon; and Southampton, New York--that believed the 1978 amendment has hindered sign removal. Before the 1978 amendment was enacted, these localities had established sign controls through local zoning laws or ordinances that provided for the removal of nonconforming signs after amortization periods ranging from 3 to 10 years. At the time of our review, these periods had expired. The signs in Dallas and Portland remained standing--in part because of the 1978 amendment, according to local officials. After prolonged

and expensive legal proceedings, Southampton had the signs removed without providing monetary compensation even though FHWA had warned the state of New York that removing the signs without paying monetary compensation could subject the state to a highway funding penalty. Information on how the 1978 amendment affected Dallas', Portland's, and Southampton's sign-control programs follows.

Dallas

According to Dallas officials, the 1978 amendment and the lack of compensation funds have prevented Dallas from removing about 1,200 signs that could have been removed by May 1983 under the city's local sign ordinance (see photographs, p. 24). An April 1973 Dallas ordinance provided a 10-year period during which these 1,200 legally erected but nonconforming signs would have to be made conforming or be removed. These signs are still standing because under the 1978 amendment removing them would require the payment of monetary compensation and funds are not available for this purpose, according to city officials. These officials estimate that it would cost about $8 million (including the federal share) to pay for these 1,200 signs.

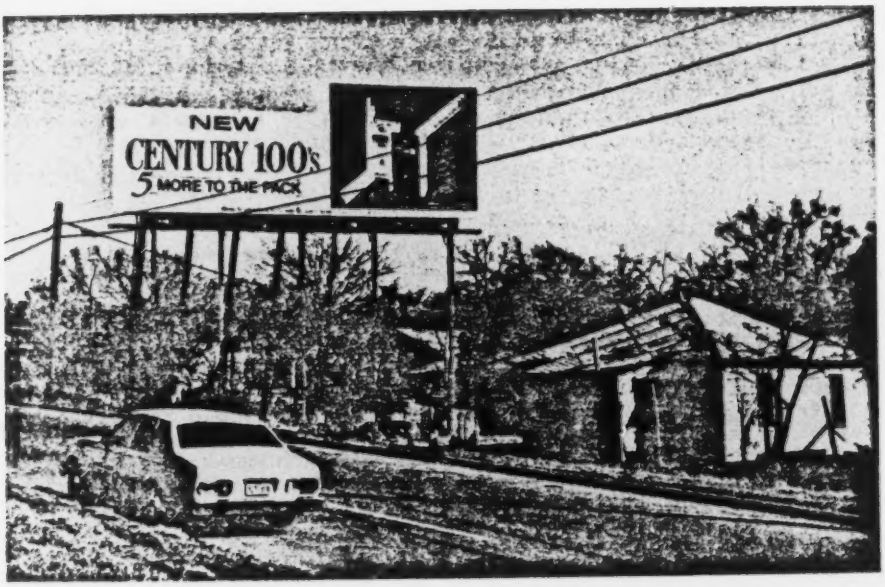
Portland

According to city officials, the 1978 amendment has hindered sign removal in Portland by requiring the payment of monetary compensation at a time when federal compensation funds are not available. A 1959 city ordinance required that nonconforming signs be removed without monetary compensation after a 10-year amortization period. In 1976, an outdoor advertising company challenged the constitutionality of this ordinance, claiming, among other things, that the ordinance did not provide for compensation to sign owners. In 1977, the U.S. District Court for the District of Oregon ruled that the amortization period could be considered just compensation. In 1979, however, after the Highway Beautification Act's compensation provision was amended, the district Court reversed its decision and ruled that Portland must pay monetary compensation to sign owners when removing nonconforming signs.

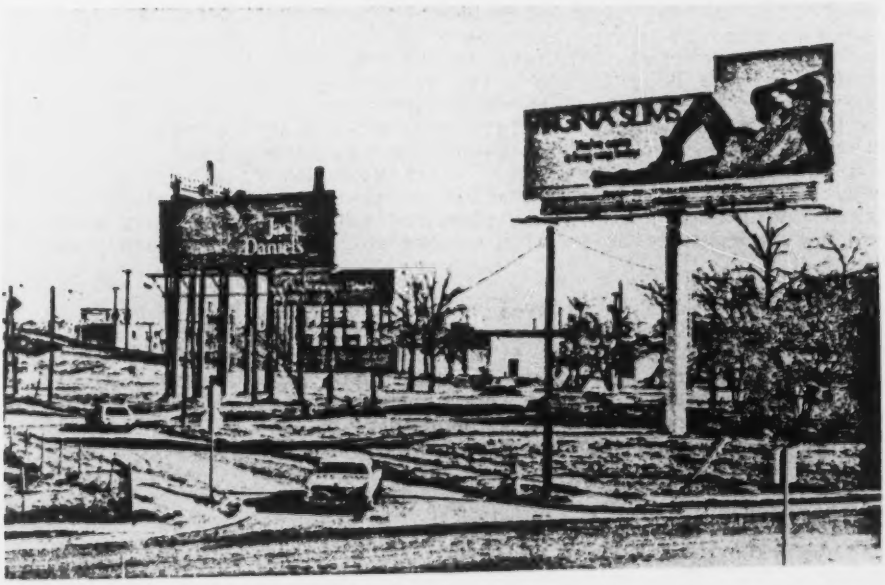
One hundred and thirty-five signs that would have been removed by amortization have been left standing in Portland. A city official told us that it would cost about $500,000 (including the federal share) to remove the remaining signs. However, federal highway beautification funds were not available to pay the 75-percent federal share of compensation costs. City officials stated that the city could provide the remaining 25 percent if federal funds were available.

Southampton

While Dallas' and Portland's nonconforming signs remain standing, Southampton had its nonconforming signs removed without providing monetary compensation under its local ordinance, which bans all off-premise signs. Although the 3-year amortization



Dallas signs that were not removed after the 1978 amendment.



period provided by local ordinance expired in 1975, Southampton's 25 nonconforming signs were not removed until March 1984. The 1978 amendment hindered the removal of Southampton's signs, according to town officials.

Legal challenges brought by sign companies based on constitutional issues delayed removal of the signs until 1978. After the passage of the 1978 amendment, local sign companies again challenged Southampton's ordinance, opposing the town's right to remove by amortization signs located on federal-aid primary routes.

In October 1983, the New York Court of Appeals ruled on the Southampton case:

> "Notwithstanding the amendments of the federal Highway Beautification Act of 1965 . . . compensation need not be paid by a municipality which requires removal of outdoor advertising signs, provided a reasonable amortization period is allowed by the removal ordinance."

Final judicial approval to remove the signs came on March 2, 1984. The next day, after 9 years of litigation and legal costs of about $100,000, Southampton had the signs removed.

Federal/state/local conflict over sign removal

As Southampton's ordinance progressed through the New York courts, FHWA twice informed the New York State Department of Transportation (NYSDOT) that the state would be penalized if Southampton's signs were removed without compensation. FHWA's warning put the state in conflict with New York's zoning and police authorities, according to state officials. In a letter to FHWA, NYSDOT's commissioner said that the penalty should not be levied against the state because

--home rule rights are protected by the Constitution and New York statutes and

--New York's highway beautification law, approved by FHWA, does not prohibit localities from passing more restrictive ordinances.

NYSDOT's commissioner also said that the state should not be penalized by FHWA for the actions of a locality exercising home rule rights, particularly when federal funds have not been available for paying monetary compensation for nonconforming signs.

Faced with the loss of up to $70 million in highway funds, NYSDOT opposed the removal of Southampton's signs by amortization. At NYSDOT's request, the New York State attorney general joined the sign companies in their court challenge against Southampton's ordinance. NYSDOT also attempted to amend New York's law

to prohibit removal of signs on federal-aid routes unless compensation is paid by the locality. Both of these attempts failed.

Although Southampton removed its signs without paying monetary compensation, as of August 1984, FHWA had not penalized New York. FHWA provided New York with federal compensation funds for the Southampton signs, and NYSDOT has offered to pay the local sign companies $75,000 for the signs removed by Southampton. FHWA believes that with this offer New York remains in compliance with the 1978 amendment. However, federal compensation funds are no longer available, according to FHWA officials, and other New York localities are planning to remove signs by amortization.

VIEWS OF OTHER AFFECTED GROUPS AND ORGANIZATIONS

Officials from the Garden Clubs of America, National Coalition to Preserve Scenic Beauty, National League of Cities, Sierra Club, and Travel Information Centers, Inc., favored repealing the 1978 amendment. The American Automobile Association was generally opposed to providing monetary compensation for sign removal. An official representing the Sierra Club said that the organization favors repeal because amortization is a legal and fair form of compensation. He said that the amendment has burdened states with restrictions at a time when no federal funds are being appropriated and signs have been left standing as a result of this situation. A National League of Cities official said that the 1978 amendment has restricted the use of local power and created a tremendous financial burden for localities.

Officials from the National Electric Sign Association and Roadside Business Association favored retaining the amendment. Roadside Business Association officials said that the 1978 amendment was passed to clarify the intent of the Congress. They said that the amendment closed a loophole in the original act, which allowed nonconforming signs to be removed without compensation by claiming that the removal was not related to the Highway Beautification Act.

The U.S. Department of Transportation opposed the enactment of the 1978 amendment at the time it was being considered by the Congress. In an August 17, 1978, letter which was included in the Congressional Record, the Secretary of Transportation said that the amendment "would produce a profound change in the direction of the Highway Beautification Program and would undermine efforts to control scenic blight along our highways." He said that the change "would represent an unprecedented intrusion by the federal government into the prerogatives of localities to control land uses within their jurisdiction" and "local authorities would be inclined to leave signs up rather than pay compensation and therefore undermine their own zoning laws." He further said that where monetary compensation was not paid for sign removal, states could become subject to the federal highway funding penalty--even though some states do not have the authority to bind local jurisdictions. An official from the Office of the Secretary told us

SCENIC AMERICA
Sign Control News
Sept/Oct 1989 Vol. 8 No. 5

Special Report: The Highway Beautification Act

Lewis Launches Sweeping Billboard Reform

Rep. John Lewis

A quarter century after our nation passed the Highway Beautification Act of 1965, Rep. John Lewis (D-Ga) has introduced the most sweeping legislation ever proposed to remedy basic flaws in the law and stop the construction of new offpremise billboards along America's federal roads.

The 1965 law was supposed to "preserve natural beauty" and clean up billboard blight, but in what Reader's Digest called the "Great Billboard Double-Cross," instead the industry has used loopholes in the law to build hundreds of thousands of new, bigger billboards.

If passed, Lewis' legislation, introduced on October 2, 1989, as H.R. 3389, will be the first reform of the law in twenty-four years. "The Beautification Act was created to control and remove nonconforming billboards along our nation's federal aid highways," Lewis notes. "However, the billboard industry has been successful in getting the legislation watered down. As a result, our highways are becoming polluted by more billboards."

H.R. 3389 would:

1) place a moratorium on the construction of new billboards on federal highways

2) allow state and local governments to decide for themselves how to take down existing billboards

3) eliminate the provision of the current bill that requires taxpayers to pay billboard companies to remove billboards

4) prohibit the billboard industry from destroying trees to improve the visibility of billboards

5) require annual state inventories of billboards along federal aid highways and an annual report by the U.S. Department of Transportation based on these inventories and

6) provide for the removal of all nonconforming billboards in existence after September 1, 1995.

Lewis notes that the General Accounting Office (GAO) and the Department of Transportation's Inspector General both indicate that new billboards are now being erected at least three times faster than old ones are coming down.

"Billboard control is an environmental and public health issue and it is a state and local control issue," adds Lewis. "The billboard industry has had far too much control over this issue for too many years. It is time we give this control back to the states and local communities who are working diligently to protect their environments," he concludes. *SA*

Why the Billboard Industry Loves the Beautification Act

By Charles F. Floyd

Passed with much fanfare in 1965, the Highway Beautification Act was supposed to remove existing billboard clutter from rural roadsides and prevent its future spread. How effective has the Act been in achieving its objectives? The billboard industry gives us the definitive word. A press release by the Outdoor Advertising Association of America hailed the act as: "The Highway Beautification Act: A Law That Works!" They applauded its virtues, rapturously extolling: "Taxpayers can only dream that every law that Congress passes works as well as the 1965 Highway Beautification Act."

Because it is obvious that if the act were really working, the billboard lobby would not be praising it, we must ask ourselves: Why does the outdoor advertising industry love the Highway Beautification Act?

The explanation is simple. The program has been ineffective both in preventing the spread of billboard blight in areas it was supposed to protect and in removing existing billboards in these areas. The law contained fatal defects when it was passed, Congress has further weakened it with subsequent amendments, and the Federal Highway Administration (FHWA) has almost completely abdicated its enforcement responsibilities. FHWA has discontinued any compliance reviews of state programs and failed to take corrective action even when documentation of flagrant violations is presented.

Loopholes Permit New Billboards in Protected Areas. The Highway Beautification Act was supposed to permit new billboards only in areas where there were actual commercial or industrial uses. One need only to travel the nation's highways to observe that the Act has not accomplished this objective. Today thousands of billboards can be found in wetlands, woodlands and farm-

(Industry, continued on page 6)

From Herblock at Large *(Pantheon Books, 1987)*

"Beautification" Act Uglifies Neighborhoods

By Representative John Lewis

"You've Come a Long Way, Baby"? The glamorous Virginia Slims model pictured on a billboard in the inner city poses a double irony. First, the words obviously equate smoking with women's liberation. Second, the designer outfit, towering over dilapidated stores and littered streets, tries to convince young women that smoking is an alluring escape.

Every day, in big cities and small towns across America, children on their way to school are greeted by billboards telling them that the way to be happy and get ahead is to drink beer and smoke cigarettes. The male movie star or the temptress in a bikini advise that Colt 45 "works every time." Athletes pictured in fresh-air environments kick, bat, or climb to hawk cigarettes along smog-filled streets.

One federal law has moved cigarette ads off the airwaves and another--the Highway Beautification Act--has helped strew these same ads into our neighborhoods. As a result, the campaign started by Lady Bird Johnson to clean up billboards in the countryside has moved into town. With inadequate federal controls, local communities are moving to control billboard pollution. Hundreds of *("Beautification", continued on page 8)*

Jane Zenger, Billboards Limited

Children in many neighborhoods are constantly exposed to tobacco and alcohol ads such as this billboard in the front yard of a Houston rental house.

Scenic America Viewpoint

The Forgotten Environmental Law

When the Johnson Administration first considered creating a highway beautification program, it was meant to herald a "new conservation" era. The environmentalism of Teddy Roosevelt and Gifford Pinchot had its roots in using natural resources--albeit efficiently--rather than preserving land for its own sake. But in the wake of books like Rachel Carson's Silent Spring (1962), Stewart Udall's Quiet Crisis (1963), and Peter Blake's God's Own Junkyard (1964), this environmental ethic seemed insensitive to the effects of manmade pollution and the need to conserve disappearing open space.

Inspired by Lady Bird Johnson (see page 5), the Johnson Administration began work in 1964 on comprehensive policies to preserve "the natural beauty of the nation." These included additions to the park system, creation of a Land and Water Conservation Fund, a wilderness system, and a wild river system.

To this end, Johnson assembled an eleven-member task force on natural beauty, including such noted Americans as Laurance S. Rockefeller, Jane Jacobs, Loren Eisley, John Kenneth Galbraith, and William Whyte. In his message on natural beauty in February 1965, the President asserted that the nation should "introduce into all our planning, our programs, our building and our growth, a conscious and active concern for the values of beauty." Specific programs included billboard controls, clean air legislation, and a White House Conference on Natural Beauty to launch these programs. Henry Diamond, who later served with President Reagan's Commission on Americans Outdoors, called the May conference "a major transition--a bridge from the traditional conservation to the new environmentalism and the start of something grand."

The Highway Beautification Act was to be the opening wedge. A quarter of a century later, our nation has seemingly adopted the "new conservation." The clean air act, clean water act, and wilderness laws passed in the wake of the new mandate are fundamentally strong. But the Highway Beautification Act--the idea that started it all--is in shambles--a forgotten environmental law.

Certainly many factors were at play, including the fact that no national organization coordinated citizen support while the billboard lobby orchestrated its allies into monolitic opposition.

Even President Johnson -- the great power broker -- underestimated the power of the billboard lobby, which used the same tactics in 1965 they use today--including generous campaign contributions, offers of free "public service" ads on billboards, and other less subtle methods of persuasion.

For years many environmentalists remembered only that the law had passed *(Viewpoint, continued on page 10)*

SCENIC AMERICA, a nonprofit organization (501c3), is the only national group devoted solely to protecting scenic resources and cleaning up visual pollution. If you want to work for meaningful controls on visual blight, you can join Scenic America, formerly the Coalition for Scenic Beauty.

Membership fees are $20 per year for individuals, $50 for local/state organizations, and $100 for national organizations. To join, send check payable to "Scenic America" to: Scenic America, 216 7th Street, SE, Washington, DC 20003; (202) 546-1100.

Chairman: Carroll Shaddock
Executive Director: Edward T. McMahon

Elizabeth Brabec, Research Director
Hal Hiemstra, Policy Director
Carmen Hunt, Office Manager
Joan Moody, Communications Director
Tom Oates, Development Director

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Editor: Joan Moody
Associate Editor: Cynthia Taylor

Billboard Controls: Communities Fight Back

Despite the failure of the Highway Beautification Act, the fight to control billboards is continuing on the local level, with hundreds of communities battling to protect their visual character.

Over just the past four years, more than 500 cities and counties have enacted new regulations to control the proliferation of billboards. Today over 1,000 U.S. cities and counties totally prohibit billboards, as do the states of Vermont, Maine, Alaska, and Hawaii.

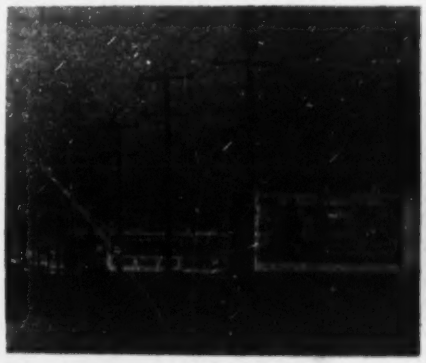
In every case these local and state ordinances were adopted over fierce opposition from the billboard industry. Below are brief summaries of recent development in some communities.

- **Birmingham, Alabama,** passed a strong billboard control ordinance in August 1989.
- **Winston-Salem, North Carolina's** city council voted in January 1989 to prohibit new billboards along the I-40 bypass.
- **Orange County, California,** in August 1987 Santa Ana became the 21st city in Orange County to restrict billboards. Billboards were already banned in 20 other Orange County cities, on all highways and freeways south of Irvine and the Pacific Coast Highway.
- **Richmond, Virginia,** in November 1988, banned new billboards everywhere in the city except along interstates.
- **Virginia Beach,** Virginia's largest city, enacted a February 1987 ban on all new billboards and now prohibits existing billboards from being replaced.
- **Clearwater, Florida,** citizens successfully petitioned the city council in December 1988 for the removal of all billboards along a major commercial boulevard.
- **Indianapolis** passed a strengthened sign ordinance in May 1988 requiring an increase in setback from residences, parks, hospitals, schools and churches.

Over just the past four years, more than 500 cities and counties have enacted new regulations to control the proliferation of billboards.

- **Philadelphia** in April 1988 voted to prohibit all billboards within 600 feet of the Vine Street Expressway. The city had earlier voted to prohibit billboards in historic districts and in neighborhood commercial districts.
- **St. Louis** voted to ban the construction of all new billboards within the city after a survey found almost three times more billboards in black neighborhoods than in white.
- **Houston,** in an effort to increase its ability to compete as a place to live, has designated scenic corridors in which existing signs must be removed.
- **Palm Beach County, Florida,** in October 1988 banned new billboards in the county and voted to remove more than 300 existing billboards in unincorporated areas. Thirty of the county's 37 municipalities including Boca Raton, Delray Beach and Palm Beach also ban billboards.
- **King County, Washington,** in May 1988 banned new billboards and required removal of all billboards blocking views of Mount Rainier, Mount Baker, the Olympic Mountains, Puget Sound, lakes, and rivers. The ordinance creates "billboard-free" areas within 600 feet of parks, historic sites, open space, and scenic resource lands.
- **Louisville, Kentucky,** in March 1988 made the 37-mile long Gene Snyder Freeway a billboard-free scenic parkway. The city council also approved establishment of numerous scenic corridors and established a 500-foot setback from parkways, parks, landmarks, and historic districts.
- **Denver** passed an ordinance in June 1988 capping the number of billboards, requiring the removal of one existing sign of equal size for every new billboard erected.
- **Jacksonville, Florida,** voters overwhelmingly endorsed a ballot referendum in May 1987 banning all new billboards and requiring all existing billboards on city streets be removed within five years. *SA*

Should our Roadsides Look Like This . . . . . or Like This?



Billboards like those at left cost advertisers thousands per month, while small logo signs (right) provide motorists with readily available travel information at a fraction of the cost to the advertiser.

Billboards: Small Industry with a Big Lobby

Billboard advertising is a small industry with a big lobby. In 1988 the industry had revenues of $1.4 billion which it says it generated from about 500,000 billboards.[1]

Industry revenues account for only 1% of total advertising expenditures in the United States. The industry itself is very small. According to the U.S. Census Bureau, only 12,290 people were employed in "outdoor advertising" nationwide in 1985.[2]

Today, ten companies dominate the industry accounting for almost 70% of the billboards in the country. The largest firms operate more than 40,000 billboards in multi-state markets and take in more than $200 million in annual revenues.

While the billboard industry itself is small, it has one of the nation's largest and most powerful lobbies. The Outdoor Advertising Association of America (OAAA) has offices in almost every state and employs highly paid lobbyists.

The industry trains its executives to use a set of standardized tactics honed through years of experience. Elizabeth Drew, in the December 1965 issue of Atlantic Monthly, wrote, "The Outdoor Advertising Association has been urging its members to get themselves on local planning and zoning boards and their wives to infiltrate garden clubs. It instructed them to offer free billboard space for good causes (Easter Seals, et al), 'to spotlight the public-spirited cooperation of your medium.' And it is widely acknowledged that the billboard companies are in a position to offer political candidates – local and national – *not* only campaign funds at election time but billboard space, free or at a discount." The industry has today refined the same tactics to an art.

Today the billboard lobby dispenses hundreds of thousands of dollars annually in campaign contributions and speaking fees. Billboard companies regularly pay $1,000 to $2,000 fees to Congressmen and staffers for speeches given during all-expense-paid trips to industry meetings in Palm Springs, Hawaii and other fashionable resorts.

Between 1983 and 1988, the industry paid Members of Congress more than $640,000 in honoraria – only defense contractors and the tobacco industry paid more. The billboard industry paid millions more in campaign contributions.[3]

When billboard companies donate free ad space, there is almost always an ulterior motive. Billboard public service announcements are a public relations ploy designed to undermine genuine community concern about the ill effects of billboards. One industry publication discussed the reasons for giving away ad space by saying, "it would be difficult for the mayor (or other politicians) to sponsor or support anti-billboard legislation or ordinances if he/she had been actively using outdoor advertising for their own projects."[4]

A typical tactic is to approach nonprofit organizations with offers of free ad space. In return, the industry typically asks these groups to oppose local billboard controls. For example, if a local elected official calls for tighter billboard controls, the industry will go to his favorite charity or cause, offer the group free ad space and then ask the organization to testify against or at least write a letter opposing the regulations.

Likewise, whenever the U.S. Congress is about to consider legislation, the industry uses the same tactic. For example, shortly after the Reagan Administration endorsed reform of the HBA in 1986, the industry approached Nancy Reagan to offer free billboards for her "Just Say No to Drugs" campaign. [illegible]

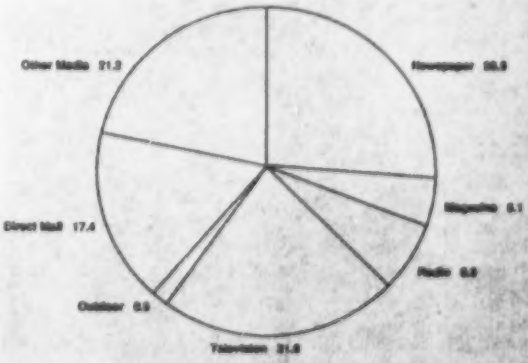
Advertising Expenditures

in billions of dollars

Media	Amount 1987	Amount 1985	Change	% of Total 1987	% of Total 1985
Newspaper	29.4	25.2	+4.2	26.8	26.5
Television	23.9	20.8	-3.1	21.8	21.9
Direct Mail	19.1	15.5	+3.6	17.4	16.4
Radio	7.2	6.5	-0.7	6.6	6.9
Magazine	5.6	5.2	-0.4	5.1	5.4
Outdoor	1.0	0.9	+0.1	0.9	1.0
Other Media	23.2	20.6	+2.6	21.7	21.9
Total	109.4	94.7	+0.8	100.0	100.0

1987 Expenditures by Media

as % of 109.4 billion dollars



Source: [illegible]

[1] The Billboard Industry: A Business Analysis, Bankers American Business Credit, Inc., November 1988.

[2] County Business Patterns, United States, U.S. Census Bureau (1985).

[3] Figures from Members' financial disclosure statements and Common Cause.

[4] Sign of the Times magazine, pp. 69-71, July 1982.

Scenic America Profile

Lady Bird Johnson: First Lady of the Environment

By John Deeth

The Highway Beautification Act is forever linked in the minds of the American public with Lady Bird Johnson. The former First Lady, however, did more than plant flowers in public places. She served the country superbly by planting environmental values in the minds of the nation's leaders and citizens.

Lady Bird Johnson *Scenic America*

In a recent book titled Lady Bird Johnson and the Environment, historian Lewis L. Gould credits Lady Bird Johnson with laying the foundation for the ecological movement of the 70s: "Having a First Lady who said that the Grand Canyon should be preserved, that redwoods should not be cut down, that parks should be saved and freeways built with urban residents in mind, meant that environmental issues received a statement of legitimacy and value from the White House." Indeed, Secretary of Interior Stewart Udall called her a second Secretary of Interior in the White House. In addition to having the President's ear, she captured the imagination of people around the world who had never thought about the environment.

Mrs. Johnson recently told Scenic America that her interest in beautification is "a natural result of a life-long love affair with nature, with the beauties of our diverse country, and with walking country roads and exploring mountain trails." She brought that love to her campaign to save our scenic heritage.

Her interest in highway beautification legislation began around the time Lyndon Johnson became President in late 1963. "We all know the difference between a road that beckons and a road that depresses," she declared in 1964. Mrs. Johnson's concern sparked the President to action. Shortly after the 1964 election, he called Secretary of Commerce Luther Hodges and said: "Lady Bird wants to know what you're going to do about all those junkyards along the highways."

The Johnson Administration, while firmly committed to highway beautification, reportedly felt forced to make concessions on the language of the bill because of the clout of the well-heeled billboard lobby (which insinuated itself into Johnson's staff) and the fact that the Administration was losing sway on Capitol Hill in the wake of the Vietnam War. Even in its watered-down form, passage seemed uncertain.

At this point, President Johnson put his full weight behind the bill. One Administration insider quoted the President as saying, "You know, I love that woman and she wants that Highway Beautification Act. By God, we're going to get it for her."

Lady Bird Johnson actively lobbied Members of Congress for the Highway Beautification Act, an unprecedented role for a First Lady. Even Eleanor Roosevelt never attended legislative strategy sessions or actively pushed for legislation.

Despite its flaws, the Highway Beautification Act was a victory that wouldn't have happened without Lady Bird Johnson. She deemed it a promising start. But in 1986, aware of the inroads made by the industry into the law and its enforcement, Lady Bird broke a decade-long silence about the act to call for its reform. Joined by Laurance Rockefeller, who had chaired the White House Conference on Natural Beauty which proposed the Act in 1965, Lady Bird said: "The Highway Beautification Act which we proposed to Congress some twenty years ago needs to be strengthened to control the spread of billboards."

More than anyone Lady Bird Johnson recognizes that the goal of making America's highways more beautiful will take great effort. "I think we're always working on our problems and they're always changing. And our job is to try to make the general movement forward," says Mrs. Johnson.

Lady Bird continues her commitment to beautification today as founder and leading light of the National Wildflower Research Center in Austin. "Wildflowers are the stuff of my heart," Lady Bird explains. It is understandable how she inspired President Johnson to proclaim that "beauty must not be just a holiday treat, but a part of our daily life." That lesson will be her greatest legacy. Reform of the Highway Beautification Act would be a fitting new bouquet for this beautiful lady. *SA*

John Deeth is a graduate student and instructor in rhetoric and political communications at the University of Wisconsin–Stevens Point.

Largest Billboard Companies

Outdoor companies	Outdoor revenues[1] 1987	1986	1987 media revenues[1]	Outdoor % media revenues
3M	$217	$197	$ 217	100.0
Gannett Co.	$202	$211	$2,991	6.8
Patrick Media Group	$183	$182	$ 183	100.0
Morris Communications	$113	$110	$ 359	31.5
Donrey Media Group	$ 52	$ 47	$ 303	17.2

[1]Dollars are in millions.

Total structures: Company	Structures	'86-'87 % change
3M National Advertising	28,500	11.1
Gannett Outdoor Advertising	22,757[2]	(2.5)
Patrick Media Group	45,800	0.2
Naegele Outdoor Advertising	16,581[2]	(0.2)
Donrey Outdoor Advertising	7,569[2]	(0.3)

[2]30-sheet structures only

Sources: Outdoor revenues are from Advertising Age estimates, outdoor structures from Traffic Audit Bureau.

Industry

(Continued from page 1) lands, on open prairie, mountain meadow, even in the middle of the desert—in many cases, miles from the nearest exit, town, or building.

Why are so many new billboards going up in our supposedly protected rural countryside? Although the Highway Beautification Act ostensibly prohibited new billboards, it excepted all land zoned industrial or commercial and all land deemed unzoned commercial or industrial areas. These exceptions have swallowed the rule and thus thousands of new billboards have been erected under the Act. This has happened in several ways.

First, many communities, particularly rural counties, have stripped zoned long stretches of rural roads as phony "commercial" and "industrial" zones, thereby permitting the erection of numerous billboards in totally rural areas where scenic beauty was supposed to be protected.

Second, under the gaping "unzoned commercial or industrial area" exception, all a billboard firm needs in order to put up new billboards in unzoned areas is to find, or even build, some obscure commercial or industrial activity—perhaps a utility shed, a small beauty shop, a country store or a campground, that happens to be located near a "protected" highway.

The law also has failed to control the size or height of billboards. The HBA does not limit the height of billboards along federal highways and it allows billboards four times larger than the "standard poster panel."

Because of such loopholes, and counter to the public's original expectations when the Highway Beautification Act was passed, today billboards on the rural highways of most states are much bigger, taller, and more intrusive than those twenty-four years ago. What's more, the GAO and the Inspector General tell us that currently more billboards are going up than coming down in many areas.

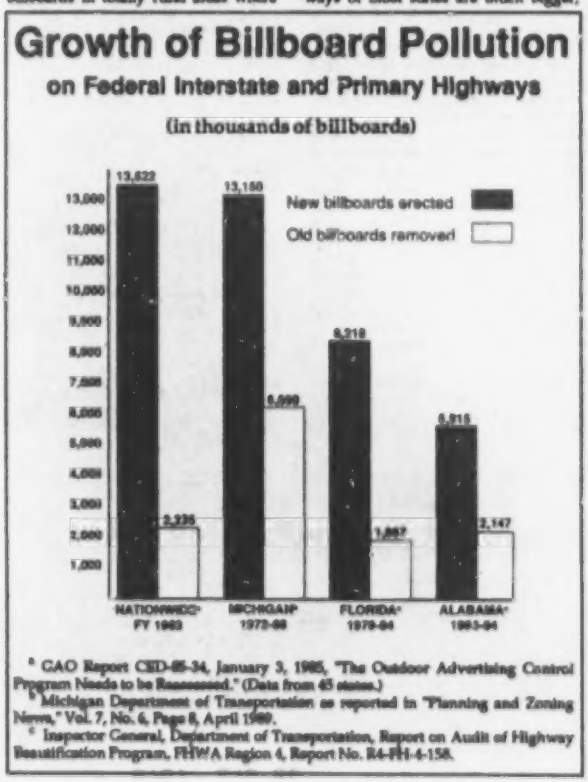
Abuses in the Removal Program. Communities have traditionally cleaned up billboard pollution by requiring that nonconforming signs be removed *after* a period of years. Almost all courts have held this to be adequate and fair compensation for sign owners, particularly because the offending signs can be moved to other more appropriate locations. Nevertheless, unlike other nonconforming uses, the Highway Beautification Act requires taxpayers to pay cash for all signs removed along federal highways. This is the only federal environmental legislation that allows polluters to continue polluting until they are paid to stop.

The removal program was made even more ineffective by the policy of first paying to remove signs that were voluntarily offered by their owners. The billboard companies used this provision to unload obsolete signs that were no longer economically viable. The money received was used to erect new billboards in other locations. A Department of Transportation study concluded that the policy produced very little in the way of aesthetic improvement, despite the expenditure of more than $200 million.

The greatest triumph for the billboard industry has been to use the cash payment requirement to deny state and local governments their traditional right to remove nonconforming signs through the use of their regulatory powers. Today, nonconforming billboards located on interstate or federal-aid primary highways are protected from forced removal by the Highway Beautification Act. Thus, the billboard polluters are protected by the supposed anti-pollution legislation.

Tree Destruction. Perhaps the ultimate perversion of the beautification program is its use as a justification for destroying trees on the public right-of-way in front of billboards. When the interstates were built, the FHWA provided money to plant millions of trees along our roadsides. Billboard companies didn't like trees blocking the view of billboards so in 1977, it persuaded the FHWA to legalize tree destruction by reclassifying it as "vegetation control." State officials now annually issue thousands of treecutting permits to sign companies. Many of the trees being destroyed were originally planted under the federal landscaping program.

Not only has this legalized vandalism destroyed hundreds of thousands of publicly owned trees, but a study by the (Industry, continued on page 9)



[a] GAO Report CED-85-34, January 3, 1985, "The Outdoor Advertising Control Program Needs to be Reassessed." (Data from 45 states.)

[b] Michigan Department of Transportation as reported in "Planning and Zoning News," Vol. 7, No. 6, Page 8, April 1989.

[c] Inspector General, Department of Transportation, Report on Audit of Highway Beautification Program, FHWA Region 4, Report No. R4-FH-4-158.

FACT SHEET: BILLBOARDS AND THE ENVIRONMENT

"The concept of the public welfare is broad and inclusive. The values it represents are spiritual as well as physical, aesthetic, as well as monetary."
– William O. Douglas

"Pollution is not limited to the air we breathe and the water we drink; it can equally offend the eye and ear."
– Warren Burger

VISUAL POLLUTION IS AN ENVIRONMENTAL ISSUE – John Muir said, "people need beauty as well as bread." But while America spends billions of dollars cleaning up air pollution, water pollution, even noise pollution, we have largely ignored the visual pollution that blights our neighborhoods and mars our countrysides. Today, hundreds of thousands of billboards are going up, at record pace, all over America. They threaten to turn our landscape into a continuous outdoor commercial.

Grassroots Concern – In many communities, particularly in the South, billboards are the leading grassroots environmental issue. Over the past four years more than 500 cities have enacted new regulations to control billboards. Concerns about billboards unite diverse interests: businesses, historic preservationists, minority residents and citizens concerned about health threats from alcohol and tobacco billboards.

Paying Polluters – Today the so-called Highway Beautification Act is the only federal environmental regulation that requires taxpayers to pay the polluter to stop polluting. Yet, despite spending almost $250 million, taxpayers see thousands of new billboards being erected under loopholes in the Act.

Land Use – The billboard industry continually attempts to subvert local land use and zoning controls. These efforts undermine dozens of environmental and public health and safety regulations which depend on the validity of local land use authority.

National Parks and Historic Sites – Roads adjacent to national parks and historic sites are becoming corridors of commercial blight. Billboard clutter degrades the experience of park visitors and ruins the settings of our national landmarks. For example, the causeway leading to the Chincoteague National Wildlife Refuge/Assateague National Seashore, once a magnificent panorama of sea and marsh, is now a mile-long billboard alley.

Herbicides – The billboard industry routinely sprays herbicides on public land in front of billboards to kill existing vegetation and to ensure that nothing grows up in its place. The indiscriminate destruction of trees and use of herbicides contribute to groundwater pollution, soil erosion, and depletion of the ozone layer.

Tree-cutting – The billboard industry is systematically destroying millions of trees on public land to ensure that motorists see their signs instead of our scenery. For example, in Louisiana more that 2 million pine trees planted with federal money are being destroyed in 500-

Atlanta Journal-Constitution

foot clearcuts in front of thousands of roadside billboards.

VISUAL POLLUTION IS A PUBLIC HEALTH ISSUE – The two leading users of billboards are tobacco and alcohol. Today, more than 300,000 Americans die each year from smoking-related illnesses. Another 100,000 deaths result from alcohol abuse and drunk driving. Yet our cities, particularly low-income neighborhoods, are being saturated with billboards advertising cigarettes and booze.

No Standards – The billboard industry exercises almost no restraint on the siting of billboards. They simply put billboards anywhere and everywhere they can. Today, thousands of billboards can be found next to homes, schools, churches, parks, playgrounds, health centers – literally everywhere.

Low-Income Neighborhoods – Low-income neighborhoods have become dumping grounds for intrusive outdoor advertising. There are more billboards per capita in black and Hispanic neighborhoods than in white neighborhoods and two-thirds of the billboards in black neighborhoods advertise tobacco and alcoholic beverages. For example, a 1987 survey conducted in St. Louis found almost three times as many billboards in black neighborhoods as white.

VISUAL POLLUTION IS A GOOD GOVERNMENT ISSUE – The billboard industry is America's leading unregulated polluter. The reason is simple: lots of money is being spent lobbying, wining and dining elected officials. Over the past six years the billboard industry paid Members of Congress more than $640,000 in honoraria. This is the third largest amount paid by an American industry. What's more, the $640,000 does not include millions spent on PAC contributions, individual contributions from billboard industry executives or free billboard space donated to candidates for elected office.

VISUAL POLLUTION IS A PRIVACY ISSUE – Billboards are an inherently intrusive form of advertising which violates our constitutional right of privacy. Other forms of advertising can be eliminated at the flip of a switch or the turn of a page, but there is no possible way to turn off a billboard. Twenty-four hours a day, 365 days a year, billboards, many as big as houses, impose their messages on a "captive audience" – the American public.

VISUAL POLLUTION IS A BUSINESS ISSUE – Many cities and states rely heavily on natural beauty and visual quality to attract businesses and tourists. Billboards serve only to intrude on the landscape of America and devalue our nation's greatest physical asset – its natural beauty. *SA*

Billboard companies escape property taxes

River Reporter, Newburgh, NY

Local communities are losing almost half a billion dollars in annual revenues because billboard companies around the country escape paying property taxes or shortchange local tax collectors, according to a Scenic America survey of a dozen cities in different states across the nation.

The survey shows that in many cases billboard companies simply never list their billboards on tax rolls or undervalue them so much that they pay as little as $6 per sign in annual property taxes on signs that earn as much as $100,000 a year.

However, when cities want to remove these same signs, the industry demands *10 to 100 times the declared value in public monies* as payment—as much as $250,000 per sign.

Scenic America executive director Ed McMahon says, "In many communities people pay more for dog licenses than billboard companies pay in permits or taxes. Billboards are ruining the scenic character of America. They should at least be made to pay their fair share of taxes." Case studies include:

- **Jefferson County, Missouri:** Tax assessor Ron Dougherty, shocked to learn that billboards were not being taxed at all, announced on July 14 that the assessing of billboards and other signs will add nearly $3 million to the Jefferson County valuation and lower tax rates for some taxpayers.
- **Jacksonville, Florida:** In July billboard companies were notified that they owe $2.3 million in back taxes for billboards that were undervalued or missing from the tax rolls.
- **Raleigh, North Carolina:** A recent investigative series by the Raleigh News & Observer concluded that "probably thousands" of billboards across the state are not on the tax rolls as required by law, and that others are grossly underpaying taxes. In checking twelve counties, the newspaper uncovered 341 billboards not listed on tax rolls in 1988. Even those listed were assessed at one-half of original construction cost -or one-half the value at which all other personal property is taxed.
- **Gainesville/Alachua County, Florida:** County commissioner Penny Wheat found that the biggest billboard company in the county paid only $1,414.63 in property taxes last year. Wheat counted 120 billboards belonging to this company and figured each was paying about $10 a year in taxes. On average in Alachua County, $25 in taxes are paid per every $1,000 in assessed value; Wheat extrapolated that the appraiser therefore was valuing the boards at around $800 each—or one-percent of the $40,000 plus sought by billboard companies in cash payments for removal of each of the same boards.
- **Houston** has delayed work on I-610 for several years because Texas has refused to buy a billboard in the way. One sign at Loop 610 and Old Katy Road is valued at $19,042 by the state but at $288,000 by the company that owns it. It is on the property tax rolls at $10,580.
- **San Francisco, California:** The San Francisco Examiner ran a front-page report on December 27, 1988 concluding that billboard companies in the city gross an average of $60,000 a year for each billboard but pay only about $19-26 in taxes.

In addition to underpaying property taxes, billboards are given other unfair tax advantages. Unlike motorists and truckers, the industry pays no road user taxes, tolls or fees to use publicly funded highways, from which billboards derive their value.

Today, the American taxpayer is in a triple jeopardy situation. First, taxpayers pay billions to build and landscape highways. This investment is then devalued by billboard companies that turn our roads into outdoor commercials. And finally the public is forced to pay to remove the billboards it never wanted.

Free guidelines for citizens wishing to check whether billboards pay their fair share of taxes in their communities are available from Scenic America. *SA*

TOP 10 ADVERTISERS ON BILLBOARDS - 1988

1. R. J. Reynolds[1]
2. Philip Morris[1]
3. Loew's Corporation[1]
4. Batus Industries[1]
5. American Brands[1]
6. Seagram Company[2]
7. McDonald's Corporation
8. Anheuser-Busch[2]
9. Grand Metropolitan[2]
10. Holiday Corporation

Notes: [1]Tobacco manufacturer; [2]alcoholic beverage manufacturer.
Source: Advertising Age, November 28, 1988.

"Beautification"

(*Continued from page 2*) cities big and small have passed their own sign control ordinances in the past decade.

But whatever happened to the Highway Beautification Act—Lady Bird's attempt to reduce billboard pollution? Tragically, the 1965 law has been gutted by the industry it was supposed to regulate and transformed into a Billboard Protection and Taxpayer Ripoff Act. Although the law called for removal of billboards along federally funded interstates and primary highways, billboard lobbyists obtained a clause saying that no billboards could be removed unless the companies were paid to remove them—with taxpayer dollars.

After getting other loopholes allowing new billboards to despoil rural roads, the industry next went after urban areas. In 1978 hardball lobbyists won an amendment requiring use of additional taxpayer money for signs removed along federal aid roads under local ordinances and zoning laws. As a result, cities cannot remove billboards on a number of their major streets and highways.

Just as toxic waste dumpers have tried to use poor Southern communities as dumping grounds for their wastes, billboard companies are using inner-city neighborhoods as dumping grounds for their pollution. This pollution consists of ads unwanted elsewhere because of both the message—smoke and drink—and the medium—unsightly billboards that lower neighborhood property values and discourage upscale businesses.

Nationwide, tobacco and alcohol form a third of all outdoor ads, but the percentage climbs to two-thirds or more in low-income and minority neighborhoods. The 1989 Surgeon General's report and billboard surveys in Atlanta; Detroit; St. Louis; Washington, D.C.; San Francisco; and New Orleans confirm that advertisers are targeting their marketing efforts at blacks and Hispanics.

(*"Beautification," continued on Page 11*)

. . . but Collect Millions in Unnecessary Cash Payments

The most anti-auto, counterproductive and constitutionally unnecessary provision of the Highway Beautification Act is the requirement that taxpayers pay billboard owners cash to remove nonconforming billboards.

Billboard companies argue that "just compensation" must be paid for any sign taken for public purposes. The courts, however, have long held that billboard regulation is not a taking of private property and does not violate the Fifth Amendment of the Constitution.

Courts say the government interest in billboard regulation is especially strong because billboards don't derive their value from the private land on which they stand but from the public roads they stand next to.

What's more, billboards are a form of movable personal property rather than real property. Personal property includes tools of the trade, like trucks, fences, computers and typewriters. Real property is non-movable assets like buildings and land.

The billboard industry argues that removing a sign is like towing away a house and that cash payment is due. Indeed, while many billboards are as big as houses, this analogy is false. Billboard regulation is really like telling someone who parks a dump truck in your front yard to move it. Taxpayers don't pay millions of dollars to move trucks or any other nonconforming land use, we shouldn't have to pay to move billboards.

Congress never intended to give the billboard industry the free ride it now enjoys. Until industry-sponsored amendments to the act passed in 1978, states and local governments were fairly compensating companies by "amortizing" signs. Amortization provides a justifiably extended grace period during which a billboard continues to generate income before its removal. During this time, billboard owners can earn additional hundreds of thousands in revenue from each illegal or nonconforming billboard.

The GAO estimated in 1985 that, without changing the 1978 "cash payment" requirement, taxpayers would be forced to pay billboard owners more than $420 million to remove existing nonconforming billboards. Today that amount could reach $1 billion. Ironically, despite such huge expenditures, hundreds of thousands of "conforming" billboards would continue to stand along our roadways and more billboards are going up every day. Isn't it time to treat the American taxpayer fairly and stop these unnecessary cash payments? *SA*

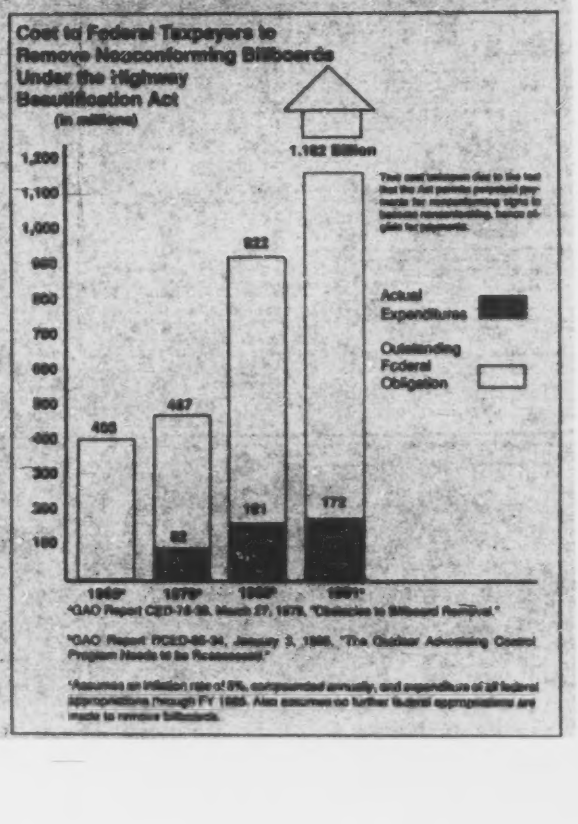
Industry

(Continued from page 6) Department of Transportation's Inspector General concluded that the policy had also hindered the removal program by giving thousands of nonconforming billboards new life; otherwise the signs would have been abandoned because they would have been obscured by vegetation growth. Even so, the HIWA has refused to change the policy.

Why the Billboard Industry Loves the Highway Beautification Act. From this brief discussion it should be painfully obvious why the billboard industry loves the Highway Beautification Act. The law has not achieved its stated objectives. It serves more to protect the billboard companies than to regulate them. The Highway Beautification Act is a regulated industry's dream: regulation that regulates the regulators and the public rather than the industry.

It is time to end this national disgrace, to rescue the Highway Beautification Act through effective enforcement and corrective legislation. The iconic beauty of this nation must be restored to the people who have paid for our highways, not destroyed by the billboard barons who exploit our roadways for their own selfish gains. *SA*

Charles F. Floyd is a professor in the Department of Real Estate and Urban Planning at the University of Georgia.



Highway Beautification Act Guidelines

The 1965 Highway Beautification Act passed to control billboards along our nation's highways has not accomplished its goals of preserving natural beauty and enhancing the recreational value of vehicular travel.

It has failed because it is riddled with loopholes which allow new, enormous billboards to go up almost anywhere. A review of Highway Beautification Act Regulations reveals why the current law is a totally ineffective tool for protecting the scenic integrity of our cities and countryside.

HBA REGULATIONS	Proposed in Federal Register January 28, 1966	Final guidelines
Maximum number of billboards/mile on:		
Interstate	6	42
Primary-rural	6	70
Primary-cities	6	212
Maximum size:		
Rural	300 sq. ft.	1200 sq. ft.
Urban	300 sq. ft.	3000 sq. ft.
Maximum height:	30 feet	no limit
Setback from right-of-way:	25 feet	none
Setback from local, state or national parks:	none	none
Setback from historic sites or districts:	none	none
Setback from schools or churches:	none	none
Prohibition of destruction of trees on public land near billboards:	none	none
Blocked out zone at exit:		
Rural	2,000 feet	500 feet
Urban	2,000 feet	none
Allowable square footage per mile on:		
Interstate	2,400	25,200
Primary-rural	2,400	42,000
Primary-cities	2,400	127,200

Source: Federal Register, January 28, 1966; Senate Document No. 6, 90th Congress, 1st Session; Highway Beautification Commission Hearings, 1974, pp. 413-419.

Viewpoint

(Continued from page 2) and figured that it had done whatever could be done. Other towns entered more important and more glamorous, and Washington-based environmentalists don't have billboards in their front yards. But people in many communities across the country do. In these communities billboards are the major environmental issue and a potent public health issue as well because of the pitchers of tobacco and alcohol ads.

Today, public interest in the forgotten our 'monumental law is mounting, as people witness the systematic destruction of our scenic heritage. They are angry that the law has been perverted into a billboard industry-welfare act. They find it incredulous that the Highway Beautification Act has become the only environmental law that requires taxpayers to pay the polluter to stop polluting. They are shocked when they see massive clearcutting of trees to clear the view in front of billboards.

They realize that even if we cleaned up our air and our water completely, much of our country would still not be worth living in because of what we have done to the land. Who can see "America the Beautiful" when it is hidden behind long rows of giant billboards and buried under acres of asphalt?

Scenic America was formed in the belief that environmental protection includes more than clean air and water. We are the only conservation group devoted exclusively to protecting the *visual and scenic quality* of our environment. We agree with John Muir that "people need beauty as well as bread." In fact, community appearance has proven so integral to the quality of life that many Chambers of Commerce have found that they lose bread when they lose beauty—an ugly community drives away businesses, tourists, and new residents.

Billboard control is an issue that can bring together businesspeople, environmentalists, and health and minority leaders. It is a bipartisan issue in Congress despite the support garnered in the past by the industry.

In the Blueprint for the Environment submitted to President Bush, the nation's major environmental organizations recently called for "reform of the Highway Beautification Act to help remove visual pollution and blight from America's scenic roadsides."

Lewis has taken a courageous stand to do just that, to give the forgotten environmental law a new life and a new leading role in environmentalism.

—EL

"Beautification"

(Continued from page 8) Although all tobacco and alcohol advertising has come under scrutiny, billboards are uniquely harmful. They are impossible to ignore—you can't turn the page or change the channel. You may see a magazine ad for cigarettes once, but if they saturate your neighborhood with billboards, you'll see the same ad 30 times a day, every day.

Children are a captive audience to billboards. Even before they can read, kids admire the bigger-than-life Marlboro cowboy. Unlike the print media, the billboard industry doesn't screen ads for readers under 18. They will put billboards virtually anywhere: next to homes, schools,, playgrounds, churches, hospitals, historic sites and cemeteries—even across the street from the Martin Luther King grave site in Atlanta.

The Highway Beautification Act has done little to stop this assault on our neighborhoods. It ties the hands of cities trying to clean up on their own. Therefore, I have introduced legislation to repeal loopholes and reform the Act. H.R. 3389 restores the power of states and communities to regulate billboards using their zoning authority and puts a moratorium on new billboards on federal highways. It's about time the Highway Beautification Act started beautifying America instead of polluting America. *SA*

WHAT YOU CAN DO TO HELP SAVE OUR SCENERY

- **JOIN SCENIC AMERICA:** If you are not a current member, now is the time to join. If you are, please send the largest contribution possible to help in the fight to protect the scenery and character of our cities and countryside.

- **WRITE YOUR ELECTED REPRESENTATIVES IN CONGRESS:** Each member is urged to ask his/her representative to cosponsor H.R. 3389, the Billboard Control Act of 1989 introduced by Rep. John Lewis.: Hon. (your Rep's name), House of Representatives, Washington, D.C. 20515; (202) 224-3121. Also write Chairman Norman Mineta to urge hearings on H.R. 3389: Hon. Norman Mineta, Chairman, Surface Transportation Subcommittee, B-376 Rayburn, U.S. House, Washington, D.C. 20515.

- **JOIN SCENIC AMERICA'S LEGISLATIVE ALERT PROGRAM:** To double the effectiveness of your letters, send copies to us and be listed on the network for timely alerts and local action. You can also request information on past voting records.

- **COORDINATE LOCAL EFFORTS** through Scenic America to document billboard industry practices in your area. Volunteer as a local coordinator and/or send us photographs. The publications below will help your community efforts.

Make a Statement Against Visual Pollution

with a Scenic America T-shirt (left) in adult and children's sizes; also available are "Billboard Blight" bumper stickers or "Litter-on-a-Stick" buttons.

ORDER FORM

Tear out this coupon and mail with check or money-order to Scenic America.

Enclosed is my tax-deductible contribution for:

____ $20 Individual Membership
(all memberships include one-year subscription to Sign Control News)
____ $35 Associate Membership
____ $60 Contributor
____ $50 State/Local Organization
____ $100 National Organization
____ Other contribution $ _____
(in addition to membership)
____ Please send me an extra copy of this special report ($1 each, reduced rate for bulk orders).
____ **Total Contribution**
____ Copies of letters to my legislators are enclosed. Please put me on your Legislative Alert Network.
____ Please send me a free Publications List.

Support Scenic America in the fight against visual pollution (indicate quantity and size where necessary):

____ Scenic America T-shirt: 100% pre-shrunk cotton, white on jade blue; individual shirts in adult sizes M, L, and XL $15 (2 for $25) and children's size 6-8 $10. These and other sizes available in bulk (12 or more) at $10 each.

____ Litter-on-a-Stick Button, $1 each
____ Billboard Blight Bumper Sticker, $2 each
____ Visual Pollution & Sign Control: A Legal Handbook on Billboard Control, $15
____ Set of factsheets, $5
____ **Total (please add $2.50 for Postage and Handling)**

Special Report: The Highway Beautification Act

HOW MANY BILLBOARDS ARE THERE IN AMERICA?

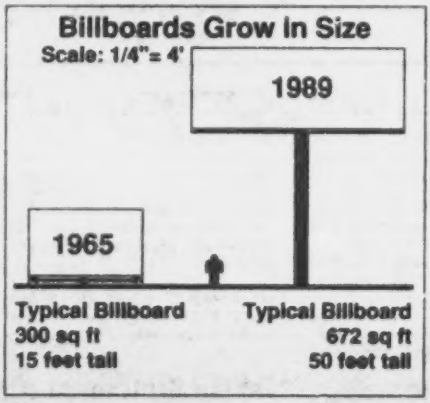
Billboards are bigger and taller than they were when the Highway Beautification Act was passed in 1965, but how many billboards are there in America? No one knows for sure because there has been no comprehensive national inventory since the 1960s.

H.R. 3389, the legislation to reform the 1965 law highlighted in this special report, calls for such an inventory while placing a moratorium on new billboard construction on federal highways.

In the September 15, 1989 Los Angeles Times, the billboard industry admits to 500,000 billboards today and claims that the HBA has more than cut the number in half from 1.2 million in 1965. The 1965 inventory included signs of every description along federal roads, while the industry's current estimate of 500,000 does not count the thousands and thousands of illegal billboards going up along our federal highways at a record pace. Nor does it include state, county, and city streets where there is an even more explosive growth of hundreds of thousands of billboards. Metropolitan Los Angeles billboards, for example, are estimated at 22,000 by those in the city.

Although it is true that many signs have come down because of the Act, a vast majority of those came down in the early years of the program. Removals of nonconforming billboards are at a virtual standstill since funds dried up in 1982—only 537 nonconforming billboards came down in 1987 according to the Federal Highway Administration (FHWA).

Both the General Accounting Office and the Department of Transportation inspector general's office have indicated that billboards are going up at least three times faster than they are coming down during the 1980s. They express great doubts about the reliability of the state data on which the FHWA bases its assessments of compliance with the Act.



The Inspector General's office says, "The Outdoor Advertising Control program has been ineffective in improving highway beautification as the number of signs located adjacent to the nation's highways continues to increase"—with boards going up 2 to 4 times faster than they are coming down in some states.

The GAO reported that in 1983 nationwide taxpayers paid to remove 2,235 billboards that were "nonconforming" ads built before enactment of the 1965 Act, while 13,522 new conforming billboards went up in the same year—6 times more.

The FHWA keeps billboard statistics only on illegal signs and nonconforming signs, but not on the hundreds of thousands of so-called conforming billboards, new and old, along our federal aid highways or the hundreds of thousands of billboards along city streets and state highways.

You can count apples and oranges many different ways, but no one knows the exact number of billboards. H.R. 3389 is a start at finding out through a good federal inventory. SA

SCENIC AMERICA
Sign Control News
216 7th Street, S.E.
Washington, D.C. 20003

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WASHINGTON, D.C.
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Mr. McMahon. And also in response to your question, Mr. Lewis, we also believe in free choice. We think that if the voters in a community choose freely to eliminate billboards, then the Federal Government shouldn't prevent them from doing that, and that's happening all over the country.

Mr. Lewis. In a democratic society, do you think people have the right to pollute and harm others?

Mr. McMahon. I don't think we have a right to pollute. I think we have a right to be free of intrusive advertising, and I think we also have a right to privacy, a fundamental right to be left alone. You can't play a boom box on the Metro. Why should you be forced to look at a billboard if you don't want to?

Once again, people are voting all over this country to remove billboards. That's an exercise of their choice. Voters in Jacksonville, Florida, in a voter referendum, voted to tear down every billboard in the city, but then they can't do it because the Federal Government won't let them do that. That's the denial of their free choice.

Mr. Lewis. I noticed just a few days ago, reading the New York Times, that in Harlem apparently people felt—and the city of New York—that people were not moving fast enough to control the proliferation of billboards, and a group of religious leaders, a group of ministers, took to the streets on a Sunday morning and tried to take some action.

Is there a growing movement in America to control the proliferation of billboards?

Mr. McMahon. Well, there is certainly a growing movement to control the proliferation of billboards. One of the witnesses talked about 500 cities in the last three years. There is also growing frustration with the failure to control billboards, and I think that what happened in New York and what is happening in Chicago and Philadelphia, where people are actually taking direct action against billboards, whitewashing them, painting them over, chainsawing them, is an example. We are certainly not advocating this, but it is an example of how frustrated people are.

Mr. Lewis. Dr. Floyd, it's good to see you here from the University of Georgia. Good to see you again.

Attorney Merritt, I really appreciate all of the assistance and all of the support that the Trust has been in trying to protect the historic landmarks in my own district, trying to prevent the Presidential Parkway from being built. We appreciate all of that support.

Dr. Floyd, since you are a Professor of Real Estate at the University of Georgia, how is the value of a billboard determined for tax purposes?

Mr. Floyd. Congressman, that varies, but first I would like to say that it certainly pleases me as a southerner to see another southerner interested in trying to do something about this problem. For so long we in the south felt like we had to do anything and everything and allow ourselves to be ravaged in any way in order to promote economic development. We have finally learned, I think, that ugly is not good business, that that's not real economic development. We are learning that it is quality communities that are able to have economic growth, not those that are junked up.

The question about valuation of billboards is a rather complicated one. It really shouldn't be, I suppose. If we go to property taxes, we find that billboards are taxed at very, very low rates. Let me give you an example.

In North Carolina last year, after the Raleigh News and Observer did a series of articles showing that many billboards were not taxed at all or taxed at extremely low rates for property taxes, the State Revenue Department put out a cost schedule for billboards, for valuation. Billboard company property taxes went up anywhere from 400 to 800 percent in North Carolina counties when they were valued on a simple cost schedule.

Now, one thing that is interesting about the Highway Beautification Act is—well, one thing I remember Senator Muskie was asked was what would be the compensation. He said, "Well, it would only be the unamortized portion of the sign." Of course, 25 years later—particularly since billboard companies are allowed to depreciate their signs over—I think now it is eight years, but it has been as short a period as five years, I believe, during the 1980s—since these billboards were depreciated way down, you would think now they would kind of be gone. Or that if you were paying compensation, that you would pay compensation based on the original cost. That's not the case. If we're paying compensation, we're paying it on what the costs would be today. So you might have a billboard that cost $1,000 back in 1960, say, and now we're saying, well, you've got to pay $10,000, $15,000 for it. But even that isn't enough. The billboard companies are coming in and saying, "No, you're not supposed to pay us for the value of our sign. We also want to be compensated for the value of our business." In other words, all the revenue that that sign is producing.

In one of the really ironic cases that I read about recently, in Minnesota where the State courts have said that if the Highway Department acquired land and there was a billboard on it, all they were required to pay the billboard company were moving expenses because it was personal property. But the court said when the signs were removed under the Highway Beautification Act, because of the language in that act, not only was the company entitled to the value of its sign in replacement costs, but also lost income.

So here we have, again, this act which meant that in that case, Minnesota had to pay far, far in excess of what the original cost of the signs was, and even far, far in excess—I think it was like three times—the value, the actual value of the signs today. And that doesn't make sense to me.

Mr. MINETA. Will my colleague yield?

Mr. LEWIS. Yes, Mr. Chairman.

Mr. MINETA. Dr. Floyd, I'm just wondering—if compensation, however it may be determined, is to the fair market value, why wouldn't that be taken into consideration?

Mr. FLOYD. Well, Congressman, I think——

Mr. MINETA. I'm not a lawyer, but it just seems to me—I mean, if you have an automobile accident and the other person is at fault, they are to compensate you. But if you earned x number of dollars a month, shouldn't you be compensated for that if you're going to be losing that potential income because you are now hospitalized or laid up or permanently disabled?

Mr. FLOYD. Congressman, I believe a better analogy would be if somebody hit your car, say, destroyed your car, and you were using it for business. You wouldn't be compensated on the basis of, "Oh, this car will earn me a certain amount of money over the year." They pay you for a new car and you go out and buy one.

Mr. MINETA. For the car, but what about for you?

Mr. FLOYD. Sir, I don't believe that that analogy really holds for billboards. In eminent domain proceedings—and I'm not an attorney either, but I have worked with a number of the States on the valuation of billboards—when you are acquiring property, we're not talking about a similar situation to that. And the business—we're not taking the business, and most States don't compensate for business loss, potential business loss, in eminent domain proceedings.

Of course, the point is, I would contend, that in appraisal there is something called the "principle of substitution," that nothing is worth more than what it costs to replace it. And if you get replacement cost for a billboard, you can put it up somewhere else and get a similar income stream. So it's not income that is lost forever. It is income that you can replace.

Similarly, if you used an automobile in your business and it was destroyed or in some way the Government took it, if they gave you funds for another one, you could then use it in your business. And to me, that's the correct analogy.

Mr. MINETA. I thank my colleague.

Mr. LEWIS. Thank you, Mr. Chairman. I don't have another question. I yield back my time, Mr. Chairman.

Mr. MINETA. Very well.

To all of you who have stayed until this very late hour, thank you very, very much for your testimony here today.

[Ms. Pavley's prepared statement appears on page 922.]

[Mr. McMahon's prepared statement appears on page 898.]

[Mr. Floyd's prepared statement appears on page 866.]

[Mr. Barkley's prepared statement appears on page 726.]

[Mrs. Driscoll's prepared statement appears on page 846.]

[Ms. Merritt's prepared statement appears on page 908.]

Mr. MINETA. Let's see. The committee will reconvene on March 20, at 10:00 a.m. in room 2167, this very room.

Again, thank you very much. The subcommittee stands adjourned.

[Whereupon, at 9:35 a.m., the subcommittee was adjourned, to reconvene on Tuesday, March 20, 1990, at 10:00 a.m.]

PREPARED STATEMENTS OF WITNESSES

THE AMERICAN INSTITUTE OF ARCHITECTS

STATEMENT OF

PAUL H. BARKLEY, AIA

ON BEHALF OF THE

AMERICAN INSTITUTE OF ARCHITECTS

- BEFORE THE

U.S. HOUSE OF REPRESENTATIVES

SUBCOMMITTEE ON SURFACE TRANSPORTATION

OF THE

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

MARCH 15, 1990

Mr. Chairman, and members of the Subcommittee, my name is Paul Barkley of Barkley Pierce Architects, an architectural firm in Falls Church, Virginia. I am a former member of the American Institute of Architects' Board of Directors and a past President of the Virginia Society of Architects. The AIA is the professional association representing the nation's architects. The AIA has 56,000 members and this year celebrates its 133rd anniversary. We appreciate the opportunity to offer our views in support of Rep. John Lewis' bill, H.R. 3389, to reform the Highway Beautification Act.

INTRODUCTION

The Highway Beautification Act is a failure. It has been captured by the very industry whose excess it was designed to curb. It desperately needs reform, and H.R. 3389 will accomplish it. We hope that the Subcommittee will incorporate this bill into the legislation you will craft to reauthorize the post-interstate surface transportation program.

The AIA supported the original Highway Beautification Act. We are deeply involved in our communities in shaping sign ordinance. Architects care about the control of signage because billboard clutter create damages the environment, undermines sound urban planning, detracts from good architecture, and hurts business. Any community bent on improving its image as a good place to live, work, and do business begins by cleaning up its signage. Signage well integrated into our urban settings and compatible with the landscape can be a public asset. Uncontrolled signage is blight and,ironically, not very useful to the advertisers who want their messages noticed.

I can speak not only as an architect but also as a past President of the Falls Church Chamber of Commerce and as a former Chairman of the Falls Church Business Development Commission.

The AIA sponsors design assistance to localities at their request through a program called R/UDAT - Regional Urban Design Assistance Teams. We have helped over 100 communities determine design solutions for neighborhoods, historic districts, downtown commercial areas and other community locations which have special urban design needs. A facet of the planning for these places has been the issue of sign control. Through our experiences in urban design and planning in everyday practice and through the R/UDAT's the AIA and its members have gained valuable insight into how signage should work in our cities and towns.

The AIA appreciates the role of signage in our everyday lives. But for the public good, controls over sign placement, size, configuration and other features are necessary to balance the public's need for information with other equally important values. That's the principle behind the current federal law. Unfortunately, the current law destroys this balance, weighing the scales heavily toward the interests of the billboard industry. The Act is today a public policy outrage and the loudest voice in favor of it belongs to the billboard industry.

The Act encourages sign construction along federal highways. It shoves aside localities' traditional authority to regulate signage through zoning powers. It frustrates good community planning and design. It allows the sacrifice of

publicly paid for trees and shrubs to billboard visibility. It blocks the removal of signs that are supposed to come down. In short, the Act operates just as the billboard industry hopes it would.

AMORTIZATION VS. CASH COMPENSATION

As a result of a 1978 amendment, the current law requires that cash be paid to an owner to compensate for the removal of a non-conforming sign. A non-conforming sign is one that was legal when constructed, but is no longer legal due to a subsequent change in local, state, or federal law. The Act itself rendered thousands of signs non-conforming. Today the Federal Highway Administration estimates that as many as 100,000 non-conforming signs remain standing. There could be many more.

The cash compensation requirement is deceptive because it appears so reasonable. In fact, it is a cynical, unjustifiable barrier to sign removal. It relies on the inability of governments at all levels to divert scarce budget dollars to sign removal. Should a sign's removal be so necessary that a state or locality will come up with the cash payment, the owner can take advantage of loopholes in the law to erect another sign just down the road from where the first sign over stood. The federal government has refused to appropriate any funds for sign removal since 1983.

By requiring cost compensation for removals, the Act gives special treatment to the billboard industry by denying state and localities their ability to use the traditional means of getting rid of non-conforming uses - amortization. Through amortization, a use is allowed to remain standing for a certain period of time usually five to seven years - during which the revenue it receives

adequately compensate the owner for any economic loss. Amortization as a method of compensation has been tested repeatedly in state courts, including the California Supreme Court, and in federal courts, and repeatedly affirmed. According to the Federal Highway Administration, 385 non-conforming signs were removed in FY1989. At this rate, it would take over 200 years to remove just today's non-conforming signs. They'll sooner fall down from old age.

The AIA believes owners should be compensated for the removal of non-conforming signs. The Act, however, requires no compensation for a sign erected illegally, a provision we feel is reasonable. The issue is what kind of compensation for non-conforming signs is fair and accomplishes the purpose of sign removal. Amortization works; cash compensation does not. H.R. 3389, repeals the cost compensation requirement, returning to states and localities their authority to determine how to get rid of non-conforming signs. It would allow existing non-conforming signs to remain standing for five years. During this time, these signs would take in sufficient revenues to compensate owners for their loss. Owners would be compensated, but through the use of their billboards, not through the public treasury.

MORATORIUM ON NEW SIGNS

The number of signs along federal highways has grown alarmingly - three times faster than they are coming down according to both the General Accounting Office (GAO) and the Department of Transportation. That's because the law encourages signage, particularly through the "unzoned commercial and industrial areas" loophole. Although signs are not permitted along areas zoned for residential or farm land purposes, zoned and unzoned to be commercial or industrial places can legally draw new signage. A 1985 GAO report documented how unzoned areas are established, with billboard companies planting gas pumps in cornfields and writing "district headquarters" on the side of sheds.

A major problem is that billboards seem to go up just about anyplace -- around historic places, outside churches and schools, at dangerous curves in the roadway, and overlooking many minority urban neighborhoods where their messages for alcohol and tobacco are especially targeted.

As the number of signs has grown, so has their size. The average sign in 1963 was 15 feet tall and 300 square feet. Now they rise an average of 50 feet and block the landscape with 672 square feet of space, about the dimensions of a two-bedroom apartment.

H.R. 3389 would bring a halt to this nonsense by placing a moratorium on all new off-premises billboard construction along federal highways. State or local signs would remain unaffected, as would state logo signs, state sponsored business identification signs, historic signs, and all signs on the premises of a business. The idea of a moratorium will no doubt produce an outcry from the billboard industry, posing as the champion of small business. The claim is that billboards are essential economic tools, pointing motorists toward necessary businesses and services. This would be a powerful argument if it were true. It's not. The fact is that more than 85% of all billboards promote a product and almost half push alcohol and tobacco. Advertising Age has stated that in 1988, eight of the ten largest billboard advertisers were either alcohol beverage or tobacco companies.

A moratorium is not a radical proposal. The Republican Senate approved one when it passed tough highway sign controls in 1986. Ugliness does not aid a local economy or help business. That's why many places dependent on tourism

have banned billboards entirely or imposed moratoria, including Virginia Beach, Virginia, Lake Tahoe, California, Hilton Head, South Carolina, Hawaii, Maine, and Vermont. Since 1985, more than 500 cities and counties have toughened their sign controls, and in places where billboards have sprouted like weeds such as Houston and Philadelphia, the business community is in the forefront of the sign control fight. My own community of Falls Church brought down its last billboard years ago. We are an attractive community and our economy is strong.

TREECUTTING

One of the most tragic failures of the current act is that it elevates billboard visibility above trees and other roadside vegetation. The Act does nothing to curb the widespread practice that permits billboard companies to go onto public right of way, often with state permits, to cut down trees and other publicly paid for landscaping so that their signs can be more easily seen. Twenty-one States currently permit this abuse of our natural environment and the taxpayers' money. In Louisiana, the GAO documented that "thousands of trees have been destroyed." Between 1974 and 1984, just along Interstate 75 in Michigan from Flint to Saginaw, 1200 trees were cut down in front of billboards. H.R. 3389 would stop this abuse.

ANNUAL INVENTORY

An accurate count of signs along the federal highway system is a valuable public policy tool. It would provide the federal government with data to measure the effectiveness of sign controls. All parties to the sign control debate acknowledge that the current data is inadequate. H.R. 3389 would provide an annual survey.

Mr. Chairman, this concludes my testimony. I'll be happy to answer any questions you may have.

BOB BARTLETT

Statement
Of The
Construction Industry Materials and
Services Suppliers Coalition
To The
Subcommittee on Surface Transportation
Of The
U. S. House of Representatives
On The
Reauthorization of the Post-Interstate
Surface Transportation Programs

Mr. Chairman and members of the Subcommittee I am Bob Bartlett, President of the National Stone Association, and immediate past Chairman of the Construction Industry Materials and Services Suppliers Coalition. This coalition, commonly referred to by its acronym, "CIMSSC," is composed of national associations representing firms that provide the materials, goods and services that are used in the construction of our national infrastructure. These include firms that provide: coal ash, concrete pipe, ready-mixed concrete, engineering services, construction equipment, asphalt, sand and gravel, corrugated steel pipe, lime, crushed stone, portland cement and producers of welded wire fabric, wire reinforcement of concrete and other construction materials. CIMSSC is a coalition of suppliers of construction materials and services ranging in size from small, family-owned businesses to large publicly-held, corporations representing more than 700,000 employees nationwide with operations in every part of the country. Our perspective on the reauthorization of the federal surface transportation programs is somewhat unique and we are pleased at the opportunity to present our views.

The members of CIMSSC are excellent examples of basic industries which have evolved through difficult times to provide the raw materials and engineering service needs of our

nation's infrastructure replacement and rehabilitation. Our firms are keenly aware of our nation's total reliance on a sound infrastructure and we commend the subcommittee for initiating the reauthorization process at this time in order to allow for a full airing of views and the building of a true and unfettered consensus on this important issue. We are cognizant of the value of our transportation system because we know we cannot do without it; we are equally aware of the significant undertaking of this subcommittee because the federal highway program is at a very important junction. We hope our testimony proves useful and we will be glad to work with you and the members of the subcommittee in the coming months.

The users of the federal highway system are entitled to roads and bridges that are safe, durable and cost effective. As suppliers to the construction industry, we are at the beginning of the infrastructure "supply chain." Therefore, we feel a special responsibility to point out that in reauthorizing the Federal-aid Highway program we should look not only at providing adequate funding, but at getting the top value for the public's investment in the system.

We are concerned about the erosion of America's competitive edge due to the deterioration of our transportation modes. It has been said, "the economy of this nation becomes stagnant unless someone, somewhere, sells something." While that may be deemed a truism from basic course in economics it is nonetheless self-evident that nothing can be sold unless it is first manufactured. The accumulation of raw materials for that manufacturing process and the shipment of products to markets demand an efficient surface transportation network. Simply put, our economy is only as good as our collective ability to move factors of production to our nation's plants and facilities and finished goods to the marketplace. For this we need a sound infrastructure, including serviceable roads and bridges.

According to The Road Information Program (TRIP), there are areas of the country where delivery costs for both goods and services have increased by 25 percent because key roads and bridges have been closed in recent years due to deferred maintenance or

construction. The cost of truck runs increase from 10 to more than 100 percent due to roads that are unable to handle the loads and weight limitations on bridges that are in disrepair. This leads to additional costs related to capacity which affect the workers downstream at factories, distribution points and offices whose jobs cannot be completed on time when a delivery is stalled in traffic.

National Competitiveness

When it comes to defining the relationship between advances in highway transportation and economic growth and improved standards of living, Thomas McDonald, who headed the Bureau of Public Roads from 1919 to 1953, could have been speaking on behalf of CIMSSC members some years ago when he said: "We were not a wealthy nation when we began improving our highways . . . but the roads themselves helped us create a new wealth, in business and industry and land values . . . so it is not our wealth that made our highways possible. Rather it was our highways that made wealth possible."

Members of the Construction Industry Materials and Services Suppliers Coalition are living proof of McDonald's foresight:

- CIMSSC members produce the building blocks of the country's public works, including highways; and

- CIMSSC members are also uniquely dependent on the capability of highways -- consisting of these building blocks -- to deliver these very building blocks to points where they are needed to build new highways.

Today, unfortunately, CIMSSC members are in the precarious position of having to deliver their vital building blocks on decaying highways -- to rebuild those same decaying highways!

It is of some consolation to CIMSSC members that 327 leading economists, under the auspices of the Economic Policy Institute, recently warned Congress that:

> (I)f America is to succeed in an increasingly competitive world . . . We must fix our bridges and airports . . . The future will not wait . . . Each year of delay means . . . more deterioration in our roads, bridges, and airports. It means falling behind another step in the race for the technologies that will support tomorrow's higher incomes . . . We urge you to raise the monies needed to regain America's competitive edge -- before it is too late.

In testimony before the Joint Economic Committee earlier this year, renowned economist James Tobin of Yale University addressed America's "third deficit" -- the infrastructure crisis. The economist stated his support for additional investment in public infrastructure and the user-fee principle. Tobin urged: "substantial additional resources for public infrastructure investments, which should, as is often possible, identify and charge the users and beneficiaries . . . For example, trucks should pay for the wear and tear they cause to highways."

Another witness at the July 19, 1989, hearing -- Merrill Lynch Chief Economist Donald Straszheim pointed to America's disinvestment in its essential infrastructure, stating:

> Infrastructure spending seems to be regarded as substantially discretionary, at least in the short run. Therefore, when public sector budgets are tight, infrastructure spending is sacrificed. At best we paint over the rust and patch the pot holes -- the cheaper, short run solution. Only as a last resort -- and often when it is far more costly -- do we tear down, build from scratch and resurface the roadway.

A 1987 study by economist David A. Aschauer of the Federal Reserve Bank of Chicago tells us that the expenditure of monies called for by the 327 concerned economists will -- by

lowering the costs of private business and thus raising its rate of return -- actually stimulate four to seven times as much private investment. Specifically, he pointed out that:

> A root cause for the decline of the competitiveness of the United States in the international economy may be found in the low rate at which our country has chosen to add to its stock of highways . . . which aid in the production and distribution of goods and services . . . We as a country should be vitally concerned with the viability of our economic lifelines that enable us to meet the challenge of an increasingly competitive world marketplace.

At the public policy level, the General Accounting Office's recent report, New Directions for the Nation's Public Works, supports these private views ". . . increases in personal and business income . . . become available, as a result of highway projects, for financing investment and consumption purchases generally. The lower costs of transportation may also open up new business opportunities."

In the long-run, it all comes back to the origin of America's highway system as an economic device -- to get the farmer out of the mud and to move goods efficiently to the ultimate consumer.

Federal-Aid Highway Program Funding Requirements

We are well aware of the argument that our federal budget deficit requires cutbacks in federal transportation assistance. It is a national disgrace, however, that 42 percent of our bridges are classified as structurally deficient or functionally obsolete by the Federal Highway Administration and 60 percent of our roads are rated substandard. We believe that Congress must provide for a surface transportation system that will restore America's ability to regain its economic status.

We are firmly convinced that the users of our transportation system are willing to accept higher user-fees in return for an adequate system that will enable us to be fully competitive in the world market. In fact, at the 1989 Annual Meeting of the U.S. Chamber of Commerce, more than 80 percent of the participants stated they would support higher user-fees if they were earmarked for transportation improvement.

Highway Trust Fund Should Be Used for Its Intended Purpose

CIMSSC believes that the Highway Trust Fund should be made permanent and the excise taxes which accrue to it be used only for highway and bridge construction and improvement.

The basic objectives of the Federal-Aid Highway program, set out in 1956, were to provide users of the system with access to trade and travel opportunities. For the most part, this has been accomplished through the development of the Interstate, Primary, Secondary and Urban systems and other programs that foster highway safety, bridge improvements, and research and development.

In reviewing these achievements, we asked the question, "Is the system functional?" Congress envisioned that the Interstate System would be completed in 1991, and anticipated no further funding for additional construction beyond that year. Yet studies by both private and governmental agencies show that segments of the Interstate and Primary Systems have reached the end of their design life and must be replaced. Urban congestion, deteriorating and inadequate bridges, and the need for additional capacity in both urban and rural areas warrant continued federal support of our nation's highway and bridge network.

We also asked the question, "Is the system adequate?" Additional capacity for the Interstate System is well-grounded in statistics showing a projected increase in vehicle mileage

of at least 20 percent over the next decade. Incorporating portions of the Primary System into the Interstate system, in order to better serve rural and suburban areas, requires that roads be brought up to Interstate standards. Urban congestion is a nightmare.

Construction of new urban highways may be the only practical solution to this congestion because of difficulties in determining alternative strategies to reduce it. In examining the rural system, we find that the farmer needs increased highway planning and investment in order to share in America's economic growth.

Making the system functional and making the system adequate will require a guaranteed source of funding such as that provided by the Highway Trust Fund to do the job. Moreover, we can no longer tolerate the threat to public safety created by substandard roads and bridges.

We believe this account in the Highway Trust Fund should be drawn down to the extent permitted by law to meet demonstrated needs and protect public safety. Although this will not take the place of additional revenue needs, it would be an important first step in ensuring that these improvements will be made. Unfortunately, there is currently an unexpended $10.248 billion balance of dedicated user fees in the highway account of the Highway Trust Fund being held hostage. This continuing buildup is difficult to justify given that AASHTO recently recommended that a minimum $18 billion to $26 billion in annual funding level should be authorized over the life of the next highway bill.

Unrelated Economic Constraints Should Be Abolished

The maintenance and completion of our nation's highway infrastructure should remain a top priority. Yet, highway construction is held hostage by highly charged political issues such as air quality, speed limits and minimum drinking age that have no logical link to the Federal-aid Highway Program. Rather than tying unrelated economic sanctions to highway

construction, infrastructure should be treated as a central necessity to our economic survival. Moreover, artificial limits on spending authority should not impede authorized program levels.

Finally, we believe the current six-cent-per-gallon federal excise tax exemption for "gasohol" fuels should be eliminated. According to the Federal Highway Administration, this tax exemption costs the Highway Trust Fund more than $500 million annually, even though vehicles powered by alternative fuels inflict the same damage on roadways as vehicles using gasoline. In light of legislative proposals that would mandate the use of alternative fuels in certain areas, it is essential that this tax subsidy be repealed now in order to avoid a further drain on infrastructure funding.

Optimizing The Use Of Highway User Fees

The application of least cost (life cycle) analysis to highway projects has increased dramatically in the last five years. Local and state governments have increasingly included some type of analysis in their material selection process.

The importance of considering the future of a facility during the design and construction phase has been made clear by the multitude of problems many agencies are facing as our infrastructure wears out. In many instances, engineers and local officials are having to repair and replace integral sections of infrastructure that have experienced premature deterioration.

The transition from making decisions based on the first cost of a project to a more complex award process that involves prediction of interest and inflation rates for years into the future requires a major adjustment in philosophy of an awarding agency.

In fact, in September 1986, Chapter III of the NCPWI report entitled The Nation's Public Works: Defining The Issues promoted life cycle management techniques. Also the

Transportation Research Board, in its special study of innovative practices, has endorsed the concepts of life cycle cost analysis.

Innovative Technology

The use of innovative technology in the design and construction of public facilities should be fully examined by FHWA as a means to improve and extend the life of our system of highways. We might add that innovations can be found in vehicle configuration that makes them more suitable for the highways as well as in materials and construction techniques. We have heard of such developments as "smart" cars and traffic management systems that may affect our future highway transportation systems and also of exotic materials that will alter the way our road systems are constructed.

Mr. Chairman, we not only need to provide increased levels of funding for the highway program, but we must also make sure that we provide the traveling public and transporters of goods the most efficient and durable roads and bridges that existing technology can provide. In specific terms, we need to make sure that appropriate incentives are incorporated into the next highway bill so as to promote more innovation in design, new or better materials and research.

In summary, the maintenance and expansion of a healthy surface transportation system sustains and produces new jobs throughout the country. Your debate and final decision about our transportation network is critical to the future of our entire U.S. economy.

On behalf of the CIMSSC membership, I wish to thank you for this opportunity to present our views. I will be glad to answer any questions that the members of this Subcommittee may have.

AMERICAN COAL ASH ASSOCIATION
AMERICAN CONCRETE PIPE ASSOCIATION
AMERICAN CONSULTING ENGINEERS COUNCIL
THE ASPHALT INSTITUTE
ASSOCIATED EQUIPMENT DISTRIBUTORS
NATIONAL AGGREGATES ASSOCIATION
NATIONAL ASPHALT PAVEMENT ASSOCIATION
NATIONAL CORRUGATED STEEL ASSOCIATION
NATIONAL LIME ASSOCIATION
NATIONAL SLAG ASSOCIATION
NATIONAL STONE ASSOCIATION
PORTLAND CEMENT ASSOCIATION
U.S. CHAMBER OF COMMERCE
WIRE REINFORCEMENT INSTITUTE

Executive Summary

- America's competitive edge is being eroded because of the deterioration of our transportation systems. It is essential to make a commitment for adequate investment in highways and bridges in order to keep the U.S. economy on track.

- As economists have pointed out, our public infrastructure represents America's "third deficit." The longer that needed improvements are postponed, the more costly it will be in the long run.

- The mounting capital improvements necessary to sustain our surface transportation system are well-documented in reports by the Federal Highway Administration, the National Council on Public Works Improvement, the American Association of State Highway and Transportation Officials and other prestigious groups. Forty-two percent of America's bridges are classified as deficient or obsolete, while 60 percent of our roads are rated substandard. We endorse AASHTO's recommendation that the annual federal highway program funding level be gradually increased to $18 billion and $26 billion over the life of the next highway bill.

- The enormous, $10.248 billion cash balance in the Highway Trust Fund's highway account should be drawn down, with the collected user-fees spent for their intended purpose: highway and bridge improvements and construction.

- Unrelated economic constraints -- highway funding sanctions, the six-cent-per-gallon gasohol exemption, and artificial spending caps on highway program authorizations -- should be abolished.

- Optimum use of highway user fees should be emphasized, such as the application of life cycle cost analysis, which has been endorsed by groups including the NCPWI and the Transportation Research Board.

SUMMARY STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION
THE SUBCOMMITTEE ON SURFACE TRANSPORTATION
TO THE U.S. HOUSE OF REPRESENTATIVES
PUBLIC WORKS AND TRANSPORTATION COMMITTEE
REGARDING REAUTHORIZATION OF THE POST-INTERSTATE SURFACE
TRANSPORTATION PROGRAM

Presented by George L. Berg, Jr.
Assistant Director, National Affairs Division
American Farm Bureau Federation

My name is George Berg and I am an Assistant Director of the National Affairs Division of the American Farm Bureau Federation. Farm Bureau is the world's largest farm organization representing over 3.8 million member families throughout 50 states and Puerto Rico. We appreciate the opportunity to present our views on surface transportation programs which will be expiring at the end of fiscal year 1991.

In my full statement to the Committee, I have listed a number of highway transportation policies which were approved by our voting delegates at our annual meeting this past January. One of the policy positions I mentioned states that for the purpose of maintaining primary and secondary roads, we support allowing more flexibility in the use of federal highway construction funds at the state level when a state has completed 90 percent of its Interstate highway system responsibility. Hopefully, this would earmark more funds that are desperately needed for the secondary highway and bridge program.

The secondary road system is in the poorest condition of all federal-aid highway systems. Given its extent (401,000 miles) and its relatively high usage, it is not surprising that the secondary system has been unable to keep abreast of the other systems, particularly when other more heavily used roads are competing for scarce funds. According to the Federal Highway Administration, almost 40 percent of the secondary paved mileage either requires, or will shortly require, major capital improvements.

The agriculture industry depends on local road and bridge transportation. All highway studies have acknowledged the poor condition of local roads and bridges, but they have usually failed to recognize their economic importance to every citizen in the state. They are essential to agriculture, forestry, rural tourism, rural industries, rural living, essential services and general state economic development. Rural roads and bridges are indeed, a vital link to agricultural prosperity.

The supplies and equipment that our farmers use in producing their crops are all hauled by truck or by rail to the rural locations where they are used. After the crops are harvested, all modes of transportation (truck, railroad, barge and ocean vessel) are utilized to move the commodities to the people who want and need them. Modern agriculture also requires the use of heavy equipment and machinery which must travel on rural roads and bridges. Other industries have similar needs, but in agriculture any disruption of the transportation system is more certainly reflected in the prices that our farmers receive for their commodities.

Farmers also recognize that we have a substantial bridge problem in the United States. Bridges help maintain the vital transportation services that are necessary for agriculture and rural development. Bridges allow vehicles to move with ease across this country. They allow cities to function and make truck transportation feasible. They permit farmers to move modern equipment to their fields and transport their products from the field to the marketplace.

We in agriculture are proud of the fact that we have the most productive and most efficient system of agricultural production to be found anywhere. We are reminded, however, that all of that production on our farms and ranches is of little value if we are unable to move it to market in a timely, economical and efficient manner. Agriculture is unique from many other industries due to its low density population, geographic features and highway patterns. The sudden loss of a bridge on a primary or secondary road would have a serious impact on farm economy and rural communities in general. A section of highway can be poor but still serviceable, the loss of a bridge can cause long-term disruption to the transportation of agricultural commodities. This is why we believe that providing adequate highways and bridge facilities is a proper role of government at all levels.

In summary, Mr. Chairman, we hope that the reauthorization of the post interstate surface transportation program will recognize that millions of Americans living on farms, ranches and in rural communities must have access to major highways. Rural roads are essential to the safe, efficient and economical transportation of food products from farms and ranches to consumers everywhere. In view of the fact that the interstate highway system is nearing completion and the secondary road system has been neglected for many years, we believe it's time Congress recognized the importance of these farm-to-market roads and bridges and authorize a realistic increase in this category of roads. In reauthorizing funds for the rural secondary highway system, Farm Bureau recommends $4 billion annually.

The basic dilemma that confronts the bridge situation is how to replace or rehabilitate as many bridges as possible with the limited funds available. The General Accounting Office found that costs to replace a given bridge can vary by thousands of dollars, depending on which state the bridge is in, who is paying for its replacement and who makes the decisions on its design and construction. Some of these cost differences are due to varying climate, terrain and methodology. Different policies at the local, state and federal levels are also major factors. In rural American, we feel that the timber bridge program promoted by the USDA office of Transportation provides an effective low-cost method of replacing many rural bridges. Because bridges are vital to all road systems, Farm Bureau recommends $4 billion annually, which we also believe is realistic.

Again, we thank you and the members of the Subcommittee for the opportunity to present our views on the reauthorization of the Federal-aid Highway Program.

STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION
THE SUBCOMMITTEE ON SURFACE TRANSPORTATION
TO THE U.S. HOUSE OF REPRESENTATIVES
PUBLIC WORKS AND TRANSPORTATION COMMITTEE
REGARDING REAUTHORIZATION OF THE POST-INTERSTATE SURFACE
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March 15, 1990

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The highway and transportation policy approved by our voting delegates at our annual meeting this past January made the following recommendations in regard to surface transportation programs:

Farm Bureau supports the development of a sound, long-range national transportation policy encompassing all modes of transportation to guide the development of the most economical and energy-efficient methods of meeting the transportation needs of the future.

The Federal Highway Trust Fund should be maintained as now constituted and no diversion of these highway funds to non-highway-related purposes should be permitted. We oppose increasing highway fuel taxes for deficit reduction purposes. We also favor removing the Highway Trust Fund from the unified federal budget.

Farm Bureau supports funding for the so-called 4-R Act (resurfacing, rehabilitation, repair and reconstruction) dealing with interstate highways since many of these highways have passed their design life span. We also oppose toll road construction where federal funds are involved.

We oppose action by Congress or the Department of Transportation to impose sanctions or to withhold user taxes or any other federal funds from any state in an attempt to force or coerce states to enact particular laws.

We support a comprehensive highway safety program to reduce traffic fatalities, injuries and the destruction of property.

Finally, Mr. Chairman, our policy states that for the purpose of maintaining primary and secondary roads, we support allowing more flexibility in the use of federal highway construction funds at the state level when a state has completed 90 percent of its interstate highway system responsibility.

In speaking of the rural secondary highway system, I am sure it is not necessary for me to remind the Members of this distinguished-Subcommittee that the secondary road system is in the poorest condition of all federal-aid highway systems. Given its extent (401,000 miles) and its relatively high usage, it is not surprising that the secondary system has been unable to keep abreast of the other systems, particularly when other more heavily used roads compete for scarce funds. According to the Federal Highway Administration, almost 40 percent of the secondary paved mileage either requires, or will shortly require, major capital improvements.

Rural roads and bridge maintenance and improvements have not kept pace with the rapidly increasing needs of agriculture. Most were constructed before 1940 and cannot handle the increased weights and widths of today's machinery, trucks, school buses, fire equipment, etc.

The agricultural industry depends on local road and bridge transportation. All highway studies have acknowledged the poor condition of local roads and bridges, but they have usually failed to recognize their economic importance to every citizen in the state. They are essential to agriculture, forestry, rural tourism, rural industries, rural living, essential services and general state economic development. Rural roads and bridges are indeed, a vital link to agricultural prosperity.

The supplies and equipment that our farmers use in producing their crops are all hauled by truck or by rail to the rural locations where they are used. After the crops are harvested, all modes of transportation (truck, railroad, barge and ocean vessel) are utilized to move the commodities to the people who want and need them. Modern agriculture also requires the use of heavy equipment and machinery which must travel on rural roads and bridges.

Other industries have similar needs, but in agriculture any disruption of the transportation system is most certainly reflected in the prices that our farmers receive for their commodities. Agricultural producers are subject to a number of

hazards, such as floods, storms, hail and drought. Therefore, deterioration of our rural roads and bridges is a major concern to our farmers and ranchers because they are critical to the efficient and dependable transportation of agricultural products.

Farmers also recognize that we have a substantial bridge problem in the United States. Bridges help maintain the vital transportation services that are necessary for agriculture and rural development. Bridges allow vehicles to move with ease across this country. They allow cities to function and make truck transportation feasible. They permit farmers to move modern equipment to their fields and transport their products from the field to the marketplace.

We in agriculture are proud of the fact that we have the most productive and most efficient system of agricultural production to be found anywhere. We are reminded, however, that all of that production on our farms and ranches is of little value if we are unable to move it to market in a timely, economical and efficient manner. Agriculture is unique from many other industries due to its low density population, geographic features and highway patterns. The sudden loss of a bridge on a primary or secondary road would have a serious impact on farm economy and rural communities in general. A section of highway can be poor but still serviceable, the loss of a bridge can cause long-term disruption to the transportation of agricultural commodities. This is why we believe that providing adequate highways and bridge facilities is a proper role of government at all levels.

In summary, Mr. Chairman, we hope that the reauthorization of the post interstate surface transportation program will recognize that millions of Americans living on farms, ranches and in rural communities must have access to major highways. Rural roads are essential to the safe, efficient and economical transportation of food products from farms and ranches to consumers everywhere. In view of the fact that the interstate highway system is nearing completion and the secondary road system has been neglected for many years, we believe it's time Congress recognized the importance of these farm-to-market roads and bridges and authorize a realistic increase in this category of roads. In reauthorizaing funds for the rural secondary highway system, Farm Bureau recommends $4 billion annually.

The basic dilemma that confronts the bridge situation is how to replace or rehabilitate as many bridges as possible with the limited funds available. The General Accounting Office found that costs to replace a given bridge can vary by thousands of dollars, depending on which state the bridge is in, who is paying

for its replacement and who makes the decisions on its design and construction. Some of these cost differences are due to varying climate, terrain and methodology. Different policies at the local, state and federal levels are also major factors. In rural American, we feel that the timber bridge program promoted by the USDA office of Transportation provides an effective low-cost method of replacing many rural bridges. Because bridges are vital to all road systems, Farm Bureau recommends $4 billion annually, which we also believe is realistic.

Again, we thank you and the members of the Subcommittee for the opportunity to present our views on the reauthorization of the Federal-aid Highway Program.

STATEMENT OF WILLIAM H. DEMPSEY

PRESIDENT OF THE ASSOCIATION OF AMERICAN RAILROADS

BEFORE THE

SURFACE TRANSPORTATION SUBCOMMITTEE

OF THE

HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

SURFACE TRANSPORTATION REAUTHORIZATION

MARCH 15, 1990

38-253 O—91——25

I. INTRODUCTION

My name is William H. Dempsey. I am the President of the Association of American Railroads. The AAR is the national trade association of the freight railroad industry. It represents Class I railroads that accounted for 93 percent of rail revenues and 90 percent of rail employees in 1989.

I welcome this opportunity to present the railroad industry's view on the 1991 highway reauthorization legislation.

The freight railroad industry's single, most pressing concern with the 1991 highway bill is the possibility that it will end up raising the current federal 80,000 pound weight limit.

Increased weight limits are literally a matter of life or death for the railroad industry. A higher weight limit would open the way to nationwide operation of longer combination vehicles (LCVs). Among the monster combinations possible with a higher weight limit would be twin 48s and triple 28s.

AAR estimates show that nationwide operation of Bridge Formula B (BFB) twin 48-foot combinations with a maximum gross weight of 135,000 pounds would result in railroad losses of 9 percent of annual ton-miles and 52 percent of net operating revenue (rail pre-tax profits), based on 1986 figures, the most recent available.

And those are just the first order effects. As railroad profits fell, rail management would be forced to cut service and abandon lines. In the long run, this would mean a far smaller rail system than today.

II. THE AMERICAN PUBLIC SHARES THE RAILROAD INDUSTRY'S OPPOSITION TO LONGER, HEAVIER TRUCKS.

According to a January 1990 poll of 1,000 Americans conducted by Frederick/Schneiders for the AAR, ninety percent of those surveyed want to see truck lengths kept the same or made shorter. Only six percent wanted to see longer trucks (Exhibit I).

- And when asked about particular combinations (Exhibit II):

  * *92 percent were against triple 28 combinations; and*
  * *82 percent were against twin 48s.*

Moreover, this opposition was virtually constant by region of the country, urban or rural residence, age, and gender.

The public is particularly concerned about the safety effects of longer trucks. By a margin of 86 to 12 percent, they believe that longer trucks would be less safe than trucks on the road today; seventy-five percent believe that they would make driving harder (Exhibit III).

III. THE FEDERAL HIGHWAY ADMINISTRATION'S MOST RECENT STUDY OF LCVs SUPPORTS PUBLIC CONCERNS OVER LCV SAFETY.

The FHWA's 1985 study of a proposed national system of LCV operations cited unresolved concerns with transportation system investment, modal diversion, and vehicle safety as reasons why no such system was justified.

On LCV safety the study found that: "Performance and handling limitations of LCVs, as well as their higher gross weights, could prove to create significant safety problems if LCVs are used more generally..." (at p. S-5) or, stated more baldly, "We simply do not know whether LCVs can be operated safely in general use." (at p. S-6.)

IV. FHWA FOUND EQUALLY SERIOUS ECONOMIC POLICY PROBLEMS RAISED BY LCVS.

On highway investment the study determined that: "The need to upgrade highway infrastructure and roadway geometry and to build staging areas would require large investments prior to fee collection from LCV users. There is no clear evidence that such investment is the most productive potential use of limited transportation funds." (At p. VIII-1, emphasis added.)

On the heavy truck subsidy: "Extending operation of LCVs would substantially increase highway investment costs. Since LCVs would not come close to paying their share of highway costs under current user fees, extending their operation without a substantial increase in user fees would unfairly subsidize them at the expense of other highway users and other freight transportation modes." (At p. S-9.)

And on rail diversion: "When the nation's transportation system is considered as a total entity, diversion from rail would reduce the total transportation productivity and fuel consumption gains made by LCVs," and "Diversion would result in the need to spread fixed costs over a smaller traffic base, potentially resulting in higher rates from some shippers." (Both at p. S-7.)

In fact, when FHWA compared LCVs overall to conventional semi-trailers on eleven key safety, handling, and efficiency criteria:

Twin 48s were much worse than current trucks on five criteria; the same on three; and superior on only three.

Triples did even more poorly: they were much worse than single 48s on six criteria, somewhat worse on one, the same on two, and better on only two.

Nothing has changed since 1985 to make FHWA's conclusions less true. If anything, the increasing congestion and deterioration of

the nation's highways make longer and heavier trucks an even worse idea today than they were five years ago.

It is not surprising, therefore, that the National Transportation Policy Review (NTPR), released last week by Secretary Skinner, made substantially the same points on truck size and weight policy as FHWA's 1985 report.

According to the Policy Review, "maximum truck size and weight limits should be based on a full assessment of the public costs and benefits". (NTPR at p. 76, emphasis added.) The Policy Review notes explicitly that among the potential costs are external social costs, like pollution and safety. (NTPR at p. 76.)

And the Policy Review reiterates FHWA's position that a change in limits must mean an adjustment in user charges. (NTPR at p. 76.) All past FHWA work has suggested that such an adjustment would be massive, given the size of the heavy truck underpayment.

V. BOTH FHWA'S WORK AND PUBLIC PREFERENCES CORRESPOND TO OUR VIEW OF RAIL'S ROLE IN MEETING THE TRANSPORTATION CHALLENGE OF THE COMING DECADES.

The Frederick/Schneiders poll found that Americans preferred--by a 78 to 22 percent margin--that increases in long-haul freight traffic be carried by rail, not truck.

The public recognizes that, to a considerable degree, the challenges facing freight transportation are the product of the conflict between increasing volumes of heavy truck traffic and rising "quality of life" expectations.

A. For Example, The Rapid Growth In Truck Traffic Is Imposing Increasing Costs On The Passenger Transportation System.

Although these costs do not show up in the government's budget, they are nonetheless real and important. They include:

1. Billions of dollars a year in increased operating costs paid by automobile drivers as a result of highway pavement deterioration caused by heavy trucks; and

2. Increased congestion costs primarily, but no longer exclusively, in urban areas (Exhibit IV).

Fortunately, to a much greater degree than trucking, rail transportation is insulated from automobile operations. So railroads, as an alternative to continued rapid growth in truck traffic, represent an option that could ease the growing problems experienced by the average automobile driver.

B. Increased Reliance On Environmentally Superior Rail Transportation Could Also Alleviate The Growing Environmental Problem Generated By Rapidly Rising Levels Of Truck Traffic.

For example:

1. Railroads produce far less air pollution than trucks per ton-mile of freight moved, and the relatively self-contained nature of rail facilities tends to lessen other pollution problems (Exhibit V).

2. Compared to truck, railroads are nearly three times more fuel efficient (Exhibit VI).

C. Finally, The Growth In Truck Traffic Volume Is Putting Increased Stress On Highway Infrastructure.

Government studies show that for a typical rail-competitive heavy truck, user charge levels cover only about half of direct highway cost responsibility.

Consequently, for the highway system, heavy trucks represent a net financial loss that burdens federal and state efforts to make needed improvements in highway system quality.

Rail operations, on the other hand, do not impose net financial losses on public infrastructure systems.

On the contrary, rails build and maintain their own infrastructure and even pay property taxes on it. Diverting traffic from truck to railroads would improve the financial status of the national transportation infrastructure.

Achieving these benefits requires a healthy and dynamic railroad system. Allowing subsidized longer and heavier trucks would end any possibility of rail helping meet the nation's transportation goals. Unfortunately, nothing suggests that the heavy truck subsidy is about to end.

VI. IN FACT, THE FEDERAL HEAVY TRUCK SUBSIDY IS LARGER NOW THAN IT WAS WHEN THE LAST HIGHWAY TAX LEGISLATION WAS PASSED.

A. The Average Heavy Truck Combination Paid About 66 Percent Of Its Direct Costs After Passage Of The 1984 Deficit Reduction Act, According To FHWA's 513(g) Study Of Alternatives To The Heavy Vehicle Use Tax.

Rail-competitive heavy trucks, which do more annual miles and hence cause more road damage than the average heavy truck, paid only about 55 percent, according to an AAR extension of the 513(g) results.

B. But Inflation, Fuel Economy Gains, And Increased Annual Mileage Have Eroded The Value Of Heavy Truck Tax Payments Since The Middle Of The Decade.

Take the federal fuel tax, by far the most important federal highway user charge. In 1984 the average rail-competitive heavy combination paid 2.8 cents per mile in federal fuel tax. By 1989, inflation had reduced the effective rate to 2.5 cents in real 1984 dollars. A 5.6 percent gain in fuel economy meant a further reduction to 2.3 cents. So, overall, the tax paid per mile had fallen 17.9 percent in four years (Exhibit VII).

C. Nor Can The Underpayment Problem Ever Be Solved By Raising The Fuel Tax--Even If It Could Be Adjusted For Inflation And Fuel Economy Gains.

Fuel taxes cannot account for heavy truck cost responsibility. The reason is simple. Cost responsibility increases exponentially with weight. Fuel consumption goes up only very slowly as vehicle weight rises. A twin 48 combination consumes only 36 percent more fuel than an 80,000 pound tractor semi-trailer but does 93 percent more highway damage based on an AAR analysis using ESALS, the standard pavement engineering measure of road damage.

D. The Only Solution To The Underpayment Problem--And Even It Is Not Perfect--Is To Impose A Tax Designed To Track Cost Responsibility.

The most practical such tax is a weight-distance tax. A 1988 FHWA study found that a federal weight-distance tax was perfectly feasible at administrative costs a little over 1 percent of total collections.

But trucking industry opposition to a weight-distance tax remains fierce, and the likelihood that one would ever be imposed at full cost recovery levels is remote in the extreme.

VII. IT SEEMS QUITE CLEAR, THEREFORE, THAT RAILROADS WILL FACE HEAVILY SUBSIDIZED TRUCKING INDUSTRY COMPETITION FOR THE INDEFINITE FUTURE.

And, as the FHWA study recognized in 1985, LCVs will be at least as subsidized as existing combinations.

A continuing heavy truck subsidy means that a substantial portion of the traffic diverted from rail as a result of heavy truck competition will be inefficient. It will cost society more in highway system and other "external" social costs than it pays in user charges. Adding this money losing traffic to the

highway system will accelerate pavement deterioration. If repairs fail to keep pace because of the heavy truck underpayment, the costs of other highway users will rise sharply. These costs could well be much larger than the underpayment itself because user costs (such as vehicle repair and maintenance) rise steeply as pavement deteriorates.

Highway agencies may also be forced to divert scarce funds to repair truck damaged roads. Foregoing needed expenditures on crowded urban interstates for even a year or two could have huge additional costs.

External social costs--congestion, noise, and pollution--could rise, too, as rail freight is diverted.

And finally, remaining rail shippers will face higher costs as rail service quality declines and--perhaps--rates increase to cover rail fixed costs.

VIII. THESE ENORMOUS POTENTIAL COSTS DEMONSTRATE THE DANGERS OF MODALLY COMPARTMENTALIZED DECISION MAKING.

Government highway policies such as truck size and weight limits profoundly affect railroads. The impact of the resultant rail to truck traffic diversion can produce some very large

unintended consequences on automobile repair costs, congestion, highway finance, pollution and energy consumption. Conversely, truck to rail traffic diversion may offer important benefits for our crowded, deteriorating highway system. Or, as we would put it, highway policy is rail policy.

EXHIBIT I

PUBLIC OPINION ON TRUCK LENGTHS

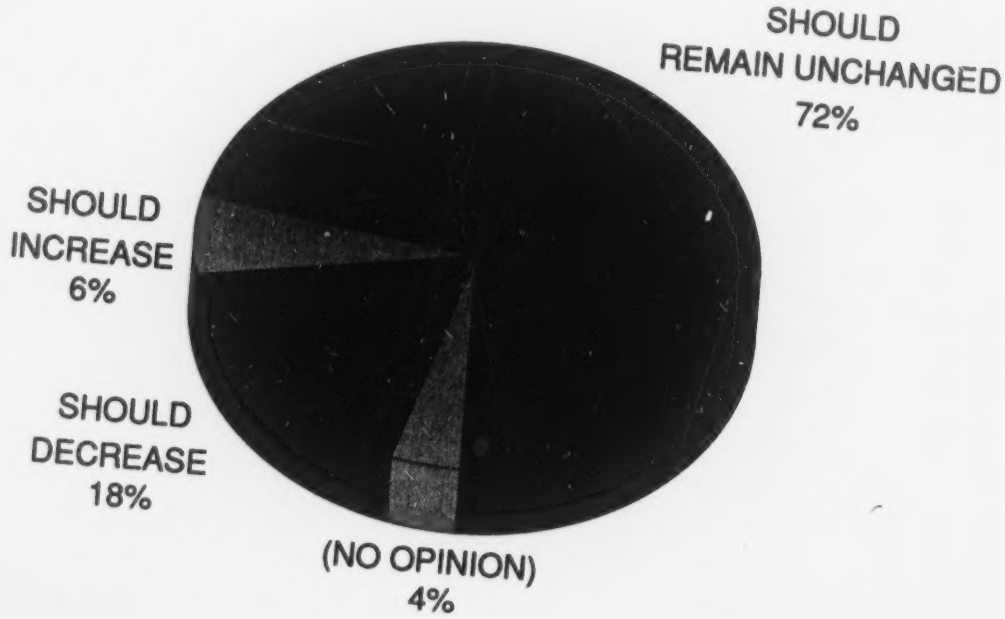


EXHIBIT II

OPINION ON SPECIFIC PROPOSALS
TWIN 48s AND TRIPLE 28s

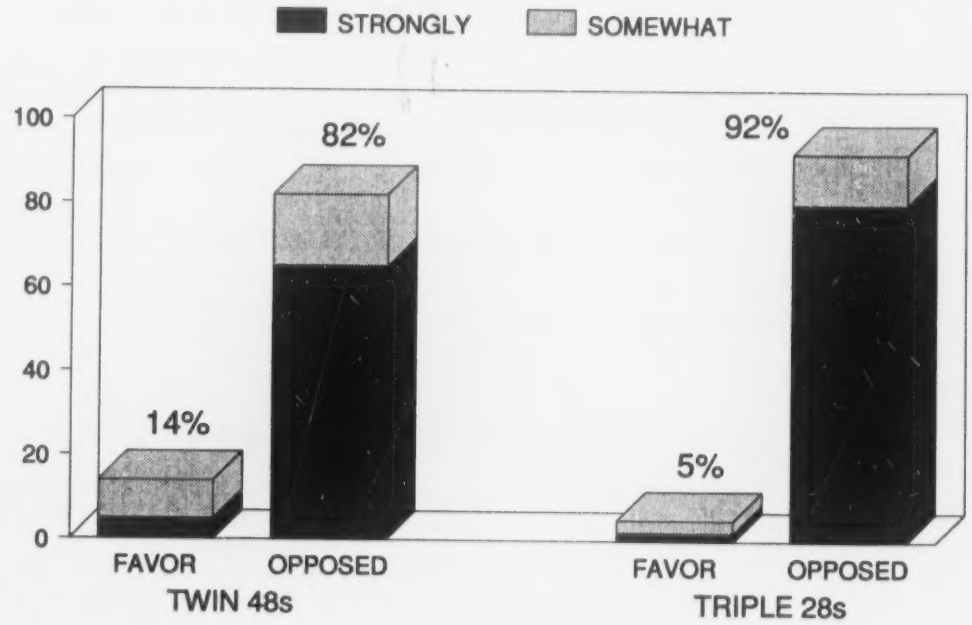
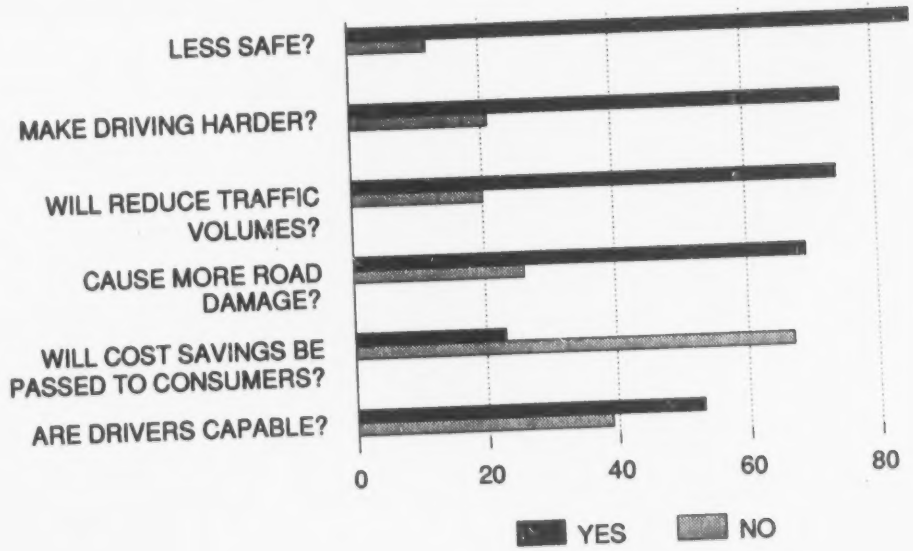


EXHIBIT III

OPINION ON VARIOUS ARGUMENTS RELATED TO LONGER TRUCKS



PEAK PERIOD TRAVEL OCCURRING UNDER CONGESTED CONDITIONS

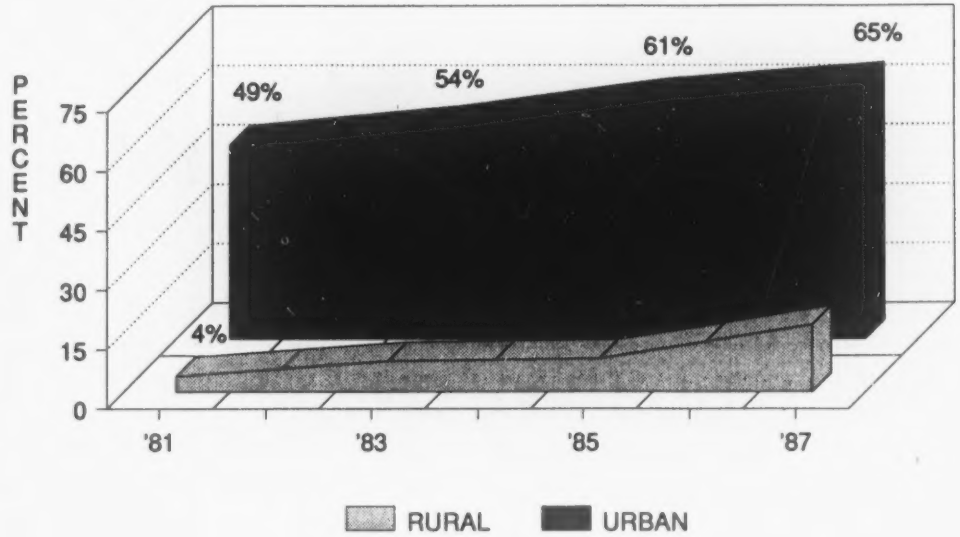


EXHIBIT V

TRUCK AND RAIL POLLUTION

(RELATIVE POLLUTION FACTOR PER TON-MILE)

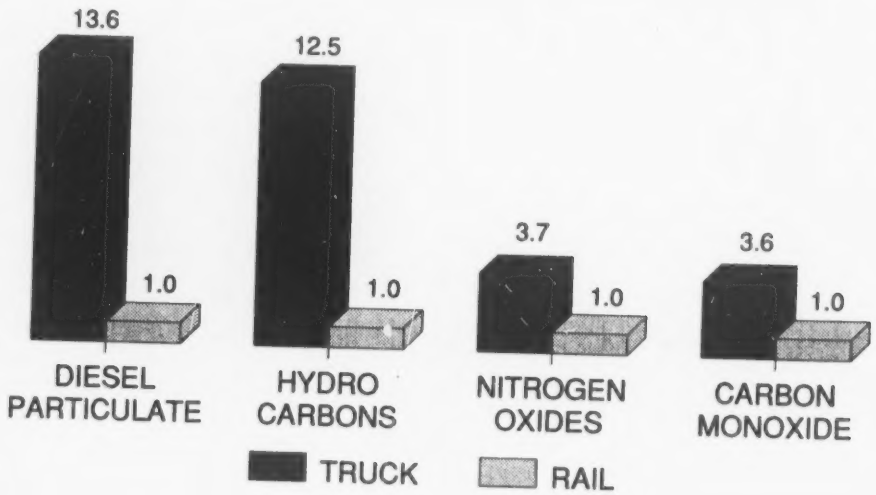


EXHIBIT VI

FUEL EFFICIENCY
REVENUE TON-MILES PER GALLON

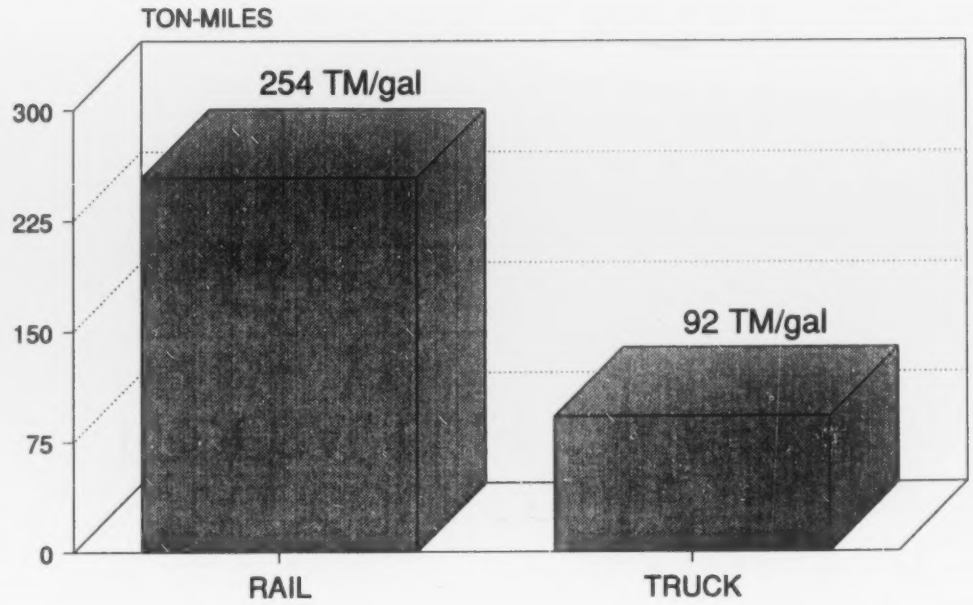
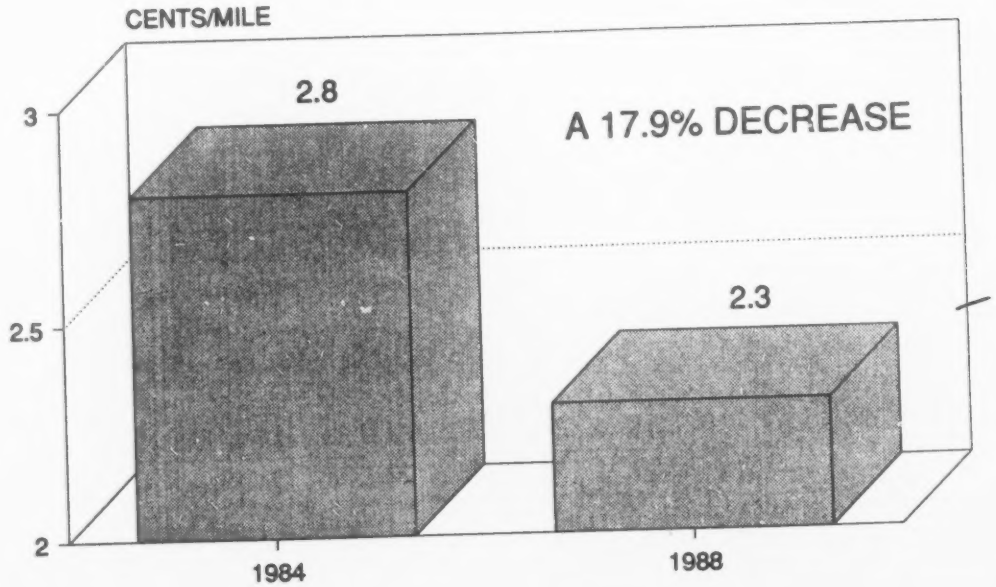


EXHIBIT VII

RAIL-COMPETITIVE TRUCK FEDERAL FUEL TAX PER MILE



A POLL OF AMERICANS' OPINIONS OF TRUCK LENGTH ISSUES

January 1990

Prepared for:

ASSOCIATION OF AMERICAN RAILROADS

FREDERICK/SCHNEIDERS INC.

1818 N Street, N.W., Suite 405
Washington, D.C. 20036
(202) 785-3535

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MASTER QUESTIONNAIRE

TABULAR REPORT

I.
OVERVIEW

The American public strongly rejects the idea of increased truck lengths. Only 6% support the concept of longer trucks while more than four-in-five Americans oppose specific policy options of twin-48 foot vehicles and triple-28 foot vehicles.

The biggest concern Americans have with such longer trucks is safety; by 86% to 12%, poll respondents say these proposed combination vehicles would be less safe than trucks currently on the road today.

Strong opposition to longer trucks is consistent across all regions of the country as well as in rural and urban areas.

Poll results reported in this analysis are based on a random telephone survey of 1,000 adult Americans nationwide conducted between January 23 and February 1, 1990. The margin of error is plus or minus 3% at the 95% confidence level. This survey was conducted by Frederick/Schneiders for the Association of American Railroads.

II.
OPINION OF TRUCK LENGTH CONCEPT

As an introduction to the policy of truck lengths, poll respondents were asked which of three policy options they prefer: to change the law to require trucks to be shorter; to change the law to allow longer trucks; or to keep the law as it is today.

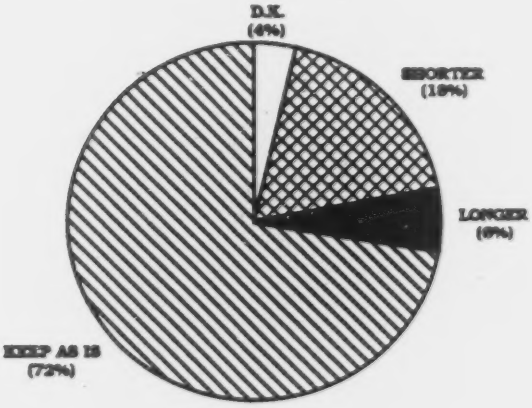
The sizeable majority (72%) opt for the status quo; keep the truck length law as it is today. **Only 6% support allowing longer truck lengths.** In fact, the constituency for reducing truck length is three times greater than for increasing their length.

OPINION ON TRUCK LENGTH CONCEPT

In general, which do you think would be the best policy regarding the length of trucks?

- **Change the law to require trucks be shorter.**
- **Change the law to allow longer trucks.**

  —OR—
- **Keep the law on truck length as is.**



Opinion against longer trucks is consistent across all regions of the country.

OPINION ON TRUCK LENGTH CONCEPT
BY REGION

	NATION WIDE %	NORTH EAST %	SOUTH %	MID-WEST %	WEST %
Keep length as is.	72	71	74	72	69
Require trucks to be shorter.	18	19	15	19	21
Allow longer trucks.	6	6	6	5	6
Don't Know	4	4	4	4	5

Additionally, little difference in opinion occurs based on population density of where respondent lives. Support for "longer trucks" ranges from a low of 4% among suburban dwellers to a "high" of 7% among urban and rural residents. The status quo is supported by more than two-thirds regardless of whether they live in urban, rural, suburban, or small town areas.

III.
OPINIONS ON SPECIFIC PROPOSED LONGER TRUCK COMBINATIONS

Americans strongly reject the idea of allowing either twin-48 foot combinations or triple-28 foot combinations on America's roads. Twin-48's are rejected by more than four out of five respondents while triple-28's are rejected by more than nine-in-ten. In fact, more than two-thirds are strongly opposed to either proposed combination.

OPINION ON SPECIFIC TRUCK LENGTH PROPOSALS -- TWIN 48'S AND TRIPLE 28'S

The typical truck now on the road is a single 48-foot trailer pulled by a tractor. Some people favor allowing one tractor to pull a second 48-foot trailer behind the first. Do you favor or oppose this proposal to allow combinations of two 48-foot truck trailers on America's roads?

	TWIN 48'S %
Strongly favor	5
Somewhat favor	9
Somewhat oppose	17
Strongly oppose	65
Don't Know	4
NET FAVOR	14
NET OPPOSE	82

The typical double truck now has two 28-foot trailers behind a single tractor. Some people favor allowing one tractor to pull a third 28-foot trailer behind the first two. Do you favor or oppose this proposal to allow combinations of three 28-foot long trailers on America's roads?

	TRIPLE 28'S %
Strongly favor	2
Somewhat favor	3
Somewhat oppose	12
Strongly oppose	80
Don't Know	3
NET FAVOR	5
NET OPPOSE	92

As the following table shows, the overwhelming opposition to either proposed combination is consistent across all regions of the country and in all types of areas regardless of population density.

OPINION ON SPECIFIC TRUCK LENGTH PROPOSALS:
BY KEY SUBGROUPS

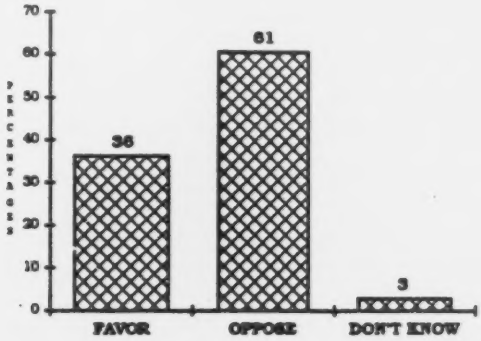
	--TWIN-48's--			--TRIPLE-28's--		
	FAVOR %	OPPOSE %	STRONG OPPOSE %	FAVOR %	OPPOSE %	STRONG OPPOSE %
National	14	82	(65)	5	92	(80)
Regions						
Northeast	15	82	(66)	6	93	(82)
Midwest	14	80	(66)	6	92	(79)
South	12	84	(65)	5	95	(82)
West	18	81	(63)	7	92	(79)
Area						
Urban	15	83	(68)	6	92	(82)
Suburban	13	83	(65)	4	96	(81)
Small Town	16	81	(64)	8	92	(80)
Rural	14	82	(65)	6	92	(79)
Age						
18-39	19	79	(59)	8	91	(76)
40-64	12	84	(69)	4	95	(84)
65+	7	88	(74)	4	94	(84)
Gender						
Men	19	78	(61)	7	92	(79)
Women	9	86	(69)	4	94	(82)

IV.
OPINION OF LONGER TRUCK COMBINATIONS WITH A CONDITIONAL ROLE

Even under highly restricted conditional terms, a clear majority of Americans reject the proposed longer combination trucks. By 61% to 36%, poll respondents oppose legalizing longer combination trucks even if their access were limited only to the interstate system in a long-haul carrier role.

OPINION OF LONGER TRUCKS WITH CONDITIONAL TERMS

If supporters of longer trucks agreed to only operate them as long haul carriers on the interstate system but not on city streets, would you favor or oppose allowing these longer combination trucks?



Again, opinions against longer trucks are consistent across all regions of the country:

- Northeast 36% favor, 61% oppose
- South 34% favor, 62% oppose
- Midwest 36% favor, 61% oppose
- West 37% favor, 61% oppose

V.
REACTION TO ARGUMENT FOR AND AGAINST LONGER TRUCKS

Poll respondents were read a series of paired arguments in favor and against longer trucks. For each, **the majority sided with the anti-truck length side.**

Specifically,

- By 86% to 12%, Americans say longer trucks would be less safe than trucks on the road today.

- By 75% to 21%, Americans say sharing the road with longer trucks will make driving harder.

- By 74% to 20%, Americans say longer trucks will not reduce the volume of truck traffic.

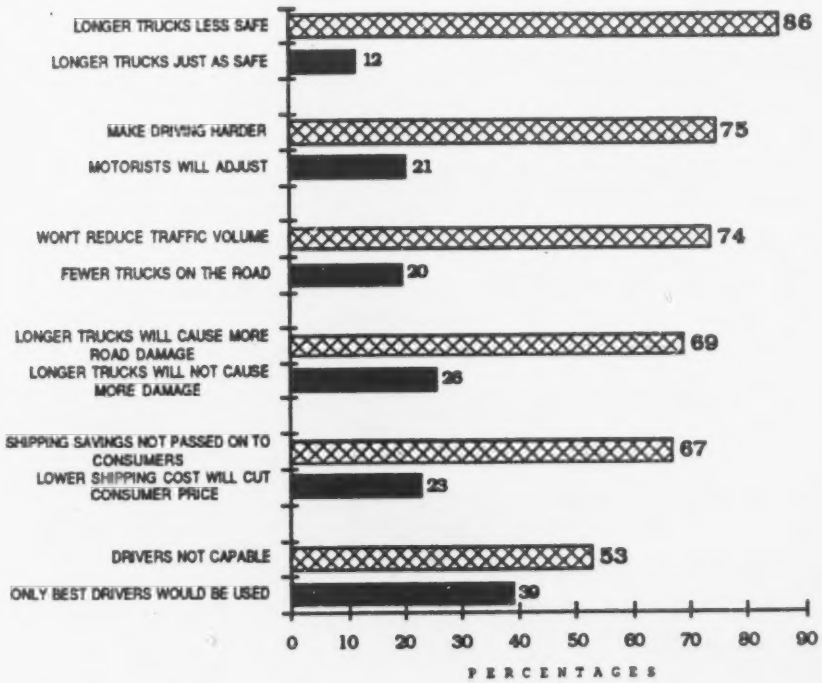
- By 69% to 26%, Americans say such longer vehicles will cause more road damage than today's trucks.

- By 67% to 23%, Americans believe any savings from reduced shipping costs created by longer trucks will not be passed to consumers.

  --*and*--

- By 53% to 39%, Americans say truck drivers are not capable of safely handling longer trucks.

OPINION ON VARIOUS ARGUMENTS RELATED TO LONGER TRUCKS



VI.
MOOD BACKGROUND: TRUCKS VERSUS RAIL

By better than three-to-one, respondents express a clear preference for an increase of freight traffic on rail over trucks. The overwhelming preference for increased rail freight over increased truck freight is consistent across all regions of the state. Sympathy for truck freight reaches its highest level among rural residents; 28% of whom support trucks but 65% of whom prefer rail.

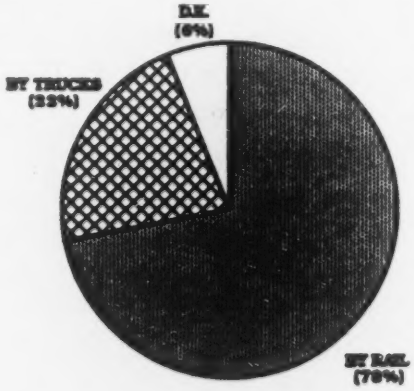
OPINION OF RAIL VERSUS TRUCK ON BEST CARRIER FOR INCREASED LOAD

As you may know, most freight shipped in America is carried by either truck or railroad. As the amount of freight to be moved long distance in this country increases, which of the following alternatives would be better for our society?

- **If most of the increase in freight traffic was handled by trucks.**

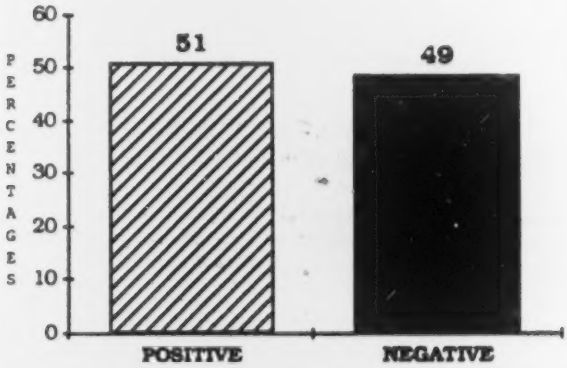
  --OR--

- **If most of the increase in freight traffic was handled by rail.**



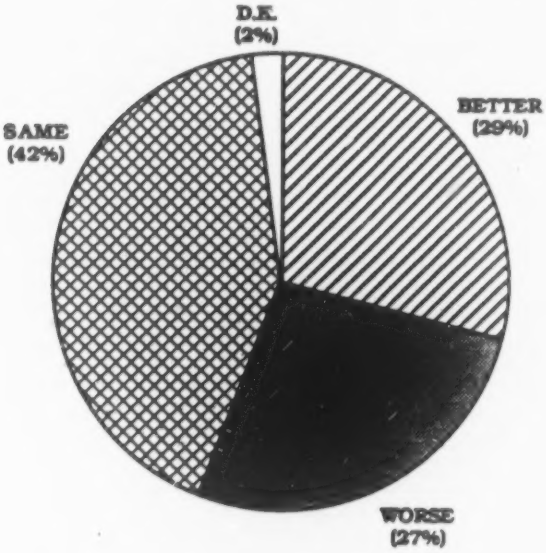
This 72% to 22% preference to see increased freight on the rails, not the roads, is connected to a lukewarm rating of today's road and highway system. Opinions of the road and highway system are mixed; half rate it positive and half negative.

RATING OF THE CONDITION OF AMERICA'S ROAD AND HIGHWAY SYSTEM



Moreover, Americans do not see the condition of the roads getting much better. Just 29% say conditions are improving. The plurality see static conditions while 27% say it is getting worse.

In your opinion, is the condition of America's road and highway system better, worse, or about the same as it was five years ago?



VII.
MOOD BACKGROUND: POLITICAL ENVIRONMENT

Consistent with public polls conducted by Gallup and leading news organizations, this survey shows President George Bush with performance ratings much higher than those given Congress and a bare majority of Americans satisfied with the country's direction.

NATIONAL POLITICAL ENVIRONMENT

JOB RATING OF PRESIDENT BUSH	%	*JOB RATING OF U.S. CONGRESS*	%	*DIRECTION OF THE COUNTRY*	%
Positive	82	Positive	45	Right	53
Negative	16	Negative	49	Wrong	36
No Opinion	2	No Opinion	6	Mixed/No Opinions	11

AAR NATIONAL SURVEY
Master Questionnaire

Actual sample: 1002

REGION

Northeast	211	21%
Midwest	247	25%
South	343	34%
West	90	9%
California	110	11%

1. How would you rate the job George Bush is doing as President -- excellent, good, not so good, or poor?

Excellent	181	18%
Good	637	64%
Not so good	113	11%
Poor	46	5%
Don't Know	25	2%

2. How would you rate the job the U.S. Congress is doing -- excellent, good, not so good, or poor?

Excellent	24	2%
Good	429	43%
Not so good	360	36%
Poor	131	13%
Don't Know	58	6%

3. Do you think that the country is moving in the right direction, or do you think that things are off track and moving in the wrong direction?

Right direction	444	44%
Mixed/Right	89	9%
Mixed	70	7%
Mixed/Wrong	56	6%
Wrong direction	299	30%
Don't Know	44	4%

4. In general, how would you rate the condition of America's road and highway system -- excellent, good, not so good, or poor?

Excellent	46	5%
Good	464	46%
Not so good	307	31%
Poor	176	18%
Don't Know	9	1%

AAR NATIONAL SURVEY
Master Questionnaire

Actual sample: 1002

5. In your opinion, is the condition of America's road and highway system better, worse, or about the same as it was five years ago?

Better	286	29%
Worse	271	27%
About the same	421	42%
Don't Know	24	2%

6. As you may know, most freight shipped in America is carried either by truck or railroad. As the amount of freight to be moved long distance in this country increase, which of the following alternatives would be better for our society?

If most of the increase in freight traffic was handled by trucks.	222	22%
If most of the increase in freight traffic were handled by rail.	721	72%
Don't Know	59	6%

7. It has been suggested that Congress consider changing the length of trucks on America's roads today. In general, which do you think would be the best policy regarding the length of trucks?

Change the law to require trucks to be shorter.	183	18%
Change the law to allow longer trucks.	59	6%
Keep the law on truck lengths as is.	718	72%
Don't Know	42	4%

8. Let me give you some information about this subject and ask your opinion. The typical truck now on the road is a single 48-foot trailer pulled by a tractor. Some people favor allowing one tractor to pull a second 48-foot trailer behind the first. Do you favor or oppose this proposal to allow combinations of two 48-foot truck trailers on America's roads? (*IF CHOICE*) Do you strongly or only somewhat (*FAVOR/OPPOSE*) this idea?

Strongly favor	54	5%
Somewhat favor	88	9%
Somewhat oppose	169	17%
Strongly oppose	654	65%
Don't Know	37	4%

AAR NATIONAL SURVEY
Master Questionnaire

Actual sample: **1002**

9. The typical double truck trailer now has two 28-foot trailers behind a single tractor. Some people favor allowing one tractor to pull a third 28-foot trailer behind the first two. Do you favor or oppose this proposal to allow combinations of three 28-foot long trailers? (*IF CHOICE*) Do you strongly or only somewhat (*FAVOR/OPPOSE*) this idea?

Strongly favor	23	2%
Somewhat favor	34	3%
Somewhat oppose	125	12%
Strongly oppose	805	80%
Don't Know	15	1%

10. Which side do you agree with?

Supporters of longer trucks who say such longer trucks will be just as safe as those on the road today.	116	12%
Opponents of longer trucks who say such longer trucks would be less safe.	858	86%
Don't Know	28	3%

11. Which side do you agree with?

Opponents of longer trucks who say sharing the road with such vehicles will make driving harder.	747	75%
Supporters of longer trucks who say motorists will adjust to such vehicles just as they adjusted to sharing the road with today's double trailer vehicles when they were legalized.	211	21%
Don't Know	44	4%

AAR NATIONAL SURVEY
Master Questionnaire

Actual sample: 1002

12.	Which side do you agree with?		
	Supporters of longer trucks who say such vehicles will cause no more damage to the roads than today's trucks.	262	26%
	Opponents of longer trucks who say such vehicles will cause more road damage than today's trucks.	691	69%
	Don't Know	49	5%
13.	Which side do you agree with?		
	Opponents of longer trucks who say today's truck drivers are not capable of safety handling longer trucks.	532	53%
	Supporters of longer trucks who say only the most experienced, safest, and best-trained drivers will drive these longer trucks.	390	39%
	Don't Know	80	8%
14.	Which side do you agree with?		
	Supporters who say longer trucks will lower freight transportation costs, cutting prices for consumers.	235	23%
	Opponents who say any savings on shipping costs will not be passed on to the consumers.	668	67%
	Don't Know	99	10%

AAR NATIONAL SURVEY
Master Questionnaire

Actual sample: 1002

15. Which side do you agree with?

Supporters who say such longer trucks will mean fewer trucks on the road.	198	20%
Opponents who say allowing longer trucks will do nothing to reduce the volume of truck traffic.	742	74%
Don't Know	62	6%

16. If supporters of longer trucks agreed to only operate them as long haul carriers on the interstate system but not on city streets, would you favor or oppose allowing these longer combination trucks?

Favor	359	36%
Oppose	613	61%
Don't Know	30	3%

17. Sex.

Male	501	50%
Female	501	50%

18. Age.

18-29	217	22%
30-39	246	25%
40-49	154	15%
50-64	206	21%
65-Up	174	17%
Refused	5	0%

19. How would you describe the area you live in -- is it within a large city, a small city or town, a suburban area outside a large city, or a rural area?

Large city	215	21%
Small city/town	339	34%
Suburban area	253	25%
Rural	191	19%
Don't Know	4	0%

AAR NATIONAL SURVEY
Master Questionnaire

Actual sample: **1002**

20. And just to make sure we have a representative sample -- could you please tell me your race?

Black	83	8%
White	873	87%
Other	41	4%
Don't Know/Refused	5	0%

AAR NATIONAL A1	TOTAL 1002	REGIONS: NORTH EAST 211	MID-WEST 247	SOUTH 343	WEST 200	CALIF. ONLY 110	AREA: URBAN 215	SUBUR-BAN 253	SMALL TOWN 339	RURAL 191	AGE: 18-39 463	40-64 360	65+ 174	GENDER: MEN 501	WOMEN 501
REGION															
Northeast	21%	100%	0%	0%	0%	0%	20%	26%	19%	20%	23%	22%	16%	21%	21%
Midwest	25%	0%	100%	0%	0%	0%	26%	22%	25%	26%	26%	24%	24%	25%	25%
South	34%	0%	0%	100%	0%	0%	31%	32%	37%	37%	32%	36%	39%	34%	35%
West	9%	0%	0%	0%	45%	0%	9%	7%	10%	9%	10%	7%	10%	9%	9%
California	11%	0%	0%	0%	55%	100%	15%	13%	9%	8%	10%	12%	13%	11%	11%
1.How would you rate the job George Bush is doing as President -- excellent, good, not so good, or poor?															
Excellent	18%	14%	19%	23%	13%	13%	19%	17%	20%	16%	13%	23%	21%	19%	18%
Good	64%	68%	61%	61%	67%	65%	58%	64%	65%	68%	68%	61%	58%	64%	63%
Not so good	11%	12%	11%	11%	11%	10%	14%	11%	11%	9%	13%	9%	12%	10%	12%
Poor	5%	5%	6%	3%	6%	8%	5%	6%	3%	5%	4%	4%	6%	5%	4%
Don't Know	2%	1%	3%	2%	4%	4%	3%	3%	2%	2%	2%	3%	3%	2%	3%
2.How would you rate the job the U.S. Congress is doing -- excellent, good, not so good, or poor?															
Excellent	2%	1%	2%	4%	2%	2%	3%	2%	2%	2%	3%	2%	3%	2%	2%
Good	43%	45%	45%	41%	43%	42%	39%	39%	49%	41%	46%	44%	32%	40%	46%
Not so good	36%	41%	35%	36%	32%	37%	40%	40%	32%	34%	33%	37%	40%	38%	34%
Poor	13%	9%	13%	15%	14%	10%	13%	12%	13%	16%	12%	12%	19%	17%	10%
Don't Know	6%	5%	5%	4%	10%	9%	5%	8%	4%	7%	6%	5%	6%	3%	8%

AAR NATIONAL A2	TOTAL 1002	REGIONS: NORTH EAST 211	MID-WEST 247	SOUTH 343	WEST 200	CALIF. ONLY 110	AREA: URBAN 215	SUBUR-BAN 253	SMALL TOWN 339	RURAL 191	AGE: 18-39 463	40-64 360	65+ 174	GENDER: MEN 501	WOMEN 501
3.Do you think that the country is moving in the right direction, or do you think that things are off track and moving in the wrong direction?															
Right direction	44%	45%	43%	46%	41%	41%	41%	43%	45%	49%	50%	44%	33%	47%	42%
Mixed/Right	9%	9%	13%	8%	7%	6%	7%	13%	8%	8%	6%	10%	14%	9%	9%
Mixed	7%	5%	6%	5%	14%	17%	7%	8%	7%	5%	5%	9%	7%	6%	8%
Mixed/Wrong	6%	7%	5%	6%	5%	5%	7%	4%	6%	5%	5%	6%	8%	5%	6%
Wrong direction	30%	29%	30%	31%	28%	24%	30%	28%	31%	29%	32%	27%	30%	29%	31%
Don't Know	4%	5%	2%	5%	6%	6%	6%	5%	3%	4%	3%	5%	7%	4%	5%
4.In general, how would you rate the condition of America's road and highway system -- excellent, good, not so good, or poor?															
Excellent	5%	2%	3%	6%	7%	9%	9%	2%	5%	3%	5%	4%	5%	5%	5%
Good	46%	39%	47%	48%	50%	48%	48%	47%	47%	42%	46%	49%	43%	48%	44%
Not so good	31%	34%	34%	30%	25%	23%	23%	32%	30%	39%	31%	28%	34%	29%	32%
Poor	18%	25%	15%	15%	17%	16%	19%	19%	17%	15%	17%	19%	16%	18%	18%
Don't Know	1%	0%	1%	1%	2%	4%	1%	1%	1%	1%	1%	0%	2%	0%	1%
5.In your opinion, is the condition of America's road and highway system better, worse, or about the same as it was five years ago?															
Better	29%	19%	30%	35%	27%	26%	25%	27%	36%	21%	29%	26%	32%	28%	30%
Worse	27%	34%	23%	22%	35%	35%	26%	33%	24%	26%	24%	31%	26%	31%	24%
About the same	42%	45%	46%	41%	36%	34%	47%	36%	39%	51%	45%	41%	37%	41%	43%
Don't Know	2%	2%	2%	2%	4%	5%	3%	4%	1%	2%	2%	1%	5%	1%	4%

AAR NATIONAL A3	TOTAL 1002	REGIONS: NORTH EAST 211	MID-WEST 247	SOUTH 343	WEST 200	CALIF. ONLY 110	AREA: URBAN 215	SUBUR-BAN 253	SMALL TOWN 339	RURAL 191	AGE: 18-39 463	40-64 360	65+ 174	GENDER: MEN 501	WOMEN 501
6.As you may know, most freight shipped in America is carried either by truck or railroad. As the amount of freight to be moved long distance in this country increase, which of the following alternatives would be better for our society?															
If most of the increase in freight traffic was handled by trucks.	22%	17%	26%	25%	18%	16%	19%	18%	24%	28%	23%	23%	18%	25%	20%
If most of the increase in freight traffic were handled by rail.	72%	79%	67%	69%	77%	77%	77%	78%	68%	65%	71%	72%	74%	70%	74%
Don't Know	6%	5%	7%	6%	5%	6%	4%	4%	8%	7%	5%	5%	8%	6%	6%
7.It has been suggested that Congress consider changing the length of trucks on America's roads today. In general, which do you think would be the best policy regarding the length of trucks?															
Change the law to require trucks to be shorter.	18%	19%	15%	19%	21%	22%	20%	24%	17%	11%	17%	18%	22%	16%	21%
Change the law to allow longer trucks.	6%	6%	6%	5%	6%	5%	7%	4%	6%	7%	6%	6%	5%	8%	4%
Keep the law on truck lengths as is.	72%	71%	74%	72%	69%	68%	70%	68%	71%	79%	73%	75%	63%	73%	70%
Don't Know	4%	4%	4%	4%	5%	5%	3%	4%	6%	4%	4%	2%	10%	3%	5%
8.Let me give you some information about this subject and ask your opinion. 48-FOOT TRAILERS															
Strongly favor	5%	7%	5%	3%	9%	5%	7%	5%	4%	8%	8%	4%	2%	8%	3%
Somewhat favor	9%	8%	9%	9%	9%	10%	8%	8%	12%	6%	11%	8%	5%	11%	6%
Somewhat oppose	17%	16%	14%	19%	18%	16%	15%	18%	17%	17%	20%	15%	14%	17%	17%
Strongly oppose	65%	66%	66%	65%	63%	66%	68%	65%	64%	65%	59%	69%	74%	61%	69%
Don't Know	4%	3%	6%	4%	2%	2%	3%	4%	4%	4%	3%	4%	6%	3%	4%

AAR NATIONAL A4	TOTAL 1002	REGIONS: NORTH EAST 211	MID-WEST 247	SOUTH 343	WEST 200	CALIF. ONLY 110	AREA: URBAN 215	SUBUR-BAN 253	SMALL TOWN 339	RURAL 191	AGE: 18-39 463	40-64 360	65+ 174	GENDER: MEN 501	WOMEN 501
9.The typical double truck trailer now has two 28-foot trailers behind a single tractor....															
Strongly favor	2%	3%	2%	1%	4%	2%	2%	2%	4%	2%	4%	1%	1%	3%	1%
Somewhat favor	3%	3%	4%	4%	3%	3%	4%	2%	4%	4%	4%	3%	3%	4%	3%
Somewhat oppose	12%	11%	13%	13%	13%	11%	10%	15%	12%	13%	15%	11%	10%	13%	12%
Strongly oppose	80%	82%	79%	82%	79%	81%	82%	81%	80%	79%	76%	84%	84%	79%	82%
Don't Know	1%	1%	2%	1%	2%	4%	2%	0%	2%	2%	1%	2%	2%	1%	2%
10.Which side do you agree with?															
Supporters of longer trucks who say such longer trucks will be just as safe as those on the road today.	12%	12%	15%	8%	13%	11%	12%	9%	13%	12%	14%	10%	7%	16%	7%
Opponents of longer trucks who say such longer trucks would be less safe.	86%	87%	82%	89%	83%	85%	87%	90%	82%	86%	83%	88%	90%	80%	91%
Don't Know	3%	1%	3%	3%	4%	5%	1%	2%	5%	2%	3%	3%	3%	4%	2%
11.Which side do you agree with?															
Opponents of longer trucks who say sharing the road with such vehicles will make driving harder.	75%	78%	77%	75%	68%	71%	75%	80%	71%	73%	74%	77%	72%	71%	78%
Supporters of longer trucks who say motorists will adjust to such vehicles just as they adjusted to sharing the road with today's double trailer vehicles when they were legalized.	21%	21%	20%	18%	27%	26%	21%	16%	23%	24%	24%	19%	16%	24%	18%
Don't Know	4%	1%	3%	6%	6%	3%	4%	4%	6%	4%	2%	4%	12%	5%	4%

AAR NATIONAL A5	TOTAL 1002	REGIONS: NORTH EAST 211	MID-WEST 247	SOUTH 343	WEST 200	CALIF. ONLY 110	AREA: URBAN 215	SUBUR-BAN 253	SMALL TOWN 339	RURAL 191	AGE: 18-39 463	40-64 360	65+ 174	GENDER: MEN 501	WOMEN 501
12.Which side do you agree with?															
Supporters of longer trucks who say such vehicles will cause no more damage to the roads than today's trucks.	26%	22%	28%	27%	27%	25%	25%	21%	29%	30%	31%	25%	17%	36%	17%
Opponents of longer trucks who say such vehicles will cause more road damage than today's trucks.	69%	73%	69%	69%	66%	65%	69%	75%	65%	66%	65%	69%	79%	60%	78%
Don't Know	5%	6%	3%	4%	8%	9%	6%	4%	6%	4%	5%	6%	4%	4%	6%
13.Which side do you agree with?															
Opponents of longer trucks who say today's truck drivers are not capable of safety handling longer trucks.	53%	61%	49%	53%	51%	50%	52%	61%	49%	52%	48%	60%	54%	51%	55%
Supporters of longer trucks who say only the most experienced, safest, and best-trained drivers will drive these longer trucks.	39%	35%	41%	39%	40%	39%	40%	33%	43%	38%	44%	34%	37%	42%	36%
Don't Know	8%	4%	10%	8%	10%	11%	8%	6%	8%	10%	9%	6%	9%	7%	9%
14.Which side do you agree with?															
Supporters who say longer trucks will lower freight transportation costs, cutting prices for consumers.	23%	27%	25%	21%	22%	20%	22%	19%	27%	24%	28%	21%	16%	28%	19%
Opponents who say any savings on shipping costs will not be passed on to the consumers.	67%	67%	67%	67%	66%	69%	69%	72%	61%	68%	66%	68%	65%	64%	69%
Don't Know	10%	6%	8%	12%	13%	11%	8%	9%	12%	9%	6%	11%	20%	8%	12%

AAR NATIONAL A6	TOTAL 1002	REGIONS: NORTH EAST 211	MID-WEST 247	SOUTH 343	WEST 200	CALIF. ONLY 110	AREA: URBAN 215	SUBUR-BAN 253	SMALL TOWN 339	RURAL 191	AGE: 18-39 463	40-64 360	65+ 174	GENDER: MEN 501	WOMEN 501
15.Which side do you agree with?															
Supporters who say such longer trucks will mean fewer trucks on the road.	20%	19%	18%	21%	19%	19%	20%	17%	20%	22%	21%	19%	18%	21%	18%
Opponents who say allowing longer trucks will do nothing to reduce the volume of truck traffic.	74%	75%	76%	71%	77%	75%	74%	77%	73%	72%	74%	76%	68%	73%	75%
Don't Know	6%	5%	6%	8%	5%	5%	6%	6%	6%	6%	5%	4%	14%	5%	7%
16.If supporters of longer trucks agreed to only operate them as long haul carriers on the interstate system but not on city streets, would you favor or oppose allowing these longer combination trucks?															
Favor	36%	36%	34%	36%	37%	39%	32%	31%	41%	38%	41%	31%	32%	44%	27%
Oppose	61%	62%	62%	61%	61%	58%	66%	64%	57%	59%	57%	65%	62%	53%	69%
Don't Know	3%	3%	4%	3%	3%	3%	2%	5%	2%	3%	1%	4%	6%	2%	4%
17.Sex.															
Male	50%	50%	50%	50%	51%	51%	45%	53%	51%	50%	52%	51%	44%	100%	0%
Female	50%	50%	50%	50%	50%	49%	55%	47%	49%	50%	48%	49%	56%	0%	100%
18.Age.															
18-29	22%	24%	25%	17%	24%	22%	25%	19%	25%	16%	47%	0%	0%	23%	20%
30-39	25%	26%	23%	25%	24%	20%	24%	25%	24%	26%	53%	0%	0%	25%	24%
40-49	15%	15%	15%	14%	19%	21%	12%	19%	13%	19%	0%	43%	0%	17%	14%
50-64	21%	22%	20%	24%	15%	17%	22%	23%	19%	19%	0%	57%	0%	20%	21%
65-Up	17%	13%	17%	20%	20%	20%	17%	14%	19%	18%	0%	0%	100%	15%	20%
Refused	0%	1%	1%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	1%

AAR NATIONAL A7	TOTAL 1002	REGIONS: NORTH EAST 211	MID-WEST 247	SOUTH 343	WEST 200	CALIF. ONLY 110	AREA: URBAN 215	SUBUR-BAN 253	SMALL TOWN 339	RURAL 191	AGE: 18-39 463	40-64 360	65+ 174	GENDER: MEN 501	WOMEN 501
19.How would you describe the area you live in -- is it within a large city, a small city or town, a suburban area outside a large city, or a rural area?															
Large city	21%	20%	22%	19%	26%	29%	100%	0%	0%	0%	23%	20%	21%	19%	24%
Small city/town	34%	30%	35%	36%	33%	27%	0%	0%	100%	0%	36%	30%	37%	35%	33%
Suburban area	25%	31%	22%	24%	25%	30%	0%	100%	0%	0%	24%	30%	21%	27%	24%
Rural	19%	18%	20%	20%	17%	14%	0%	0%	0%	100%	17%	20%	20%	19%	19%
Don't Know	0%	0%	0%	1%	1%	0%	0%	0%	0%	0%	0%	0%	1%	0%	1%
20.And just to make sure we have a representative sample -- could you please tell me your race?															
Black	8%	11%	5%	9%	8%	12%	17%	7%	7%	4%	9%	7%	9%	8%	9%
White	87%	86%	93%	87%	82%	76%	80%	87%	88%	94%	84%	89%	90%	88%	87%
Other	4%	2%	2%	3%	10%	11%	4%	5%	5%	2%	6%	3%	2%	4%	4%
Don't Know/Refused	0%	1%	0%	0%	1%	1%	0%	1%	0%	1%	0%	1%	0%	1%	0%

Before the

UNITED STATES HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON SURFACE TRANSPORTATION
OF THE COMMITTEE ON PUBLIC WORKS
AND TRANSPORTATION

MARCH 15, 1990
WASHINGTON, DC

Statement of the

AMERICAN TRUCKING ASSOCIATIONS, INC.

On

FEDERAL AID HIGHWAY REAUTHORIZATIONS

Thomas J. Donohue
President and Chief Executive Officer

Without Trucks America Stops

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Chairman Mineta and members of the Subcommittee, my name is Thomas J. Donohue. I am president and chief executive officer of the American Trucking Associations, the national trade association of the trucking industry. ATA's membership includes more than 4100 carriers and suppliers of all sizes and types. ATA is a federation; membership in our 51 state associations and 10 conferences representing different industry segments, combined with ATA's direct membership, totals over 30,000.

I deeply appreciate this opportunity to present the trucking industry views on the nation's highway program - a program of critical importance to our industry. My remarks today will concentrate on six areas:

- The Future of the Highway Program
- The Productivity of the Trucking Industry
- The Cumulative Burden of State Taxes and Fees
- The Importance of Safety
- The Need for Expanded Trucking-Related Research & Development
- The Need for a Motor Carrier Administration

I. INTRODUCTION

Before I address these six major areas, I feel it is essential for me to outline the importance of the trucking industry to the well-being of the American economy. Let me try to illustrate the significance of this relationship:

- Over 77% of the Nation's freight, measured by value, moves on the Nation's highways, in commercial trucks.
- The trucking industry, as a whole, earns some $240 billion in annual gross freight revenues, and generates fully 5% of our gross national product.
- The trucking industry employs 7.5 million Americans, and pays them over $160 billion annually in wages.

Clearly, the Nation has a heavy stake in the productivity of the trucking industry, and our industry has a heavy stake in the adequacy of the Nation's roads. It has also become clear that without more money for transportation, the Nation's economy will suffer. In the fall of 1988, Dr. David A. Aschauer, Chicago Federal Reserve Bank, released results of his research in the several decades long decline in American productivity and the correlary decline in public infrastructure investment. Here are some of Dr. Aschauer's findings:

> "...Not only has productivity growth fallen over time, but it has tumbled relative to the experience of our major international competitors as well.
>
> "...there are deeper implications of the national neglect of our public facilities for the health of the United States economy. Indeed, I have uncovered striking evidence that the recent fall-off in public works spending is at the very core of the productivity slowdown.

"Productivity clipped along at a 2 percent rate during 1950 to 1970, while the net public stock expanded by 4.1 percent per year. However, after 1970 the rate of increase in the public capital stock fell to a mere 1.6 percent per year, bringing with it a slump in productivity growth to a miserly .8 percent annual rate.

"Thus, a root cause of the decline in the competitiveness of the United States in the international economy may be found in the low rate at which our country has chosen to add to its stock of highways, port facilities, airports and other facilities which aid in the production and distribution of goods and services...we as a country should be vitally concerned with the viability of our economic lifelines that enable us to meet the challenge of an increasingly competitive world marketplace."

While some critics have suggested that the correlation between highway investment and productivity is spurious, we believe that there are circumstances where a direct correlation can be demonstated. For this reason we feel that continued direct federal investment is essential.

A second important aspect of the trucking industry need for a strong, well developed system of national highways is a process called "just in time" scheduling of deliveries.

American industry has taken a page out of a chapter of the Japanese industrialists. In Japan, where there is not a lot of land to build warehouses, they schedule deliveries by computers. Deliveries are timed so that suppliers get their products to the assembly line within 2 or 3 hours of when the assembly line needs them. Consequently, the Japanese manufacturers do not have to build warehouses. What they do is store their raw materials and their component parts on the highway system in transit in trucks.

Secretary Skinner--in the just released National Transportation Policy--cited an example of similar delivery systems for United States auto manufacturers:

> ...every hour the new Chrysler assembly plant in Sterling Heights, Michigan, electronically notifies a supplier located 60 miles away, with an order for the seats the plant will need four hours later. The supplier assembles the seats to fill the order and they are delivered by truck within hours, to be installed in finished vehicles that same working day.

These programs have contributed significantly to the increased demand for truck transport. "Just in time" delivery and other innovations in truck transport have clearly had a major impact on the continuing steady growth of the United States manufacturing economy.

Consequently, if future traffic congestion around urban areas becomes so severe that truck deliveries cannot be made, what is going to happen? I do not think we should fool ourselves and say that American manufacturers are going to shift back to rails. What they are going to do is move out of the cities and locate in a place where they can continue to keep their trucks moving.

II. THE FUTURE OF THE HIGHWAY PROGRAM

Program Structure

In anticipation of the reauthorization of the federal-aid highway program, ATA has worked with other organizations such as the Highway Users Federation for Safety and Mobility (HUFSAM) and as part of the Transportation Alternatives Group (TAG) to develop a consensus of highway transportation groups. Those efforts produced consensus of many hundreds of highway user groups on a nine point program by the HUFSAM. The nine points of the consensus are:

- Protect the Interstate System
- Create a National Arterial System
- Restore Metropolitan Mobility
- Connect Rural America
- Keep all Bridges Safe
- Improve Traffic Safety
- Focus on Research
- Develop Scenic/Recreational Roads
- Assure Better Planning

The TAG reached consensus on 10 broad principles which should guide the new highway program. A brief summary of the TAG policy themes is:

TRANSPORTATION ALTERNATIVES GROUP, BASIC DIRECTIONS

Policy Themes

- Maintain the physical integrity of existing transportation systems

- Increase productivity, efficiency, market-responsiveness, and international competitiveness

- Provide increased capacity in congested and developing areas and improved rural access

- Enhance safety of all transportation modes
- Reduce barriers to intermodal, interagency and public/private cooperation
- Develop strategies to reduce environmental and resource impacts
- Simplify and focus federal-aid programs
- Improve metropolitan and rural regional planning/programming
- Encourage the best available technology
- Commit to needed investment level increases

To achieve these goals, ATA believes that the preservation, expansion, and reconstruction of the National System of Interstate and Defense Highways and major Primary highways of national concern should be the cornerstone of a new federal highway program.

All of the many organizations involved in surface transportation unanimously supported the continuation of a strong and expanded federal highway program to meet the mobility needs of our nation. To meet pressing infrastructure needs and to develop a new system of Highways of National Significance increased federal highway funding is clearly needed. The new national system should consist of 140,000 to 160,000 miles which will effectively connect all of the nation's population centers. It should include the Interstate System and major primary or other arterial routes necessary to develop a national network. The Federal Government should continue to assume primary responsibility for financing, construction, and reconstruction of the new National System.

Highways Of National Significance

Full federal-aid funding, as now authorized, should be provided through FY 1991. After completion of the Interstate System, the Highways of National Significance must become the principal federal aid system. This system should be funded at a level to meet essential future needs and at a higher federal aid matching ratio than any other federal aid highways.

The Highways of National Significance should be designated in its entirety for vehicles of the weight and length authorized by the Surface Transportation Assistance Act of 1982 (STAA) and for any longer combinations or trailer lengths subsequently endorsed by studies mandated by the Congress such as the Transportation Research Board Truck Weight Study.

Primary or arterial routes which are incorporated into the Highways of National Significance should be upgraded to standards adequate for the traffic volumes and vehicle populations using such routes on a priority basis. These routes which will carry more than 70 percent of the nation's intercity freight will require increased funding to meet these higher highway standards. Some may need to be upgraded to near Interstate System standards but many may simply need to be rehabilitated to provide for modern geometrics and adequate traffic movement. Relieving congestion in urban areas on these primary or arterial connectors should also be a priority for the Highways of National Significance. This may be accomplished by

traffic control measures, adding lanes or other geometric changes. The objective must be to provide mobility for all intercity traffic as efficiently as possible. Fund distribution to the new system should be by formula.

Bridges, Secondary And Urban Roads

Federal aid should continue for major bridges and for secondary and urban roads off the National System to improve urban, suburban and rural mobility. Many interstate freight movements begin or end on lesser rural and urban primary and secondary routes and federal aid programs are needed for major construction projects on these routes.

Accordingly, a significant federal aid program for routes not included on the new National system will remain a high priority for the trucking industry. Increased federal highway spending should be sought for these categories through 1995 either by reducing specific categories or by block grant programs with some restrictions on use.

Strategies For Enhancing Productivity

There are several strategies for enhancing the productivity and efficiency of the physical highway infrastructure that we would support. These include building stronger and thicker pavement structures with better draining base courses on major highways; instituting pavement and bridge management systems on a broader set of highways aimed at minimizing life cycle pavement, bridge and highway user costs; and implementing

transportation systems management programs in urban areas featuring the best available technologies to support traffic operations, surveillance and control, and enhanced incident management.

Cost Effective Pavement Design

A recent study conducted for our affiliate, the Trucking Research Institute (TRI), reanalyzed data from the American Association of State Highway Officials (AASHO) Road Test, collected from an experiment conducted in 1958-1960 which provides the basis for pavement design practices in the U.S. today. The TRI study observed large differences in the performance of equivalent pavement sections placed under identical traffic loads at the Road Test--performance variations that often exceeded a factor of ten.

Since wheel loads, tire pressures and vehicle operating speeds were carefully controlled at the Road Test, we can only conclude that the erratic performance of pavements at the Road Test is the result of some unexplained differences in pavement strength, construction, materials or other conditions that existed at the Road Test site. These irregular results, in our opinion, only reinforce the need for improved pavement designs for long-range durability.

Federal support for pavement research through the Strategic Highway Research Program Long Term Pavement Performance Program and other research programs should be continued. Yet, as that research progresses, we strongly recommend that the Nation begin

building and rebuilding its major highways with stronger and thicker pavement structures and better draining base courses. This strategy will increase the probability that pavements will last their intended lives, dramatically reduce life cycle pavement and highway user costs, and make the transportation sector a more productive part of the economy.

A recent study by Kenneth A. Small, Clifford Winston and Carol A. Evans, Road Work, published by the Brookings Institution, observes that the trucking industry and the Nation are paying a steep price for suboptimally designed pavements and that "trucks would damage roads far less if roads were correctly built in the first place." In reaching this conclusion, the study assumes life cycle highway costs would be minimized through optimal highway design -- in their words, by adding "pavement thickness (or other measures to improve durability) until the incremental cost of additional durability equaled the incremental savings in maintenance and (highway) user costs." With these durability improvements, the study suggests heavy combination vehicles would pay 2/3 of their current road user charges.

The economies of scale of building stronger and thicker pavement structures are enormous. According to American Association of State Highway and Transportation Officials (AASHTO) design procedures, one additional inch of concrete pavement effectively doubles the strength (and life) of a pavement yet adds only 4% to pavement related construction costs

and less than 1/2 of 1% to the total construction costs of a rural Interstate highway (according to Federal Highway Administration [FHWA] cost data). Virtually without exception, the incremental savings in future highway maintenance, rehabilitation and highway user costs will far outweigh the incremental costs of thicker pavements.

A typical concrete pavement section on rural Interstate highways today is 10" thick. According to current AASHTO design procedures, this design will accommodate a minimum of 5 million 18,000 pound axle load applications (or its equivalent). Eight times more durable than a 10" concrete pavement, a 14" concrete pavement adds but 15% to pavement related construction costs and less than 2% to the total construction cost of a new highway. Pavements on main line truck routes should be built at least 14" thick.

The economies of scale of thicker pavements have long been acknowledged by the highway engineering profession. In testimony before this Subcommittee, FHWA has stated that pavement strength goes up with the seventh power of pavement thickness. Our analysis of the last two AASHTO pavement design guides yields the same basic results.

Given this information, it is incomprehensible that our major highways were not designed to take greater advantage of the efficiencies of stronger and thicker pavement structures. Built right the first time, our highways will hold up better, rehabilitation and maintenance costs will be less, direct user costs will be lower, and the trucking industry will be far less

concerned about a consumption method of highway cost allocation. The trucking industry is paying for these highway engineering oversights. Ultimately, these oversights will make U.S. products non competitive.

Pavement And Bridge Management

One of the most important tasks for highway administrators is the preservation of highway infrastructure. FHWA policy requires the States to adopt systematic procedures to select, design and manage federal-aid highway pavements. Pavement management systems should identify cost-effective strategies for building, evaluating and maintaining pavements in a serviceable condition. ATA supports these requirements.

For major highways carrying significant truck traffic, however, FHWA policy must ensure that pavement types and structures will satisfy the requirements for long-range durability. All too often, States apply temporary band-aids to improve major highways with less than optimal pavement structures. Such practices serve neither the interests of economic efficiency nor the needs of the traveling public. ATA supports a pavement design policy that minimizes long-term life-cycle construction, maintenance and highway user costs for major highways -- a policy that requires the construction of stronger and thicker pavement structures with better draining base courses.

FHWA is also encouraging States to adopt cost-effective strategies for rehabilitating and maintaining highway bridges. These systems will evaluate alternative investment strategies and optimize agency bridge expenditures. ATA supports these requirements.

The Transportation Research Board estimates that 120,000 of the 550,000 bridges on non-Interstate and non-federal aid highways are posted, indicating inadequate load-bearing capacity to accommodate legal vehicles. These restrictions significantly limit the productivity of motor carriers using these bridges, and force heavier vehicles to take longer, less efficient routes. ATA recommends that States be permitted to use federal-aid funds to strengthen the load-limiting features of non-Interstate and non-federal aid system bridges without concurrent upgrading of bridge geometric features. Many substandard bridges can be strengthened with low-cost retrofits.

Highway Funding

ATA supports a federal highway program which increases expenditures from the present $12.5 billion annually to at least $17.5 billion in the new bill. This size program can be supported by drawing down the present $11 billion balance in the highway account of the Federal Highway Trust Fund over the 4 years to 1995. The larger program will enable the states to significantly improve the new National System as well as

increase expenditures for off system roads and bridges where most needed. This new National network will provide for improved mobility into the future for all highway users.

To ensure adequate and stable funding for a federal highway program which keeps pace with traffic growth into the next century, the Federal Highway Trust Fund must be made permanent. All available Highway Trust Fund revenues should be expended. Moreover, the large balance in the Fund permits a major increase in funding without increasing highway user taxes. Commercial trucks contribute over 42 percent of the revenues in the Federal Highway Trust Fund, or $14 million per day. These federal taxes include fuel taxes, tire taxes, truck sales taxes and heavy vehicle use taxes. As a significant contributor, the trucking industry strongly believes that all income to the Highway Trust Fund must be expended. Any other action simply adds to the balance in the Trust Fund and breaks the promise that all of the revenues collected and earned will be spent for authorized purposes. ATA recommends that the federal highway program be funded at a level of $17.5 billion or any higher level which can be supported by drawing down the Highway Trust Fund balance through FY 1995.

Highway users have paid the entire cost of the Federal and most state highway programs through a tax system of registration fees and fuel taxes. Weight distances taxes are inefficient, inequitable, and are opposed. In particular, a federal weight distance tax based on gross weight will be vigorously opposed and is unnecessary to meet trucks' highway cost responsibility.

Diversion of Highway Trust Fund revenues to non-highway purposes seriously hampers this nation's ability to preserve its highway infrastructure. Since enactment of the Highway Trust fund, a number of non-highway expenditures have been shifted to the Highway Trust Fund. This diversion includes: rail relocation expenses, bikeways, parking lots, ferryboat construction and various transit expenditures. At a time when the highway infrastructure has deteriorated significantly, continued diversion of Highway Trust Fund revenue to non-highway purposes is unjustified. In addition efforts to increase fuel taxes for General Funds or other public purposes would have serious adverse impact on the states ability to increase fuel taxes for highway purposes. Reducing highway expenditures for deficit reduction or any other non-highway purpose is opposed.

A serious drain on the Highway Trust Fund is the current exemption of gasohol from the federal motor fuel taxes. The federal gasohol exemption costs the Highway Trust Fund nearly $500 million annually ($482 million in FY88). Since 1979, losses have amounted to more than $3 billion. Ironically, $3 billion could double our annual investment in bridges for a year. All alternative fuels must be taxed at levels equivalent to the gasoline or diesel fuel tax which they replace. If there is to be a federal subsidy for alternative fuels, it should be paid by all taxpayers and evaluated on the same terms as other spending or tax preferences.

Tolls

ATA supports the basic concept of a toll-free National Highway System. Financing of highway improvements should rely on highway user taxes and receipts, exclusive of tolls. ATA opposes any use of federal aid highway funds in conjunction with tolls either for new highways or for highway reconstruction.

In particular, ATA will oppose any use of federal aid funds to reconstruct an older Interstate or primary route and then turn it into a toll road. When toll financing is used, toll collections should be limited to and fully cover the costs of constructing, reconstructing, and maintaining the toll facility. Toll collections should not be used for the extension of bonded indebtedness or for the creation of new indebtedness for other facilities.

The payment of highway user taxes, in addition to tolls on the toll highways, constitutes double payment for the use of these facilities. For example, a 5 axle tractor semi-trailer traveling from Baltimore to New York on Interstate 95 and the New Jersey Turnpike, which is largely toll roads or bridges, will pay at least as much in tolls as in fuel taxes--$25. In addition, this vehicle pays federal truck use and state fuel taxes and registration fees. Since the tolls pay the cost of most of the highways and bridges on the route, the highway user taxes are available for other highways or for diversion to other state purposes. Maryland, Delaware and New Jersey each divert a substantial portion of highway user taxes to nonhighway purposes. State highway user taxes should be eliminated on toll facilities.

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The consequences of granting a tolling authority independent bonding authority are dramatically illustrated in the recent experience in New Jersey. A $2 billion bond issue was floated without any specific plan or coordination with other transportation or environmental state agencies. The need for a specific plan for bond revenue use far exceeds any short term financial gains achieved by early issuance of the bonds.

Truck size and weight limits allowed on toll facilities should be grandfathered when tolls are removed. For example, the Ohio Turnpike is scheduled to revert to a toll free road in 1992. The Ohio Turnpike currently permtis 48' double trailers on the Turnpike with a special project permitting one company to run triple trailers. These projects have been highly successful both in terms of safety and productivity. This productivity benefit should be grandfathered in when the Turnpike becomes a toll free road.

Programs designed to reduce congestion through assessment of fees for use of roads during peak travel periods attempt to discourage travel rather than increase mobility. The goal of a forward looking federal highway program should be to seek positive solutions to transportation problems, not to institute barriers or tolls to discourage or prevent mobility. Congestion pricing is not a viable alternative to highway improvements to provide new capacity.

Transportation System and Incident Management

Traffic congestion is a growing problem for the trucking industry and a major impediment to the free flow of commerce in, around, and through urban areas. Long a problem for local pick up and delivery services, congestion has rapidly spread to urban beltways and other through routes, adversely affecting the efficiency of line-haul goods movements.

A number of actions can be taken by highway agencies to increase the supply of highway facilities in urban areas that go beyond the traditional methods of new highway construction and freeway widening. These have come to be known as transportation systems management strategies -- improvements such as coordinated traffic signals, ramp metering, freeway surveillance and control systems, driver information systems, and coordinated response plans to incidents and accidents. ATA strongly supports these concepts.

The delay caused by freeway incidents and accidents is a big issue for our industry. To address this concern, the Trucking Research Institute has initiated a major research project to determine better ways to deal with non-recurrent congestion caused by freeway incidents and accidents, involving both cars and trucks. The study will develop a program of initiatives -- grants, policies, model legislation, information and demonstrations -- that can be advanced to expand and improve incident management programs in urban areas. The study will be completed in August, and copies of the report will be provided to the Subcommittee.

Trucks must have freedom to move at all times on the nation's highways, roads and bridges in order to provide essential transportation between American communities, businesses, and industry. Trucks of a size and weight authorized by the Surface Transportation Assistance Act of 1982 and longer combinations or trailer lengths subsequently approved should not be restricted on the Interstate System or on a system of Highways of National Significance either through outright prohibition or restrictions on hours of operations. Route restrictions should only be for safety reasons and should be of limited duration. Such routes should be quickly upgraded to adequate standards. Unreasonable state or local restrictions must be prevented through Federal intervention.

III. THE PRODUCTIVITY OF THE TRUCKING INDUSTRY

The performance of the nation's economy in increasingly competitive international markets depends in large measure upon an effective and efficient transportation system. To achieve efficiency, the trucking industry must be able to operate its most productive equipment to serve the facilities of shippers and receivers throughout the nation.

As the nation's premier mover of freight, the American trucking industry has long recommended reasonable size and weight standards consistent with highway capability and the need for efficient, intelligent, and productive use of our country's vital resources. Alternative bridge formulas or modifications of the current Federal Bridge Formula may provide greater efficiency, safety, and maneuverability in the movement of goods without harm to roads and bridges. Current federal limits on gross vehicle weight should be removed to permit gross weight regulation through application of an appropriate federal bridge formula to individual axle weights.

Access

It is essential that all vehicle types approved by the Surface Transportation Assistance Act of 1982 and longer vehicles grandfathered or subsequently approved be permitted to operate on the Highways of National Significance. In order to achieve necessary productivity, the trucking industry must be allowed access to points of loading and unloading from this new

National System. States, counties and cities cannot be allowed to thwart National productivity through ordinances or regulations restricting or banning trucks without evidence of specific safety problems.

FHWA has had a formal rulemaking on access for STAA approved semi-trailers and twin trailer combinations underway for more than three years. Final comments on the Rulemaking were received on December 1, 1989 and the final rule is reportedly under review by the FHWA. Publication of the final rule is expected in late spring.

The STAA specifically required states to provide "reasonable access" for the combination vehicles approved by the Act. Yet today, more than 7 years after passage of STAA several key states have not yet established adequate designated highway systems or provided reasonable access for STAA approved combinations.

In addition, local jurisdictions which have long provided access for STAA vehicles have suddenly reversed positions and are issuing citations for both overlength and overwidth. The city of Phoenix is a current example of a reversal. Since January, Phoenix has issued many hundreds of citations to carriers who are trying to deliver to shippers or reach terminals in Phoenix which have been open to the same STAA approved vehicles since 1983. A strong FHWA decision on access is essential to end such harrassment of carriers trying to provide requested service to shippers.

Weight Measurement

A second area of concern regarding truck size and weight limits is the issue of inadvertent overloading of axles and/or scale error. Many motor carriers load vehicles at sites where scales are not available and thus may inadvertently overload an axle or tandem axle. Further, there are frequently small differences in scales at high weights even when properly calibrated. Consequently, ATA requests that Congress allow the states to levy no fine or a low fine for axle overloads of less than 500 pounds. This is particularly needed at this time since several states have greatly increased overweight fine structures to establish minimum fines as high as $200 in Pennsylvania. In addition, several states charge administrative or court cost fees which may greatly exceed the overweight fine. Large fines for inadvertent overloads of a few hundred pounds appear to be excessive and Congressional action to provide guidance to the states and localities is needed.

Studies

Prior to June 1990, four studies of possible changes in truck weight or size limits will be completed and made available to the Congress:

- The Transportation Research Board (TRB) Truck Weight study was requested by the Congress and will consider all aspects of current federal weight regulation.
- TRB's Turner Study will report on a proposal by former FHWA Administrator Frank Turner which proposes various vehicles with lower axle limits and higher gross weights.
- The FHWA study of truck weight, similar to the TRB study.

- The Trucking Research Institute study of the economic benefits of several types of longer combination vehicles currently operating in states in the West under special permits.

These studies will provide information on benefits and costs, safety, pavement and bridge wear related to various changes in vehicle weight or size which may produce improved productivity for the trucking industry. Currently, states are forbidden by Federal law to allow trucks in excess of 80,000 pounds to operate on the Interstate system (unless they were allowed before the law became effective). ATA urges the Congress to carefully review the findings and recommendations of these studies to determine whether increased productivity may be possible through allowing states greater flexibility in setting weight limits for the various types of vehicles discussed in the studies. Several states now allow higher weights on axles or by special permits under "grandfather" provisions. These are extremely important to the economy in all of the states where they are permitted. ATA will vigorously oppose any effort to withdraw or roll back these grandfather provisions.

ATA understands that the TRB Truck Weight study will recommend higher gross weights based on the very high benefits to the economy compared to pavement and bridge costs. Similarly the Turner study is reported to propose higher gross weight combined with lower axle weights. The Longer Combination Vehicle (LCV) study also reportedly finds large benefits to the economy from higher gross weight for these combinations. These studies also have various recommendations for equipment, safety and driver regulations. Other changes such as set back front

axles, adjustments to the bridge formula and special vehicle design may further enhance productivity. Major benefits to the Nation's economy can be achieved from these proposed changes.

Multimodal Transportation

Historically, Congress and the federal regulatory agencies have viewed trucking as a domestic transportation mode, influenced little by international trade, competition, and transportation trends. However, the rapid growth of domestic and international containerization of freight in recent years has resulted in increasing numbers of maritime shipping containers being transported over America's highways. As a result, the trucking industry finds itself an integral part of international commerce and multimodal transportation.

According to a recent study by FHWA of data compiled by the Journal of Commerce of import/export containers moving through the ports, one-third of the containers are carrying cargoes at weights that could cause the vehicle transporting it to violate Federal vehicle weight laws. The containers are loaded on trucks without giving the trucker any indication that the shipment is overweight--gross or axle. These overweight containers have the potential to increase damage to highway pavements and bridges and to impair vehicle performance, resulting in safety problems.

Overweight international containers--both import and export--have traditionally been viewed as a truck weight enforcement problem and not as an international competitiveness problem. This is primarily because they became illegal only when they were transported over the highway. Tickets for overweight containers are issued to the trucker even though the trucker has no control over the weight or loading of the container and may not be aware of the container weight. In some cases, the trucker is forced to take an overweight container because of competitive pressures and the excess capacity which exists in this segment of the market. Some means must be found to shift this burden from carriers to shippers.

The Federal Highway Administration (FHWA) has taken the lead on the overweight container issue. To its credit, it recognizes that the trucker is not responsible for the overweights and that culpability must be directed at the party responsible -- the shipper. Unfortunately, the FHWA, as do other regulatory agencies, lacks authority to solve this problem, as well as other issues that arise out of multimodal transportation operations. As a result, these issues, although increasingly important, fall through the "bureaucratic cracks." For example, federal agencies cannot:

- Issue regulations which make the shipper responsible for overweight containers;
- Require shippers, both domestic and international, to indicate the actual weights of individual containers on standardized shipping documents;

- Require state uniformity for issuance of overweight container permits;
- Require ports and/or marine terminal operators to confirm declared shipment weights before import containers leave port property;
- Require owners of intermodal equipment, chassis and piggyback trailers, to provide inspected, well-maintained and appropriate running gear in accordance with new Federal annual vehicle inspection requirements; and
- Eliminate steamship freight rates which are currently based on container rates and not actual cargo weight.

These issues will not go away. As multimodal and international transportation activities increase, the problems will become worse. Therefore, we urge this Subcommittee to recognize the uniqueness of multimodal transportation needs and provide the appropriate regulatory agencies, (FHWA, FMC, ICC), statutory authority to establish rules affecting multimodal transportation. In addition, this Subcommittee should legislate shipper responsibility laws, placing the burden of illegal overweight shipments on the party who controls and tenders the loads.

ATA believes there are three principles that should guide the solution to multimodal problems:

- Motor carriers have the right to know container weights and axle weights before they leave the port or the shipper's dock
- If given incorrect weight information which results in fines, penalties or civil liabilities, motor carriers should be entitled to recoup their losses from the shipper
- Carriers who refuse to carry unsafe loads should be protected from shipper retaliation

IV. THE CUMULATIVE BURDEN OF STATE TAXES AND FEES

The trucking industry is faced in many states with a wide variety of operating taxes and fees that discriminate against interstate motor carriers. Fuel tax decal fees, which have been held unconstitutional by the United States Supreme Court, are still levied by 20 states.

Motor carriers' problems with state and local general business taxes are relatively new, but they are serious and growing fast. The United States Supreme Court has ruled that interstate motor carriers doing business in a state may be asked to pay a fair share of the state's general business taxes, for example, corporate income taxes and gross receipts taxes. Many states now require carriers that merely pass through on the highway to pay these taxes in addition to highway taxes. Some states are engaged in widespread enforcement programs under which carriers are being assessed for several years' back taxes, interest as well as a penalty, for not having filed. Guidelines for states are urgently needed in this and related areas.

Section 19 of the Motor Carrier Act of 1980 required the Department of Transportation to complete a study on the problems motor carriers had with the lack of uniformity among the states. DOT estimated that nonuniformity in state highway taxation of the motor carrier industry was costing $1 billion a year. In 1985, DOT funded a study by the National Governors' Association

(NGA) to find ways to eliminate or reduce this drain on the trucking industry and the economy. In 1987, NGA recommended that the states to adopt an eight point program:

- o Establish a Motor Carrier Advisory Committee
- o Join the International Registration Plan (IRP)
- o Adopt the Uniform Fuel Use Tax Report Form
- o Adopt the Six Point Plan for Fuel Use Tax Reporting
- o Join a Base State Fuel Use Tax Reporting Agreement
- o Work Together to Address Uniformity in States that Assess Mileage-Based Taxes
- o Eliminate Retaliatory Taxes
- o Institute Simple, One-stop Operations for Motor Carriers

Unfortunately, the recommendations are being implemented too slowly. In 1985, it took 107 pieces of paper to operate a truck legally in all 48 contiguous states. Today, it still requires about 100. To accelerate the implementation of the NGA recommendations, FHWA issued a contract to the Trucking Research Institute to develop a training course for states to use in the implementation of the International Fuel Tax Agreement (IFTA), one of the eight points of the NGA Consensus Agenda. This will provide a means by which the momentum of the NGA uniformity effort can be brought to fruition. Universal adoption of IFTA by the states will go a long way toward reducing the $1 billion paperwork burden. We think this is a good investment of Federal dollars. Congress should require FHWA to endorse the International Fuel Tax Agreement and push for its adoption with a date certain when all states must adopt it.

The trucking industry is restricted to state courts in its legal challenges to state and local taxes that are burdensome, discriminatory or otherwise illegal. We cannot get these cases into federal courts. Railroads can.

Federal law permits railroads to challenge any discriminatory state or local tax in federal district court. This law has been very useful to the railroads. Our industry can only go to federal court with regard to discriminatory property taxes, an area where our problems are relatively minor. Federal legislation granting the trucking industry the same right as that enjoyed by the railroads is clearly needed to provide motor carriers relief from unconstitutional state and local taxes.

V. THE IMPORTANCE OF SAFETY

Motor Carrier Safety Assistance Program (MCSAP)

According to the Fatal Accident Reporting System (FARS) of the U.S. Department of Transportation (the most reliably collected truck accident data on a national scale) the data from 1976 to 1986 indicates that fatal accident rates per million truck miles have steadily fallen through the 1980's. (See chart below)

Fatal Accident Statistics for Combination Vehicles

1976-86

	Number of Fatal Accidents	Vehicle Miles Traveled (billions)	Fatal Accident Rate (per 100 million miles)
1976	3260	49.7	6.56
1977	3613	55.7	6.49
1978	4066	63.0	6.45
1979	4307	67.0	6.43
1980	3731	68.7	5.43
1981	3863	69.1	5.59
1982	3519	66.7	5.28
1983	3645	69.8	5.23
1984	3907	77.4	5.05
1985	3892	79.6	4.89
1986	3825	82.7	4.63

Note: Combination vehicles include all separate tractor-trailor combinations.

Congress passed the Surface Transportation Assistance Act (STAA) in 1982, which in addition to changing truck size, weight, and configuration limits, initiated the Motor Carrier Safety Assistance Program (MCSAP). Since the passage of the Act

authorized funding for this program in FY 1984, this extremely successful federal - state partnership to reduce commercial motor vehicle accidents has received increased funding levels every year to its present level in FY-90 of $60 million. We believe the program should continue and that funding should be increased.

ATA has been a supporter of this program from its inception and continues to believe that increased funding will provide a positive impact on motor carrier safety on the nation's highways. However, we believe that increased funding should be directed towards providing more effective training for inspectors charged with the responsibility of inspecting commercial motor vehicles. ATA also believes that these inspectors should continue to focus enforcement on all commercial vehicles as currently defined in the Federal Motor Carrier Safety Regulations.

There needs to be increased emphasis placed on insuring that all enforcement officers who inspect commercial motor vehicles have received an appropriate level of certified and uniform training. This training will guarantee that an inspection conducted in one state is the same as the inspection which will be received in another state. That is not the case throughout the country today.

The motor carrier industry is being required to submit to a host of different types of inspections conducted at every type of location from a modern garage-type facility to a narrow shoulder of a secondary state highway. These inspections are

being conducted by a variety of inspectors some of whom have received hundreds of hours of intense mechanical and safety training. However, inspections are also being conducted by inspectors who after a three day safety regulation program begin stopping trucks to inspect complex mechanical components of modern commercial motor vehicles. There needs to be a more effective system of federally sponsored training which will upgrade and improve the skill level of all inspectors so that the quality of inspectors and inspections will improve.

DOT should also work with the states to insure that state enforcement programs under MCSAP which require the adoption of regulations compatible with the Federal Motor Carrier Safety Regulations (FMCSR) are continued. The recommendations of the Commercial Vehicle Safety Review Panel concerning uniform motor carrier safety regulations should be adopted as swiftly as possible and the strong sanctions imposed on states which do not comply should be enforced.

Also in the area of uniformity, DOT should be urged to continue to support the activities of the Commercial Vehicle Safety Alliance (CVSA) in dealing with the problem of uniform fines and sanctions for motor carrier safety violations. The problem of states and localities charging widely varying fines for the same violation has reached epidemic proportions. CVSA is aware of the problem and has begun to address it. Congress should encourage the Federal Highway Administration (FHWA) to do all that it can to urge states to adopt the recommended maximum fine schedule being developed by CVSA.

Commercial Drivers License Program (CDL)

ATA was a key supporter of the legislation which Congress passed to mandate a single drivers license for operators of commercial motor vehicles. We have been a participant at every step of the regulatory path in the development of the CDL program. We believe the CDL program will improve the quality of commercial vehicle operators and improve safety on the nations highways.

As states have begun to implement the CDL program ATA has closely monitored all phases of the process in order to expedite program implementation and provide assistance to motor carriers. Although some states have encountered difficulties with certain aspects of the required CDL program components such as standardized violation codes and hook-up to the Commercial Drivers License Information System (CDLIS), we are satisfied at this time that FHWA has dedicated the necessary resources to assist states in meeting the April 1992 required implementation date. Congress should closely monitor the state implementation process in order to insure that all states will meet the required CDL program implementation date.

65 mph Speed Limit

The trucking industry was a key supporter of the national 55 MPH speed limit. We were one of the loudest opponents of the move to increase the speed limit to 65 MPH. We continue our opposition to the 65 MPH speed limit and urge Congress to again consider a rollback to the 55 MPH speed limit. To facilitate

this rollback, we request that DOT be required to gather accurate data on accident experience of the states since the change to the higher limit. This data will document the increased loss of life and injury to the American public and provide a basis for decreasing the speed limit to 55 MPH. We believe that these statistics along with the undeniable fuel savings of a lower speed limit should be the basis for a Congressional effort to again reduce the national speed to 55 MPH.

Rest Areas

The trucking industry is becoming increasingly aware of the lack of sufficient parking at roadside rest areas which will serve the needs of increased truck traffic.

In the last decade, the number of trucks on the road has increased 24% and the average annual miles each truck travels has increased 27%. Annual truck volume on urban and rural interstate highways has increased by 8% and 5% respectively.

However, in the same period of time there has been little or no new construction in truck stop rest area facilities. This lack of expansion has led to overcrowding of present facilities and has forced drivers as a result to either find other parking arrangements or violate hours of service regulations. Many states in order to relieve overcrowding in rest areas have resorted to allowing drivers to only stay four hours in rest

areas. As a result drivers are at times parking in less-safe locations such as highway shoulders or on exit/entrance ramps to interchange.

Fatigue has been cited as a major factor in as many as one third of the fatal accidents which were studied in a recent National Transportation Safety Board (NTSB) investigation. Drivers need safe areas to take rest breaks to prevent fatigue related accidents and to comply with hours of service regulations.

Congress should consider providing additional funding to states to develop new roadside rest-stop areas or expand current facilities to handle the expanded needs of motor carriers.

Off-Ramp Signing

Unlike most aspects of highway design, off-ramp designs do not generally make adequate allowance for the special requirements of trucks. This was indicated in a review of the Federal Highway Administration accident file for 1980 which revealed that 9% of all jackknife accidents and 17% of all rollover accidents occurred on off-ramps while only a very small percentage of commercial vehicle travel was on off-ramps. Truck dynamics must be given greater consideration in future construction.

Although there is a need to identify and reconstruct a number of existing off-ramps to make them safer for trucks, there is a low cost project which can be done relatively quickly

without high construction or land acquisition costs. This is to develop and implement (including driver training) a signing program to provide truck drivers with the information needed for judging the speed which should be utilized in negotiating off-ramps.

Off-ramps today are generally posted with one speed which is usually based on passenger car rather than truck performance. A University of Michigan study points out that the safe speed of passenger cars on ramps is limited by tire traction whereas for loaded trucks it's rollover. Loaded trucks will usually rollover before their tires skid.

Trucks also have problems with off-ramps which incorporate curves having different radii. If the driver does not realize that the second curve in a ramp is tighter than the first, he may, after conservatively negotiating the first part of the ramp, increase his speed to obtain a safer and more effective merge speed, only to lose control in the tighter, second half curve.

Another problem for trucks is that they cannot always accelerate and decelerate safely as fast as passenger cars, therefore, some of the acceleration and deceleration lanes are not as long as they need to be for trucks.

<u>Congress should require DOT to implement a signing policy which indicates the ramp speed for trucks as well as passenger cars.</u>

Downgrade Signing

In addition to the need for an effective method of signing off-ramps for trucks, there is a need for the signing of downgrades to advise drivers of the proper speed and gear selection for the descent. This problem is widely recognized and the FHWA has already developed an excellent new signing method (Grade Severity Rating System) to address the problem.

This new signing procedure, however, has not been universally implemented because of the lack of funds. Funds are needed not only for the signs, their construction and installation but also for the training of drivers as to how to properly interpret them. Congress should require states to implement the downgrade signing program developed by FHWA.

VI. THE NEED FOR TRUCKING-RELATED RESEARCH & DEVELOPMENT

The Fiscal Year 1991 federal budget includes $71 billion in budget authority for research and development. Of this total, $1.5 billion is earmarked for "developing technologies for improved transportation." More than two-thirds of these transportation-related R & D funds will go to to the National Aeronautics and Space Administration. DOT's share of the $1.5 billion is just $422 million -- less than 30% of the total.

The $422 million for DOT R & D includes the following proposed expenditures:

- $191 million for research, engineering, and development at the Federal Aviation Administration;
- $30 million for research and analysis at the National Highway Traffic Safety Administration;
- $23 million for Coast Guard research, development, test and evaluation;
- $17 million for railroad research and development expenditures by the Federal Railroad Administration, including $6.2 million for magnetic levitation and high speed rail (with another $3.5 million earmarked for "mag lev" research by the Army Corps of Engineers);
- $13 million for the Federal Highway Administration to develop intelligent vehicle/highway systems (IVHS) to address congestion; and
- $1.8 million for motor carrier safety research and development work within the Federal Highway Administration.

Given that more than 40% of intercity freight is carried by trucks, and that 77% of national expenditures on freight movements go for trucking services, there is something seriously amiss in the allocation of federal transportation-related R & D

expenditures. The $1.8 million in direct expenditures on trucking-related R&D amounts to 0.4% of the DOT total. Assuming that the trucking industry benefits, to some undetermined degree, from R & D expenditures at NHTSA and on IVHS to address congestion, total R & D expenditures benefiting trucking might reach $10 million or so -- still less than 2.5% of the DOT total.

Moreover, of the small amount being spent on trucking-related R & D, the vast majority is being spent on research designed to serve the regulatory agendas of DOT agencies. While research in support of regulatory activities is a necessary and legitimate expenditure of federal resources, R & D devoted to enhancing transportation productivity and international competitiveness should be an equal priority.

Indeed, federal R & D expenditures benefiting other transportation modes often are targeted expressly at improving productivity and competitiveness. Take the $9.7 million budgeted for maglev research during FY 1991, for example. The FY 1991 budget document notes that: "This increase in funding [from $2 million in FY 1990 to $9.7 million in FY 1991] is intended to explore the possibility of stepped-up U.S. efforts in this important emerging technology. The focus of the expanded program will be to determine the role of magnetic levitation transportation in the U.S. transportation system, the

economic feasibility, the appropriate safety and operating standards, and the remaining technologies that must be developed to achieve an efficient and environmentally acceptable U.S. system.

Going further, the FY 1991 budget includes the following description of the Federal Railroad Administration's "contractual support" program: "Contractual support is used to develop positions regarding structural industry changes such as mergers and to conduct internal studies dealing with traffic, economic forecasting, financial condition, labor-management activities and other factors that contribute to an efficient national freight railroad network." The budget estimates that FRA spent more than $13.5 million on such "contractual support" activities during FY 1990.

Nowhere within the federal government are such expenditures being made to advance trucking productivity and technology. The upcoming reauthorization of the Federal-Aid Highway Program presents an ideal opportunity to correct these inequities in transportation-related R & D expenditures.

Beginning in FY 1992, $50 million should be earmarked each year for trucking-related R & D expenditures within the Department of Transportation. These funds should be employed for research, development, and demonstration programs aimed specifically at enhancing trucking safety, productivity and international competitiveness. These programs should be pursued cooperatively between government and industry, so that each has a say in the conduct of the research and a stake it its outcome.

In many ways, the research expenditures being made by the Federal Railroad Administration on behalf of the nation's railroads can serve as a model for future government-sponsored trucking research. Take traffic and economic forecasting studies, for example. Many long-time FHWA officials will admit, at least informally, that the agency seriously miscalculated future levels of truck traffic when it began funding the construction of the Interstate System. Consequently, pavements were suboptimally designed and wore out much sooner than predicted. Society in general has suffered from the results of these poor forecasts; so, too, has the trucking industry, which is now having to pay higher road user taxes to repair prematurely deteriorated highways. Had FHWA been carefully monitoring economic trends in trucking, these early miscalculations could have been corrected or, perhaps, eliminated entirely.

Likewise, FRA research on emerging rail technologies (maglev and high speed rail) should be emulated by FHWA. Who at FHWA (or anywhere else in DOT) is carefully analyzing the national safety and productivity gains that may be had from innovative new kinds of trucking equipment (such as swap body trailers now in use in Europe; longer trailer combinations coupled with improved braking and handling systems; advanced driver information systems for commercial vehicle operators; etc.)?

Many of these technologies can be researched and tested only through cooperation between the public providers of the roadway infrastructure and the private operators of the more productive trucking equipment.

VII. THE NEED FOR A MOTOR CARRIER ADMINISTRATION

To implement the R & D program recommended above, ATA supports the creation of a Motor Carrier Administration within DOT. As noted at the beginning of this statement, trucking is the largest freight transportation mode--hauling more tons, employing more people, paying more taxes, and traveling more miles than any other mode. Unfortunately, it is not fully represented at the DOT. Every other mode has a modal administrator; trucking does not. Equity demands that a trucking administration be established.

Furthermore, there is a tremendous need for such an Administration to deal with the numerous issues which arise from motor carrier operations and which must be dealt with by the Federal government and by Congress. While FHWA has tried to address the issues of trucking, its primary responsibility is building highways. Not all problems in the trucking industry which need to be addressed by the Federal government are highway-related, including:

- General state business taxes;
- Multistate income taxation of interstate drivers;
- Human resources, including workers' compensation;
- Insurance/Tort Reform;
- Intermodal coordinaton;
- International trade, competition, and transportation; and
- Quality and availability of labor.

The increased annual cost resulting from a Motor Carrier Administration is only $2.4 million per year, according to a General Accounting Office report--less than DOT spends in one hour for all its other programs. ATA respectfully suggests this Subcommittee provide authorizing legislation for a Motor Carrier Administration.

VIII. CONCLUSIONS

It is esential to the economic well-being of the American trucking industry that the federally-aided highway program be reauthorized and strengthened. A program to meet both the repair needs as well as to provide increased capacity should be developed. Highways should be build better, with better drainage, greater strength, better geometric and off ramp designs, all to provide longer highway life.

An expanded, multiyear program should be funded by drawing down the unreasonably high balances in the highway trust fund and without resorting to increased user fees. Such a program should have as its basis a system of National Significance composed of a completed Interstate System and the major elements of the primary system. The Highway Trust Fund should be made permanent. Exemptions should be ended and evasion stopped.

No Federal funds should be expended for toll roads. Previously constructed Interstate highways must not be turned into toll facillities after reconstruction with or without federal funds. Tolls should be removed when bonds are paid off.

Federal funds should be increased for safety and research. MCSAP funding should be increased and inspectors better and more uniformly trained. States must establish CDL programs as required by 1992. Sharply increased truck research and

development funds are essential to enhancing truck safety, productivity and international competitiveness. Truck economic productivity should be increased based on research findings. Through these prudent investments, the U.S. can continue to compete and expand its stature in the global market-place.

A strong, well maintained federal highway system is essential to the efficient and productive operation of the Nation's trucking industry. As trucks increasingly provide the warehouse and distribution services for American manufacturers and shippers, good highways are the vital link to increased productivity and international competitiveness. In the face of expanding competition in the global market place, maintaining and improving the U.S. highway infrastructure is of critical importance to our economy. The keystone of the highway program must continue to be strong and growing federal highway funding if our highway infrastructure is to be able to provide the service our economy needs and desires.

THE GARDEN CLUB OF AMERICA
598 MADISON AVENUE, NEW YORK, N.Y. 10022
TELEPHONE (212) 753-8287
FAX (212) 753-0134

PRESIDENT
MRS. EDWARD A. BLACKBURN, JR.

NATIONAL AFFAIRS AND LEGISLATION COMMITTEE

CHAIRMAN
MRS. LEE F. DRISCOLL, JR.
720 SWEDESFORD ROAD
AMBLER, PA 19002

Good afternoon, Mr. Chairman and members of the Subcommittee. I am Phoebe Driscoll. As Chairman of the National Affairs and Legislation Committee I am testifying for the Garden Club of America in support of H.R. 3389. Established in 1913, the Garden Club of America is a national organization with member clubs from coast-to-coast and in Hawaii. United by our love and concern for plants, our members come to Washington and to our seats of local governments to be advocates for the welfare of our plants which is directly tied to the welfare of our people. Plants, like people need clean air, clean water , and suitable habitats -- and people like you and me have the right to see our plants -- the flowers, grasses, shrubs and trees of our rural and urban landscapes. The imposition of billboards along our highways denies our right of view.

Since 1914, when the Garden Club of America established a committee on Beautifying Settlements and Highways, we have advocated billboard control. Today we strongly support H.R. 3389 -- the billboard Control Act of 1989 -- legislation that would halt construction of new billboards along federal highways and would return control over billboard removal to states and local governments -where it belongs.

The Highway Beautification Act of 1965 was supposed to protect our roadsides from billboards blight. Today the law does little more than protect billboard companies from local regulation.

In 1985 the U.S. General Accounting Office reported that new billboards were being erected three times faster than non-conforming billboards were being removed. Today, the removal of non-conforming billboards has essentially stopped. In fact, the Federal Highway Administration reports that only 385 non-conforming billboards were removed in Fiscal Year 1989. At this rate, it will take 260 years to remove the remaining 99,919 nonconforming billboards. Our members can't wait that long.

At the same time that removal of non-conforming billboards has come to a halt, the industry continues to erect thousands of new so-called "conforming billboards" in areas where they are completely out of place. Today billboards are being erected in National Register Historic Districts, in wetlands like those outside of the Assateague National Seashore, on the edge of national parks and monuments like the Gettysburg National Park, the Lowell National Historic Site, and the Smokey Mountains National Park, and even along designated scenic highways.

Last Fall when my husband and I drove the magnificent Skyline Drive in Virginia, we paid a fee to enjoy the billboard free scenery. However, we had to endure a barrage of billboard before entering -- litter on sticks. The fact that people pay to see scenery free of billboards suggests to me that people want scenery free of billboards.

Adding insult to injury to a gardener, as new billboards are going up, millions of trees on public land are being destroyed by billboard companies as they seek to make their billboards more visible. Many of the trees being destroyed were planted with taxpayers money -- yours and mine.

For example, the GAO's 1985 report stated that while Louisiana had planted 2 million pine trees between 1973-1978, the state now allows billboard companies to cut these trees down in order to enhance sign visibility.

The Garden Club of America urges Congress to reform the Highway Beautification Act. In particular we urge the Surface Transportation Subcommittee to halt the construction of new billboards and to allow state and local governments to remove existing billboards in and around historic sites and districts, local, state, and national parks, and along designated scenic roads. At a minimum no billboards should be allowed within one mile of our national parks and historic landmarks.

In addition, GCA urges the Surface Transportation Committee to halt the practice of allowing billboard companies to destroy trees and other vegetation on public rights-of-way near billboards.

Finally, GCA urges the Surface Transportation Subcommittee to restore local authority over billboards and to establish a category of scenic highways where no billboards would be permitted.

If you have sensed anger in my voice -- you are right. I am angry at the visual pollution of billboards that blemishes my view of our urban and rural landscapes.

Thank you for the opportunity to present the view of the Garden Club of America.

38-253 O—91——28

Summary of March 15, 1990 Statement of Thomas R. Stedman and Earl B. Eisenhart, National Private Truck Council, Before the Subcommittee on Surface Transportation of the Committee on Public Works Regarding Reauthorization of the Federal Highway Program

Introduction

1. Private carriers -- companies that operate truck fleets in support of their primary business, whether it be manufacturing, distribution, warehousing, retail or service, represent the most significant segment of truck operators. Private carriers operate approximately two-thirds of the nation's 1.02 million trucks weighing over 26,000 lbs. gross vehicle weight and haul well over half the nation's freight.

2. The cost and quality of highway transportation has a direct bearing on the productivity of American industry. A highway system which will allow American industry to be as efficient and productive as possible relies on two critical elements: the physical integrity of highways, roads and bridges, and a predictable and uniform system of regulations governing commercial vehicles.

Position of NPTC on Reauthorization of the Federal Highway Program

1. The physical integrity of our nation's highway system can only be maintained by:

   Increasing the level of highway investment

   Expanding the highway system

   Maintaining the Highway Trust Fund

   Not using the Trust Fund to reduce the federal deficit

   Not using highway user taxes for non-highway purposes (except "transit penny")

   Eliminating the gasohol exemption

2. State and local regulations governing commercial motor vehicles must be uniform and predictable if we are to make the most efficient use of our highway transportation system.

This can only be accomplished by:

Eliminating remaining restrictions on the efficient use of trucks

Promoting uniformity in state tax procedures

Limiting the sheer number and variety of taxes imposed on trucks

Providing access for vehicles authorized by federal law

3. More efficient vehicles (for example so-called "Turner vehicles") should be allowed to operate on the nation's highways. The use of such vehicles will reduce the costs of shipping by truck, help our ability to be competitive in international trade and help reduce air pollution and highway congestion.

4. Any increases in highway user fees should be preceded by drawing down the surplus in the Highway Trust Fund, a commitment to use highway taxes for highway purposes, and uniformity in state regulations.

INTRODUCTION

About the National Private Truck Council.

The National Private Truck Council (NPTC) was formed in the Fall of 1988 as a result of the merger of two long established but smaller organizations representing private carriers.

Collectively, private carriers represent the most significant segment of truck operators. Private carriers operate two-thirds of the nation's 1.02 million trucks in this country weighing over 26,000 pounds gross vehicle weight and haul well over half of the nation's freight.

The NPTC is fully representative of this extremely important group of truck operators. It represents fleets operated by Fortune 500 companies as well as those operated by regional and local businesses.

NPTC members operate virtually every type of commercial vehicle including tank trucks, 48 and 53 foot long semitrailers, 28 foot twin-trailer combinations, and straight trucks used in local delivery operations of enterprises such as bakeries, dairies and telephone companies.

NPTC members' operations are similarly diverse. Some own their own trucks and employ unionized drivers. Some lease both their trucks and drivers. Some do a combination of these things. Some operate solely as private carriers. Many also conduct some for-hire operations.

The Cost and Quality of Highway Transportation have a Direct Bearing On The Productivity Of American Industry.

Mr. Chairman, as you have pointed out, the fate of our highway transportation system will directly affect our domestic economic strength, our environment, and our overall quality of life. Why? Because highway transportation costs are embedded in virtually every product and service produced in America. The cost and quality of transportation have a direct bearing on profits, prices and capital investments. This in turn directly affects exports. It is very clear that American business can not remain competitive in world markets if we allow our highway system to deteriorate and if shippers and carriers are not able to make the most productive and efficient use of that system. Put simply, an efficient highway transportation system is needed to enable U.S. products to reach world markets at competitive prices.

The rest of the world is not waiting for the U.S. to "get its act together." For example, the nations of the European Economic Community will largely integrate their economies by 1992. This action is intended to make surface transportation more efficient and thereby make European products more competitive in all world markets. American business' ability to compete with the Europeans and others in the 1990's and beyond will depend in significant part on whether our own surface transportation system is more efficient.

A highway system which will allow American industry to be as

efficient and productive as possible relies on two critical elements -- the physical integrity of highways, roads and bridges, and a rational, equitable, predictable and uniform system of highway regulations governing commercial vehicles.

POSITION OF THE NATIONAL PRIVATE TRUCK COUNCIL
ON REAUTHORIZATION OF THE FEDERAL HIGHWAY PROGRAM

1. THE PHYSICAL INTEGRITY OF OUR NATION'S HIGHWAY SYSTEM MUST BE MAINTAINED.

The future financing of the federal aid highway system is a principal concern of NPTC. This system consists of the nation's most heavily traveled roads and bridges -- the lifelines for industry and commerce. They include primary, urban and Interstate highways. This system which makes up less than 22% of all roads in America carries over 80% of the traffic. There is no question that many of the roads and bridges that make up this system are in serious need of repair.

While we do not pretend to have all the answers to "where the money will come from", it is evident that a continued national commitment is necessary to ensure America's economic future. This must be a long term commitment shared by all levels of government and the private sector to maintain the value of existing surface transportation assets, meet essential future needs, promote national economic growth and productivity and ensure safety.

Maintaining the physical integrity of a highway transportation system that is efficient, economical and safe requires the following elements:

A sufficient level of highway investment

Selective highway expansion

Maintaining the Highway Trust Fund

Not using the Trust Fund to reduce the Federal deficit

Not applying highway user taxes to non-highway purposes (except "transit penny")

Elimination of the gasohol exemption

A. Increase the level of highway investment:

Our national highway program must include a level of funding sufficient to maintain the value of existing highway transportation assets, provide for selective highway expansion and ensure safety. The NPTC proposes a significant annual increase in highway funding to meet these needs -- from the current level to $17-19 billion per year. According to the Highway Users Federation, these funds can be obtained without the need to raise taxes by drawing down the balance in the Highway Trust Fund over the next several years. (Trust Fund balances should not be used as an artificial offset against the federal budget deficit.)

B. Expand the highway system:

We believe there is a need for selective additions to the highway system, particularly to relieve congestion in some urban areas and to serve emerging traffic patterns brought about by

demographic changes. A modest expansion of the highway system could provide new service in expanding suburban areas, in rural America, and to the growing cities of the South and West.

C. Maintain the Highway Trust Fund:

There are some who apparently believe that, now that the Interstate System is near completion, there is no longer a need for a highway trust fund. They believe highway user fee revenues should now be used to pay for "more important" federal programs. NPTC thoroughly rejects this argument.

The Highway Trust Fund has paid for the construction, improvement, or repair of more than half a million miles of roads. The Fund has financed the construction of the 43,000 mile Interstate Highway System and paid for the construction, replacement or repair of more than 18,000 bridges. It's a good program, Mr. Chairman, and we need to keep it. And we ought to make sure that those funds are used to take care of our unmet highway needs.

D. Do not use the Trust Fund to reduce the federal deficit:

Some have called for using the Trust Fund, or highway user taxes, as a means of reducing the federal budget. Congress has seen proposals to increase the gas tax by as much as 50 cents per gallon, with the new funds earmarked for deficit reduction. This is a bad idea, pure and simple. First, this would clearly destroy the concept of "trust" in the Highway Trust Fund. Second, taxes on fuels are regressive. This major burden of reducing the federal deficit would not be tied to ability to pay

but would be placed unfairly on individuals and businesses who must travel the highways to get to work or in the conduct of their business.

E. Do not use the Trust Fund or highway user taxes for non-highway purposes:

NPTC fully understands that American industry is being asked to pay substantially more in highway taxes and user fees. In fact this is already happening. Eighteen states have recently raised fuel taxes and most of the others are expected to follow suit shortly.

In addition, Secretary Skinner, through the new National Transportation Policy Statement has strongly suggested that industry will be expected to pay an even larger share through private financing of highways and additional toll roads. At the same time, however the Policy Statement falls short of a clear commitment that taxes paid by highway users into the Trust Fund must be used for highway purposes. The Statement speaks only of using the "transportation trust funds" for "transportation purposes." Highway users should not be expected to contribute to the costs of rails, airports and transit, beyond the so-called "transit penny."

Mr. Chairman, we are not shunning our responsibility to pay our fair share, but we think it reasonable to expect some assurances that the taxes and user fees which have already been paid and will continue to be paid into the Highway Trust Fund will in fact be used for the purposes for which we thought they

were collected.

To put NPTC's position simply, excluding the current so-called "transit penny", every cent that is collected from truck operators should be committed to highway purposes only.

F. Eliminate the gasohol exemption:

Not only should Congress preserve the Highway Trust Fund and ensure that the funds are available for highway needs, it should act to correct an existing drain on Trust Fund revenues by eliminating the 6-cent per gallon gasohol fuel tax exemption. This exemption results in a severe drain on Trust Fund revenues. According to The Road Information Program, this exemption costs the Trust Fund about $500 million annually -- more than $3 billion since 1979. Gasohol using vehicles cause the same wear and tear on the highways as other vehicles and should pay a fair cost of the maintenance and repair. With the likely increase in alternative fuel use to meet clean air demands, this exemption could cause an even greater depletion of revenues into the Trust Fund.

Mr. Chairman, a sound economy demands a sound infrastructure. Diversions and exemptions from the Trust Fund simply can not be tolerated if America is to have the efficient and productive highway transportation system it desperately requires.

2. STATE AND LOCAL REGULATIONS GOVERNING COMMERCIAL MOTOR VEHICLES MUST BE UNIFORM AND PREDICTABLE IF WE ARE TO MAKE THE MOST EFFICIENT USE OF OUR HIGHWAY TRANSPORTATION SYSTEM.

Resources for highway development are limited. It is critically important, therefore, that we make the most productive possible use of the system we have. Unfortunately, this simply can not be done under the current system of state economic regulations, tax procedures and operating restrictions.

Why? Because truck operators in the U.S. continue to be burdened by a blizzard of paperwork and other encumbrances resulting from the current hodgepodge of inefficient, confusing, and often conflicting state and local regulations. Only by achieving uniformity, simplicity and free access to our highway transportation system, will truck operators be able to make the most efficient use of that system.

Simply put, the multitude of barriers to efficient highway transportation in the U.S. seriously impedes the ability of our companies to be more productive.

This is an issue of overriding national importance: The need for American industry to be competitive in a world marketplace demands that these arbitrary barriers to efficiency be eliminated.

Specifically, NPTC recommends the following: elimination of remaining state regulatory restrictions on the efficient use of trucks; uniformity in state tax procedures; a limit on the sheer number and variety of taxes imposed on trucks and, greater

highway access for vehicles authorized by the Surface Transportation Act. These reforms would result in significant productivity gains without expense to the federal treasury.

A. Eliminate remaining state regulatory restrictions on the efficient use of trucks:

While efficiency in trucking operations was greatly enhanced by the Federal Motor Carrier Act of 1980, much more needs to be done to eliminate artificial economic restrictions. Economic restrictions result from outmoded state regulation of intrastate rates, routes and services. Such regulation is inherently anticompetetive. Private carriers, in particular, have been prevented from undertaking many efficient operations because of the failure of a number of states to allow, within their own jurisdictions, the opportunities provided under federal law. Approximately 36 states currently prohibit private carriers from engaging in compensated intercorporate hauling in intrastate commerce, and approximately 29 states prevent single-source leasing in intrastate commerce. Similarly many states also continue to impose stringent artificial restrictions on the issuance of operating authorities.

As an example of the high costs imposed by intrastate regulation of truck operations, it currently costs one NPTC member company $296.00 to ship 36,000 lbs. of cherries from Grandview, Washington to Portland, Oregon. However, an intrastate shipment of the same distance, from Grandview to Spokane, Washington, costs $597.00.

Efforts to rectify the problem in individual states, such as in Texas and Michigan, are ongoing. Those efforts, however, are extremely time consuming and costly, and can only address a small part of the national problem. Indeed, the majority of states continue to regulate as if the year was 1960 rather than 1990. Our Nation can no longer afford these antiquated and very costly barriers to commerce.

For this reason NPTC strongly endorses legislation, which was introduced yesterday by your colleague on this Committee, Congressman Denny Hastert, to finally eliminate these costly and burdensome state economic regulations on trucking. The legislation is supported by the Americans for Safe and Competitive Trucking (ASCT); a coalition of shippers, consumers, business organizations and trade associations, including NPTC.

President Bush and Secretary Skinner, in the National Transportation Policy Statement issued last week have also expressed strong support for eliminating the remaining economic regulations on trucking.

We urge the support of this Committee, as well, for this important effort to allow truck operators to make the most efficient possible use of our existing highway transportation system.

B. Promote uniformity in state tax procedures:

Much of the paperwork burden experienced by truck operators is the direct result of lack of uniformity in state tax procedures. While some progress has been made to simplify

vehicle registration requirements, state fuel tax and other tax procedures continue to be a major roadblock to efficient highway use.

We are extremely pleased that Congressman Hastert's bill would also help remedy this problem. Specifically, the Hastert bill would require states to become parties to the International Registration Plan and the International Fuel Tax Agreement.

The new National Transportation Policy has also endorsed a deadline for states to come into these uniformity agreements. We urge this Committee do so as well.

C. Limit the sheer number and variety of state taxes imposed on trucks:

The operating efficiency of American industry is also hampered by the sheer number and variety of taxes directed specifically at trucks. These taxes are imposed under a variety of names such as vehicle registration fees, fuel taxes, weight distance taxes, retaliatory taxes, pick up and delivery fees, franchise taxes and gross receipts taxes. In addition to the substantial administrative burden of compliance, these taxes often discriminate against interstate carriers.

The NPTC does not question the right of states to determine the aggregate level of taxes they raise. However, when hundreds of state and local jurisdictions are free to concoct a virtually limitless variety of tax measures directed at trucks, this has a strong negative influence on industry's ability to operate efficiently. Truck operators invest millions each year in an

effort to cope with this paperwork nightmare.

For this reason, NPTC is extremely concerned about the emphasis in the National Transportation Policy Statement on decentralized funding responsibility for highway construction and repair. While it may be true that local highway needs should be more directly financed by local assessment of user fees, NPTC is concerned that this greater emphasis on state and local financing of highways could lead to even greater proliferation of inefficient state and local tax schemes and inconsistent regulations such as those described above. We can simply not afford to further "Balkanize" the process of truck regulation in this country by allowing a system of local tax fiefdoms the opportunity to further limit the uniformity, simplicity and free access we need to make the most efficient and productive use of our highway transportation system.

D. Ensure reasonable highway access for vehicles authorized by federal law:

State restrictions on vehicle access are another contributor to lost productivity.

The inability of fleets to make greater use of the truck configurations authorized by the Surface Transportation Assistance Act of 1982 (STAA) has been a major contributor to lost productivity on our nation's highways. As a result of state and local restrictions, American business has not realized the productivity gains that come from using 48 rather than 40 or 45 foot semi-trailers. A 1987 survey of private carriers disclosed

that 69 percent of those responding were experiencing a variety of state and local impediments to the attainment of access for STAA vehicles. Examples included outright denials of access to terminals; mileage restrictions so severe as to be tantamount to no access at all; and, permit procedures, so time-consuming that carriers have had to wait as long as nine months to be approved. The survey also revealed that private carriers have been able to reduce their transportation costs between ten and twenty-five percent by using STAA vehicles. The potential savings, if these vehicle were allowed to operate freely, is enormous.

In addition, when companies are forced to use smaller, less efficient equipment, more trips are required to move a given amount of goods, further increasing transportation costs. At the same time, because additional trips are required, the chance of accidents is increased. From both an economic and safety standpoint, the denial of access to STAA vehicles is detrimental.

The Department of Transportation has the ability to remove this barrier to transportation efficiency. Rulemaking is currently underway which we hope will achieve this end. If not, industry may seek congressional intervention.

Mr Chairman, American industry must have uniformity and predictability in trucking regulation. We ask Congress to eliminate the sea of paperwork required to move trucks across this country. We challenge the sheer number and variety of taxes directed specifically at trucks. We urge elimination of state restrictions on highway access.

These are issues of overriding national concern. To resolve them, we need a clear definition of federal and state roles. The federal government should not hesitate to establish national standards and uniform procedures if this will lead to simplicity and free access in our national highway transportation system. We are certain this can be done with minimum capital, and with significant savings in transportation costs.

3. MORE EFFICIENT VEHICLES SHOULD BE ALLOWED ON OUR NATION'S HIGHWAYS

Research shows that it is possible to have higher capacity trucks that are as safe as other trucks (for example - so called "Turner vehicles"). We support the use of these more productive vehicles, because it will reduce the cost of shipping by truck, and also because it will help our nation's ability to be competitive in international trade and it will help reduce air pollution and highway congestion.

4. ANY INCREASE IN HIGHWAY USER TAXES MUST BE PRECEDED BY DRAWING DOWN THE SURPLUS IN THE TRUST FUND, A COMMITMENT TO USE HIGHWAY TAXES FOR HIGHWAY PURPOSES, AND UNIFORMITY IN STATE REGULATIONS

Even with use of the existing surplus in the Highway Trust Fund, it may be that, beginning in the mid 1990's, additional revenues will be necessary to maintain a sufficient level of highway investment. However, any increase in fuel taxes or highway user taxes levied at that time must be preceded by: 1) spending down the surplus already collected; 2) a national

commitment to use these taxes exclusively for highway purposes, and; 3) the ability of companies to make the most efficient use of the highway transportation system. The latter can only be accomplished by realizing the following productivity improvements: uniformity in state taxation; greater highway access; and, elimination of outdated state economic barriers.

CONCLUSION

The cost and quality of highway transportation has a direct bearing on the productivity of American industry and our ability to compete in international markets. A highway system which will allow American industry to be as efficient and productive as possible relies on two critical elements: the physical integrity of highways, roads and bridges and a predictable and uniform system of regulations governing commercial vehicles.

The physical integrity of our nation's highway transportation system must be maintained by: increasing the level of highway investment; expanding the highway system; maintaining the Highway Trust Fund; preventing the use of the Trust Fund to reduce the federal budget deficit; preventing the use of highway user taxes for non-highway purposes, and eliminating the gasohol exemption.

State and local regulations governing commercial motor vehicles must be uniform and predictable. This can be accomplished by: eliminating remaining restrictions on the efficient use of trucks; promoting uniformity in state tax procedures; and, limiting the sheer number and variety of taxes

imposed on trucks.

More efficient vehicles should be allowed to operate on the nation's highways.

Any increase in highway user fees should be preceded by drawing down the surplus in the Highway Trust Fund, a commitment to use highway taxes for highway purposes, and uniformity in state regulations.

American Planning Association
1776 Massachusetts Ave. NW
Washington, DC 20036
Phone 202 872 0611

Statement of

CHARLES F. FLOYD, AICP

on behalf of the

AMERICAN PLANNING ASSOCIATION

before a hearing of the

SURFACE TRANSPORTATION SUBCOMMITTEE

of the

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

U.S. HOUSE OF REPRESENTATIVES

on

THE HIGHWAY BEAUTIFICATION ACT AND
ITS IMPACT ON PLANNING

March 15, 1990

Chairman Mineta and Members of the House Surface Transportation Subcommittee: I am Charles F. Floyd, AICP, Professor of Real Estate at The University of Georgia's College of Business Administration.

Over the past two decades I have been closely involved with the issue of highway beautification. I served on the U.S. Department of Transportation's National Committee on Outdoor Advertising and Motorist Information, and also on a similar Georgia Department of Transportation committee. Several years ago I co-authored a book on the Highway Beautification Act, and I have written a number of articles related to this topic. I have also served as an expert witness on highway beautification-related issues for the Federal Highway Administration, several states, and a number of local governments.

I am pleased to be testifying on the subject of billboard controls on behalf of the American Planning Association and I respectfully request that the complete text of my statement be included in the official hearing record.

The American Planning Association (APA) is a national organization of 25,000 members, including public and private planners and elected and appointed officials at all levels of government as well as educators, students and interested

citizens. Our members belong to 45 chapters covering every state and Congressional district.

APA was formed in 1978 when the American Institute of Planners, established in 1917, and the American Society of Planning Officials, founded in 1934, were consolidated. The Association's primary objective is to advance the art and science of planning for the improved development of the nation and its communities, states and regions, as well as to preserve its valuable natural resources. Within APA is the American Institute of Certified Planners (AICP) which focuses on professional development, and of which I am a member.

Members of AICP are distinguished by having met experience requirements and having passed an examination on planning principles and practices.

THE HIGHWAY BEAUTIFICATION ACT IS A FAILURE

The Highway Beautification Act is an almost total failure. In fact, it is difficult to imagine how the program could be made more ineffective in achieving its original stated objectives, be more perverted to benefit the supposedly regulated outdoor advertising industry, or be modified to more greatly hinder the efforts of state and local governments to clean up billboard blight in their communities.

The Inspector General and General Accounting Office Reports

I am not asking you to just accept my views on this matter, but to also look at reports from the General Accounting Office and the Secretary of Transportation's Inspector General. The Inspector General concluded:

> The Outdoor Advertising Control Program has been ineffective in improving highway beautification as the number of signs located adjacent to the nation's highways continues to increase. This condition is attributed to weaknesses in the Federal program legislation and state enforcement of sign control regulations. As a result, program expenditures of about $21 million in Federal Highway Administration (FHWA) Region 4 and $197 million nationwide have had little impact on enhancing the scenic and recreational value of highways.

The GAO report came to similar conclusions. It pointed out that in 1983, 2,235 nonconforming signs were removed; that same year, 13,522 permits were issued for new billboards in zoned or unzoned commercial areas. Since up to four billboard faces can be erected at each permitted site, the number of new faces was at least 25,000 to 30,000. Also, the new signs going up typically

have been much, much larger than the nonconforming signs that were removed. In summary, counter to expectations when the Highway Beautification Act was passed, there are more and bigger billboards on the rural highways of almost all states than there were twenty-five years ago.

WHY DOES THE OUTDOOR ADVERTISING INDUSTRY LOVE THE HIGHWAY BEAUTIFICATION ACT?

The definitive word on the effectiveness of the highway beautification program comes from the outdoor advertising industry itself. They like it! A recent press release from the Outdoor Advertising Association of America praised the Act as: "The Highway Beautification Act: A Law That Works!" They applauded its supposed virtues, rapturously extolling: "Taxpayers can only dream that every law that Congress passes works as well as the 1965 Highway Beautification Act."

Because it is obvious that if the Act were achieving its stated objectives, the billboard lobby would not be praising it, one must ask the obvious question: Why does the outdoor advertising industry love the Highway Beautification Act?

The explanation is simple. The program has been ineffective both in (1) preventing the spread of billboard blight in areas it was supposed to protect, and (2) in removing existing billboards

in these areas. The law contained fatal defects when it was passed, Congress has further weakened it with subsequent amendments, and the Federal Highway Administration (FHWA) has almost completely abdicated its enforcement responsibilities. The FHWA has discontinued any compliance reviews of state programs and has failed to take corrective action even when documentation of flagrant violations is presented to them.

Loopholes Permit New Billboards in Protected Areas

The Highway Beautification Act was supposed to permit new billboards only in areas where there were actual commercial or industrial uses. One need only to travel the nation's highways to observe that the Act has not accomplished this objective. Today thousands of billboards can be found in wetlands, woodlands, and farmlands, on open prairies, mountain meadows, even in the middle of the desert--in many cases, miles from the nearest exit, town, or building--and certainly not in areas of actual commercial or industrial use.

Why have these new billboards been permitted? First, many communities, particularly rural counties, have "phony zoned" long stretches of rural roads as commercial or industrial areas, thereby permitting the erection of thousands of billboards in totally rural areas where scenic beauty was supposed to be protected by the Act.

Second, under the gaping "unzoned community or industrial area" exception, all an outdoor advertising firm needs in order to secure a permit to put up a new billboard in unzoned areas is to find, or even build, some obscure community or industrial activity--perhaps a utility shed, a small beauty shop, a country store or a campground, that happens to be located near a "protected" highway.

The law also has failed to control the size or height of new billboards. A 1966 inventory of existing billboards revealed that only 1.8 percent of the signs had faces as large as 600 square feet. Despite this, the "beautification" agreements with most of the states allow sign faces on new billboards of up to 1,200 square feet, and do not limit the height of new billboards at all.

VEGETATION DESTRUCTION

Perhaps the ultimate perversion of the beautification program is its use as a justification for destroying trees on the public right-of-way that block a clear view of billboards. In 1977, the billboard industry persuaded the Federal Highway Administration to legalize this vandalism of the public's property by reclassifying it as "vegetation control." Not only has this tree destruction destroyed hundreds of thousands of

publicly owned trees, but the Inspector General and General Accounting Office reports concluded that the policy had also hindered the removal program by giving thousands of nonconforming billboards new life; otherwise the signs would have been abandoned because they would have been obscured by vegetation growth. Even so, the FHWA has refused to change the policy.

THE FAILURE OF THE REMOVAL PROGRAM

Communities have traditionally cleaned up billboard pollution by requiring that nonconforming signs be removed after a period of years, a process generally known as amortization. Almost all courts have held this to be adequate and fair compensation, particularly since the offending billboards remain the property of the outdoor advertising company and can be moved to other more appropriate locations. Nevertheless, unlike other nonconforming uses, the Highway Beautification Act requires taxpayers to pay cash compensation for all signs removed along the "protected" federal highways. This is the only federal environmental program that allows polluters to continue polluting until they are paid to stop polluting.

The greatest triumph for the billboard industry has been to use the cash payment requirement to deny state and local governments their traditional right to force the removal of nonconforming signs through the use of their regulatory powers.

Nonconforming billboards located on Interstate or Federal-aid primary highways are protected from removal by the Highway Beautification Act. Thus, the billboard polluters are protected from local regulation by the supposed anti-pollution legislation.

A COMPARISON WITH THE CLEAN AIR ACT

Suppose that the Congress wanted to amend the Clean Air Act to make it as ineffectual in achieving its stated objectives as the Highway Beautification Act is in achieving its stated objectives. First, it would be necessary to conduct an inventory of existing air pollution sources. The standard for new plants would then be set at twice the pollution level found at the worst existing one. New plants would be permitted anywhere the land was zoned commercial or industrial, or where there was any type of existing commercial or industrial polluting source, even a country store which burned its trash out back.

Existing polluters would not be required to reduce their emission levels until they were paid to do so, and mandatory compensation levels would be set far in excess of original investments. Of course, Congress would not appropriate any money for the clean-up program, but at the same time would prohibit states and local governments from using their constitutional police powers to force polluters to reduce their emissions.

I am certain you will agree that such a program would be totally ineffective in improving the quality of the nation's air. In fact, of course, it would result in even more pollution than exists today.

I am certain you will also agree that even to suggest that the Clean Air Act be amended in this way would be totally ludicrous--and you would be correct. Unfortunately, however, this absurdity is a valid analogy to the current Highway Beautification Act.

SUMMARY AND CONCLUSIONS: THE PLANNERS' PERSPECTIVE

In recent years planners have identified sign control as one of the most important yet troublesome problems facing local governments. Most communities distinguish between on-premise signs (which advertise goods or services sold on the site where the sign is located) and off-premise signs or billboards.

Many local governments have decided that billboard controls are necessary to protect and preserve the beauty, character, economic and aesthetic value of land and to protect the safety, welfare and public health of their citizens. Over the past several years, more than 500 cities and counties have enacted new regulations to control billboards. Yet many communities find it

impossible to enforce their billboard ordinances because of the Federal Highway Beautification Act.

As previously mentioned, the Federal Act requires the states to control billboards adjacent to primary and interstate highways that receive Federal aid, including Federal highways located within cities and other local governments. All states have legislation that implements the Federal Act. The Act imposes penalties on states that do not meet Federal standards. States that do not comply with Federal standards may lose 10 percent of their Federal highway funds.

Unfortunately, in 1978 Congress adopted an amendment to the Act which ties the hands of local governments that want to remove nonconforming billboards along Federal highways under state or local law. Before the amendment was adopted, local governments could remove nonconforming billboards along Federal highways through amortization under state and local police powers without paying public monies. The Act now requires local governments to pay billboard owners before a nonconforming billboard can be removed.

The Federal government is supposed to meet 75 percent of the cost of billboard removal, but Congress has not appropriated funds for this purpose since 1982. This is a major obstacle to billboard regulation because the removal of nonconforming

billboards is essential to an effective billboard control program.

As a result, local governments and planners face a "Catch 22" situation. They are told nonconforming billboards cannot be removed unless public monies are paid, but no federal funds are available for this purpose. At the same time, new billboards continue to go up on many of the very same roads where the industry insists on being paid to remove other billboards. As we have said, the U.S. General Accounting Office and the Inspector General of the U.S. Department of Transportation both concluded that the law has not halted the proliferation of new billboards along Federal highways.

RECOMMENDATIONS

What can be done to rescue the Highway Beautification Act and enable it to achieve its original stated objectives?

First, the provisions of the existing law should be enforced, and the policy of permitting trees on the right-of-way to be destroyed should be changed.

Second, new billboards should be permitted only where genuine and extensive commercial or industrial land use currently exists. They should be specifically prohibited in areas where

they are not permitted by local ordinance. If permitted by local jurisdictions, they should be forced to comply with local size and height requirements.

Third, Federal legislation should be enacted that restores to local governments the authority to remove billboards through amortization under local law through land use powers as defined by state constitutions.

Fourth, the authority of local governments to require nonconforming signs along Federal highways to comply with size and height requirements without cash payments, should be affirmed.

Fifth, Federal, state and local legislation should be amended to require the removal of billboards in inappropriate locations especially in rural, scenic, historic and residential areas.

Sixth, state legislation and local ordinances halting the construction of new billboards should be adopted until the Federal government either appropriates sufficient funds to remove nonconforming billboards or restores the authority of local governments to remove billboards through amortization without cash payments.

Seventh, standard signage requirements (logo-type signs) should be adopted on rural interstate, U.S. and state highways which provide service information.

Let me conclude by thanking the Chairman for providing me and the American Planning Association with this opportunity to testify on this issue of such great importance to our members. I will be happy to entertain any questions.

38-253 O—91——29

Testimony of

William J. Grayson, Jr.

Chairman, National Stone Association

Presented To

The Subcommittee On Surface Transportation

Of The

U.S. House of Representatives

On The Topic Of

The Reauthorization Of The Post-Interstate

Surface Transportation Programs

I am William J. Grayson, Jr., Executive Vice President of the Vulcan Materials Company and Chairman of the National Stone Association.

The National Stone Association represents 461 firms that produce crushed stone or manufacture equipment used in such operations. The crushed stone produced by NSA members is a basic material used in building our nation's highways, airports and other vital components of our infrastructure. A substantial portion of the crushed stone produced by our members is also used for agricultural and chemical purposes, erosion and sedimentation control, railroad ballast and environmental projects. Stone is indeed a unique and fundamental national resource.

Mr. Chairman, I would like to take this opportunity on behalf of NSA's entire membership to commend this Subcommittee for the leadership it has shown in forcefully advocating the need to improve the roads and bridges that constitute the Federal-Aid Highway System. It has not been an easy task, especially in a time when budgetary concerns loom large over domestic programs, but it is clear that without such leadership the prospects for devising an efficient federal highway system in the post-1991 period would certainly be less bright.

Mr. Chairman, I am well aware that the Subcommittee has a tight schedule, so I will keep my comments and suggestions brief and to the point.

I. The Highway Capacity Crunch: What the U.S. Must Do To Meet Demand In The Post-1991 Period

A. Projected needs

Mr. Chairman, the American Association of State Highway and Transportation Officials' (AASHTO) excellent report, New Transportation Concepts For A New Century, states that in 1988 "Americans traveled two trillion vehicle miles by auto, truck, bus and public transit, more than triple the travel mileage of 1956, when the Interstate and Defense Highway System was begun." As further noted in the report, the total travel by these modes of transportation will double by the year 2020. If the report makes one thing perfectly clear, it is this: the $66 billion spent in 1987 by local, state and federal governments will no longer be sufficient if we are to make a serious effort to remain competitive in the global market.

Mr. Chairman, Americans are blessed with a built-in competitive advantage that exists in no other market of our size. In contrast to Europe, for example, we have one currency, one language, and what up to now has been a transportation system that has been the envy of the world. I for one, would hate to see the deterioration of this last component be the thing that makes us lose our competitive edge.

The basic objectives of the Federal-Aid Highway Program were to provide users of the highway system access to trade and travel opportunities. For the most part, this has been accomplished through the development of the interstate, primary, secondary

and urban systems, and other programs that foster highway safety, bridge improvements, and research and development. Congress further envisioned that the interstate system would be completed in 1991 and anticipated no further funding for additional construction beyond that year.

Yet the AASHTO report cited above and other studies have shown that segments of the interstate and primary systems have reached the end of their design life and must now be replaced. Urban congestion, deteriorating and inadequate bridges, and the need for additional capacity in both urban and rural areas warrant continued federal support of our nation's highway and bridge network. In fact, this was brought home to me recently when I learned that the Federal Highway Administration has rated 60 percent of our roads as substandard and 42 percent of our bridges as structurally deficient or functionally obsolete.

B. Recommended Funding Levels

Making the system functional and making the system adequate will require a guaranteed source of funding such as that provided by the Highway Trust Fund. Much of this can be readily accomplished. For example, I believe the Highway Trust Fund should be drawn down to the extent permitted by law to meet demonstrated needs and protect public safety. Although this will not take the place of additional revenue needs in excess of the federal spending levels of $13 to $13.5 billion per year, it would be an important first step in ensuring that needed improvements can be made. Unfortunately, there is currently an unexpended $10.248 billion balance in dedicated user-fees being held hostage in the highway account of the Highway Trust Fund. This continuing buildup of $1 to $2 billion per year in unspent trust fund balances is simply without justification in view of the documented needs for road and bridge construction and

repairs. To this end, I would note that AASHTO recently recommended increasing the annual federal highway program funding levels from $18 to $26 billion over the life of the next highway program. Mr. Chairman, NSA wholeheartedly supports AASHTO's recommended funding levels for the post-1991 federal highway program and believes, as does AASHTO, that these recommended funding levels represent a conservative estimate of the amounts needed to fund the documented needs. I would also add that the overall annual investment by federal, state and local entities in highway construction and maintenance must achieve the $100 billion per year level widely recognized as the minimum future program necessary for the country.

II. NSA's Recommendations For Obtaining Required Funding For The Federal Highway Program

In addition to drawing down the Highway Trust Fund balance, it is clear that additional funding will be required to meet the projected need for capital improvements and repairs. To this end, we believe that a significant increase in the motor fuels user fee is warranted in order to finance these improvements. We are firmly convinced that the users of our highway system are willing to accept higher user-fees in return for an adequate system that will enable us to be fully competitive in the world market. In fact, at the 1989 meeting of the U.S. Chamber of Commerce, more than 80 percent of the participants stated that they would support higher user-fees if they were earmarked for transportation improvements.

NSA also believes the current six-cent-per-gallon federal excise tax exemption for gasohol fuels should be eliminated. According to the Federal Highway Administration, this tax exemption costs the Highway Trust Fund more than $500 million annually, even though vehicles powered by alternative fuels inflict the same damage on roadways as

vehicles using gasoline. In light of legislative proposals pending before Congress that would mandate the use of alternate fuels in certain areas, it is essential that this tax subsidy should be repealed in order to avoid a further drain on highway funding. If it is the wish of Congress to provide this exemption, it should come from general fund revenues and not from dedicated highway user fees.

III. Preserving The Dedicated User-Fee Financing Mechanism

The unexpended total of the highway account of the Highway Trust Fund balance now exceeds $10.248 billion, all of it in gasoline tax revenues and other use fees that you and I and every motorist paid for the privilege of driving over our roads and bridges.

The dollars are piling up and being held hostage because the trust fund remains a part of the federal unified budget. To spend them would, in effect, make the federal deficit appear greater than it is now, just as not spending the money makes the deficit appear smaller than it is.

That is an illusion, and nothing more.

Our federal budget deficit is a major problem, but we must call a halt to this acrobatic accounting process when it comes to the Highway Trust Fund. We must insist that your dollars, my dollars, and those of every American motorist, be spent on fixing up our roads and bridges -- in the name of mobility, safety and economic well-being.

NSA therefore believes that the Highway Trust Fund should be removed from the federal unified budget and that the programs financed by the fund should be exempt from any across-the-board spending cuts required under the Balanced Budget and Emergency Deficit Control Act of 1985.

We also believe that highway projects should not be put on hold because of policies concerning air quality, speed limits and other matters that have no material connection to the program. Moreover, we recommend that Congress abolish the use of obligation limitations or ceilings, which serve no purpose other than to artificially limit the availability of funds for much-needed road and bridge projects by indirectly controlling the level of cash outlays. In fact, I fail to comprehend why the funding for FY91 is not based on expected user-fee revenues in that year which are projected to exceed $15 billion.

IV. The Department of Transportation's National Transportation Policy and Strategies for Action

Mr. Chairman, NSA applauds the initiative taken by the Administration in developing a comprehensive proposal which recognizes the pressing need to revitalize the nation's transportation infrastructure. As the drafters of the DOT report, Moving America, so eloquently state:

> the Nation's vitality has always been linked to mobility . . . Transportation is an engine for economic growth and a link between the regions and the businesses and the people of the Nation and the world. Americans have moved farther, gone faster, and made more progress as a nation than any other society in history. As we enter the 21st century, our transportation system, the symbol of that movement, will drive our growth . . . and signal our success in forging solutions to the social and economic challenges we face . . . transportation will be tomorrow --as it has always been in the past -- integral not only to the way we live but also to building a better America for the future.

Mr. Chairman, DOT's report clearly makes the case for revitalizing the nation's ailing transportation infrastructure, however, I am sad to say that it does not provide the federal leadership required to provide the wherewithal for meeting its stated goals and objectives. This is all the more disappointing because it fails to recommend an immediate spend down of the sizeable balance in the Highway Trust Fund and match obligation levels to projected revenue in order to allow much-needed road and bridge projects to go forward. We hope everyone will soon come to the full realization that the post-1991 Federal-Aid Highway Program must be adequately financed -- even if it means upsetting those architects of the unified budget who would rather have the Highway Trust Fund be used to mask the federal deficit than allow it to be used to finance the very projects that ultimately can only serve to promote the continued growth of the nation's economy.

The bottom line is that with our overwhelming road and bridge improvement needs, we can no longer ignore the fact that we must spend the dedicated user-fees that have been collected for this purpose, increase revenue to meet those needs, and put aside any thought of continuing to subsidize extraneous programs, such as the exemption provided for gasohol.

Mr. Chairman, this concludes my remarks. Thank you for this opportunity to appear before you. I will be pleased to answer any questions that you and the other members of the Subcommittee may have.

Executive Summary

The National Stone Association respectfully recommends that Congress:

1. draw down the $10.248 billion balance in the Highway Trust Fund to the extent permitted under present law;

2. eliminate the use of limitations on obligations, which serve no purpose other than to artificially reduce highway spending;

3. increase the annual federal highway program funding levels from $18 billion to $26 billion by the mid 1990's, as recommended by the American Association of State Highway and Transportation Officials;

4. increase motor fuel user fees to appropriately finance much-needed road and bridge construction and repairs;

5. eliminate the inequitable tax subsidy of gasohol; and

6. remove the Highway Trust Fund from the federal unified budget and exempt the programs financed by the fund from any across-the-board cutbacks in spending required under the Balanced Budget and Emergency Deficit Control Act of 1985.

TESTIMONY
BEFORE THE
SURFACE TRANSPORTATION SUBCOMMITTEE
OF THE
HOUSE PUBLIC WORKS COMMITTEE
THURSDAY, MARCH 15, 1990
ROOM 2167 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC

BY
JOSEPH P. KIRK
EXECUTIVE DIRECTOR
MON VALLEY PROGRESS COUNCIL
EASTGATE ELEVEN
MONESSEN, PA
(412) 684-3381
AND CHAIRMAN
MON/FAYETTE EXPRESSWAY ASSOCIATION

MR. CHAIRMAN AND MEMBERS OF THE SURFACE TRANSPORTATION SUBCOMMITTEE OF THE HOUSE PUBLIC WORKS COMMITTEE, MY NAME IS JOSEPH KIRK. I AM EXECUTIVE DIRECTOR OF A CORPORATE SPONSORED, COMMUNITY AND ECONOMIC DEVELOPMENT NOT FOR PROFIT CORPORATION CALLED THE MON VALLEY PROGRESS COUNCIL AND CHAIRMAN OF THE MON/FAYETTE EXPRESSWAY ASSOCIATION. THE PROGRESS COUNCIL, WHICH IS CELEBRATING IT'S 25TH ANNIVERSARY, SERVES A REGION LOCATED TWENTY-FIVE MILES SOUTH OF THE CITY OF PITTSBURGH. THE MON/FAYETTE EXPRESSWAY ASSOCIATION IS A COALITION OF LOCAL LEADERS COMMITTED TO THE TIMELY DEVELOPMENT OF THE EXPRESSWAY PROJECT. AN ATTACHED MAP PROVIDES THE SERVICE AREA OF THE PROGRESS COUNCIL AND THE LOCATION OF THE MON VALLEY/FAYETTE EXPRESSWAY.

IT IS A PLEASURE TO HAVE THE OPPORTUNITY TO APPEAR BEFORE THIS COMMITTEE ON AN ISSUE OF SUCH PROFOUND IMPORTANCE AS HIGHWAY DEVELOPMENT.

AS MEMBERS OF A COMMITTEE THAT DEAL WITH IMPORTANT ISSUES OF TRANSPORTATION, YOU ARE ACUTELY AWARE OF THE DIRECT RELATIONSHIP BETWEEN ECONOMIC VIABILITY AND THE AVAILABILITY OF A MODERN

HIGHWAY SYSTEM. IN ECONOMIC DEVELOPMENT EFFORTS, THE PRESENCE OF HIGHWAY SYSTEMS THAT PROVIDE ACCESS TO MARKETS IS A PREREQUISITE FOR THE LOCATION OF INDUSTRY.

FOR THE MON VALLEY REGION, THE DEVELOPMENT OF A NEW HIGHWAY LINK IS ESSENTIAL FOR THE ECONOMIC REVITALIZATION OF OUR REGION. THE DEVASTATING INDUSTRIAL DECLINE OF OUR REGION IN THE 1980'S IS WIDELY KNOWN. ALTHOUGH PROGRESS HAS BEEN MADE IN PROVIDING EMPLOYMENT FOR THE 100,000 PEOPLE WHO LOST JOBS, UNEMPLOYMENT IN THE STEEL VALLEY COMMUNITIES STILL IS IN THE DOUBLE DIGIT RANGE.

DESPITE A DEEP COMMITMENT TO OUR OWN HIGHWAY PROJECT, MY PURPOSE IN APPEARING BEFORE THIS COMMITTEE IS TO SPEAK TO A MUCH BROADER HIGHWAY DEVELOPMENT ISSUE. THE 1987 SURFACE TRANSPORTATION ACT TOLL ROAD PROVISION DEVELOPED UNDER THE LEADERSHIP OF THIS COMMITTEE SET INTO MOTION A POLICY THAT CAN HAVE A PROFOUND IMPACT ON THE DEVELOPMENT OF NECESSARY ECONOMIC DEVELOPMENT HIGHWAYS SUCH AS THE MON VALLEY/FAYETTE EXPRESSWAY. THE RECENTLY ISSUED NATIONAL TRANSPORTATION POLICY REPORT SPEAKS OF THIS ON PAGE 118 BY STATING THAT THE ADMINISTRATION WILL DEVELOP LEGISLATION CONSISTENT WITH THE PRINCIPLE TO "ALLOW GREATER USE

OF TOLL FINANCING ON FEDERAL AID HIGHWAYS". TESTIMONY PROVIDED BY SOUTHWESTERN PENNSYLVANIA AND WEST VIRGINIA GROUPS AT HEARINGS IN THE DEVELOPMENT OF THIS POLICY IS CITED ON PAGE 25 OF THE REPORT.

IN OUR EFFORTS TO ENCOURAGE THE NEXT STEP IN THE PROMOTION OF TOLL ROADS WE HAVE CONSULTED WITH A VARIETY OF HIGHWAY USER GROUPS, ELECTED OFFICIALS AND CONSTRUCTION ASSOCIATIONS INCLUDING THE INTERNATIONAL BRIDGE, TUNNEL AND TURNPIKE ASSOCIATION, THE AMERICAN ROAD AND TRANSPORTATION BUILDERS ASSOCIATION, ASSOCIATED BUILDERS AND CONTRACTORS, CONTRACTORS ASSOCIATION OF WESTERN PENNSYLVANIA AND AMERICAN TRUCKING ASSOCIATION, INC. I AM NOT SUGGESTING THAT WE ARE REPRESENTING A POLICY POSITION OF THESE GROUPS. HOWEVER, IT IS FAIR TO REPORT THAT OUR PROPOSAL HAS EARNED THE INTEREST OF THE AFOREMENTIONED.

OUR PROPOSAL TO PROMOTE NEW ECONOMIC DEVELOPMENT HIGHWAY LINKS IS BASED ON THREE PRINCIPLES.

* A LIMITED FEDERAL TOLL ROAD STRATEGY ENHANCES THE OPPORTUNITY TO DEVELOP PRIORITY ECONOMIC DEVELOPMENT LINKS.

* THE FEDERAL HIGHWAY ADMINISTRATION SHOULD PLAY AN ACTIVE ROLE IN DIRECTING THE DEVELOPMENT OF SUCH ROADS CONSISTENT WITH THE PROVISIONS OF THE 1987 ACT.
* THE 1991 REAUTHORIZATION OF THE SURFACE TRANSPORTATION ACT SHOULD INCLUDE SPECIFIC, DIRECT FINANCIAL SUPPORT FOR THE IMPLEMENTATION OF A TOLL ROAD POLICY.

GENTLEMEN, WHAT WE ARE PROPOSING IS A TARGETED FEDERAL INITIATIVE TO PROMOTE THE DEVELOPMENT OF IMPORTANT NEW HIGHWAY LINKS CONSISTENT WITH THE NATIONAL POLICY REPORT OBJECTIVE OF "INCREASING THE SHARE OF FEDERAL AID FOR TRANSPORTATION" (PAGE 44). THE PRIORITY HIGHWAY LINK PROGRAM WE PROPOSE WOULD BE TARGETED TO THE CONSTRUCTION OF NEW LIMITED ACCESS INTERSTATE GRADE HIGHWAYS. ATTACHED TO MY TESTIMONY IS A COPY OF THE DETAILS OF OUR PROPOSAL.

IF IMPLEMENTED THE PROPOSAL WOULD PROVIDE DIRECT FEDERAL SUPPORT FOR 75% OF THE 35% FEDERAL AID APPROVED UNDER THE TOLL ROAD PROVISION OF THE 1987 ACT. THIS WOULD REPRESENT 26% DIRECT FEDERAL ASSISTANCE FOR PRIORITY HIGHWAY LINKS. THE 9% DIFFERENCE WOULD BE SUPPORTED THROUGH EXISTING HIGHWAY TRUST FUND

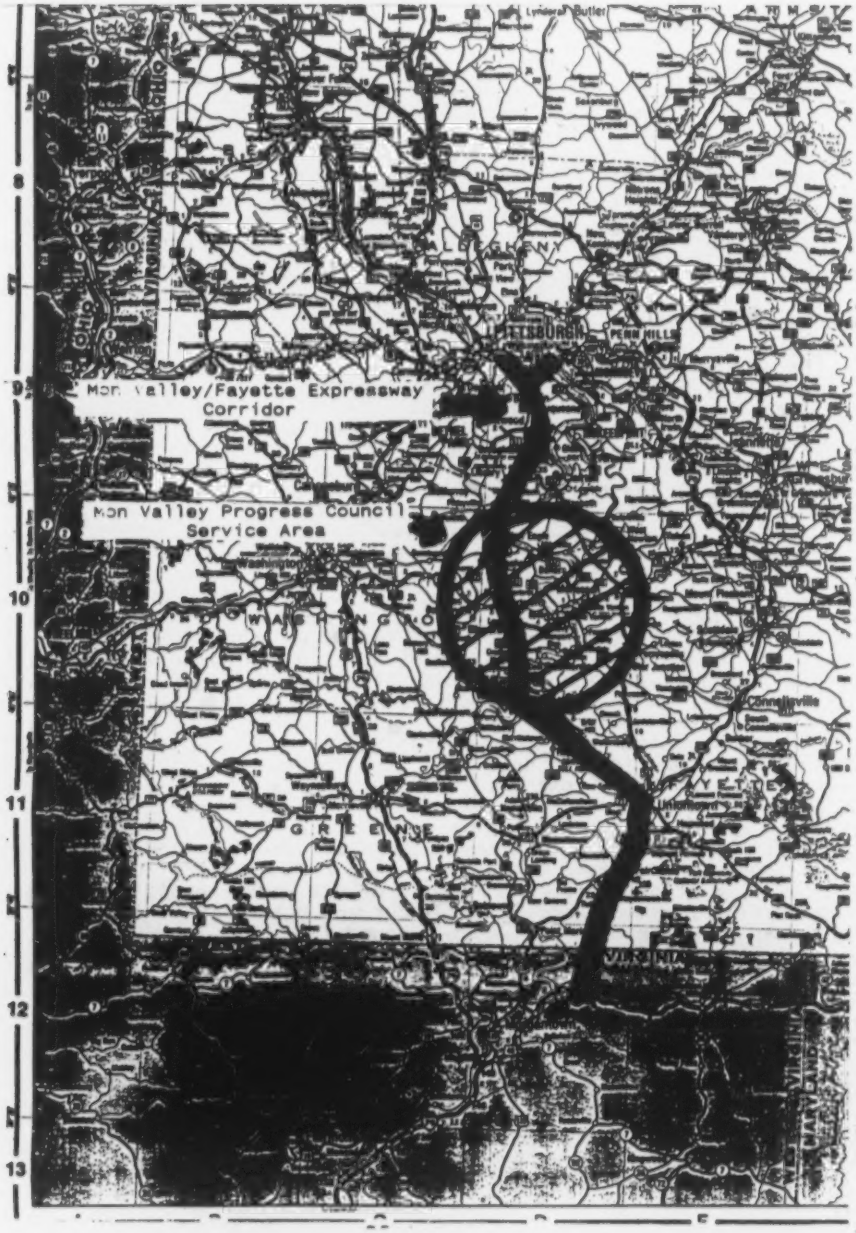
APPROPRIATIONS TO THE STATES. FUNDING FOR THIS INITIATIVE COULD BE SUPPORTED BY AN INCREASE IN THE AUTHORIZED LEVEL OF THE FEDERAL HIGHWAY TRUST FUND. THE AMOUNT OF THE INCREASE WOULD BE BASED ON THE FINANCIAL NEEDS OF SUCH PROJECTS AND REFLECTIVE OF FISCAL REALITIES. EACH STATE WOULD BE PERMITTED TO SEEK DESIGNATION FOR ONE TOLL ROAD UNDER THE PROGRAM. FUNDS WOULD BE ALLOCATED ON A COMPETITIVE BASIS.

ALTHOUGH WE FEEL THAT A TOLL ROAD STRATEGY IS THE MOST EFFECTIVE MEANS TO DEVELOP ECONOMIC DEVELOPMENT HIGHWAY LINKS, CONSIDERATION SHOULD BE GIVEN TO BROADEN THE PARTICIPATION THAT WOULD PERMIT OTHER INNOVATIVE PUBLIC/PRIVATE FINANCING TECHNIQUES. THE USE OF SUCH INNOVATIVE TECHNIQUES IS REPEATEDLY REFERRED TO IN THE NATIONAL POLICY REPORT.

FOR OUR REGION THE PRIORITY HIGHWAY LINK PROGRAM WOULD PROVIDE A MEANS TO ENSURE THE TIMELY COMPLETION OF THE MON VALLEY/FAYETTE EXPRESSWAY. ON A NATIONAL LEVEL THE PROPOSAL WOULD PLACE THE FEDERAL GOVERNMENT IN A LEADING ROLE FOR THE IMPLEMENTATION OF INNOVATIVE TECHNIQUES THAT PROMOTE A WIDE RANGE

OF FINANCING STRATEGIES NECESSARY FOR THE DEVELOPMENT OF NEW HIGHWAYS.

AGAIN, I THANK YOU AND WELCOME YOUR QUESTIONS.


Mon Valley/Fayette Expressway
Corridor
Mon Valley Progress Council
Service Area
PITTSBURGH
PENN HILLS
WASHINGTON
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Connellsville
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December 18, 1989
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Proposed
Federal Toll Road Initiative
for the 1990's

The establishment of the Toll Road Demonstration Program under the 1987 Surface Transportation Act represented a significant milestone in the promotion of toll road facilities. The seven states designated under the program (later expanded to nine) were permitted for the first time to utilize Federal Highway funds for up to 35% of the cost of one toll road project per state designated by the Governor. Projects were also approved by the Federal Highway Administration.

Policy established through the 1987 Act clearly recognized the importance of toll road facilities in meeting the need for new highways. The 35% funding formula established under the Act also began the transition of the Federal Government to a partnership role on certain highway projects. Conversely this formula requires significant financial participation from states, local governments and the private sector to advance such projects.

Although the 1987 Act established an important policy it fell far short of the mark in the provision of fiscal resources necessary for implementation. The Act created a process where newly established projects have to complete with long term needs in an environment of inadequate fiscal resources. A paper tiger policy will not promote the development of highways essential for relief of congestion, promotion of safety and the provision of essential catalysts for economic development and redevelopment.

Pending legislative action on the renewal of the Federal Highway Program provides an opportune time to develop a truly effective program to promote toll road facilities. The elements outlined below would provide a targeted and measured approach that could be incorporated into the 1992 Surface Transportation Act. The proposed increase in the authorized level of Federal Highway Trust Funds stated below would support toll road projects. The proposed funding formula of 26% would result in a funding ratio of almost 4 to 1 versus current ratios of as low as 1 to 9. As an example, a 500,000 million dollar highway project would require $270,000 less in Federal funds under the proposed toll road initiative.

Proposed Toll Road Initiative

* Expansion of the 1987 Toll Road Provisions to include one project in each of the fifty states.

* Continuation of the process for designation of toll roads established under the 1987 Act.

* Establishment of a funding formula based on 75% of the 35% eligible costs of toll road projects. The program would be supported by an increase in the authorization level of the Federal Highway Trust Fund.

* It is anticipated that the increase in the authorized level would be inadequate to support all projects seeking funding. A task force of toll road agencies would be established to develop a draft criteria for selection of projects and submit their findings to the Secretary of Transportation. Projects would be submitted to the Federal Highway Administration for review and approval.

Testimony of

SCENIC AMERICA

Presented by

Edward T. McMahon
Executive Director

March 15, 1990

HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE
SURFACE TRANSPORTATION SUBCOMITTEE

Mr. Chairman and Members of the Subcommittee, good afternoon. My name is Ed McMahon. I am the Executive Director of Scenic America, a national conservation organization dedicated to the protection of America's scenic and unique landscapes, roadways, cities and towns. I respectfully request that the complete text of my statement and the attached special report on the Highway Beautification Act be included in the official hearing record.

I am here today to testify on the need to reform the 1965 Highway Beautification Act (HBA). This law was passed to promote "safety and recreational value of public travel and to preserve natural beauty." Twenty five years after passage of the HBA, due to inherent flaws and subsequent weakening amendments, the act is not working and is badly in need of change.

Members of the Committee may recall that the House of Representatives voted in favor of change back in 1986 and 1987 during the last highway re-authorization debate. Though supported by a majority of the Congress, strengthening amendments to the HBA including a cap on new billboards were removed during final conference on the 1987 Highway Bill. Today, we strongly urge the

Committee to either include HBA reform in the 1990 Highway Reauthorization Act, or to pass H.R. 3389, the Billboard Control Act of 1989 introduced by Rep. John Lewis and now pending before this committee.

Without reform of the HBA, America's scenic resources will continue to deteriorate. Without reform, America's traveling public will continue to be bombarded by visual blight and information overload. Without reform, America's merchants will be denied less expensive alternative forms of motorist information. Without reform, the trees lining America's scenic roadways will continue to be destroyed for the sole purpose of enhancing billboard visibility. Without reform, American taxpayers face a lien on the federal treasury that now exceeds one billion dollars. Without reform, America's states and cities will be forced to pay billboard companies millions of dollars of taxpayer money while a cheaper and constitutionally sanctioned alternative exists. Without reform, this Committee will deny the dream articulated by Lady Bird Johnson and patiently awaited by millions of Americans.

But the patience of many Americans is wearing thin. Today newspapers are full of stories about citizens in New York, Detroit and Chicago and hundreds of other cities who are protesting the proliferation of billboards. For example, voters in Jacksonville, Florida; Tucson, Arizona, and Beaufort County, South Carolina have all recently endorsed ballot referendums which ban new billboards and require existing billboards on non-federal highways to be removed.

LOOPHOLES IN THE LAW

Today, the HBA permits new billboards to be erected virtually everywhere including in totally rural countryside, inside national historic districts, next to our national parks, even adjacent to schools and churches.

In 1984, the Inspector General of the U.S. Department of Transportation reported that between 1979-1984, taxpayers paid to remove 1,957 nonconforming billboards along federal highways in Florida. During the same period 8,218 new billboards were erected, resulting in a net gain of 6,251 billboards. 1

Likewise, the Michigan Department of Transportaion reports between 1972-1988 it paid to remove 6,099 nonconforming billboards but during the same period 13,150 new so-called "conforming" billboards were erected. 2

Similiarly, a 1989 University of Florida study showed that motorists driving on I-75 through largely rural Marion County, Florida would see 340 billboards in one 40 mile stretch -- roughly one billboard every seven seconds.3

Why are new billboards going up along our supposedly protected rural highways? Because the HBA is filled with loopholes and exceptions. These exceptions have swallowed the rule. For example, many communities have stripped zoned long stretches of rural roads as phony "commercial" and "industrial" zones, thereby permitting the erection of numerous billboards in totally rural areas where scenic resources were supposed to be protected.

Another loophole, known as the "unzoned commercial or

industrial area" exception, allows billboard companies to erect new billboards in rural unzoned areas if there is any obscure commercial or industrial activity. It doesn't matter if the activity is readily visible from the highway. And most often these new billboards advertise products that have nothing to do with the unzoned commercial activity.

In fact, Advertising Age magazine reports that 8 out of the top 10 billboard advertisers promote cigarettes or liquor. (see the attached) What's more, there are numerous ways to provide motorists with information along our highways. These include logo signs, low-frequency radio, rest stop advertising, and other non-polluting alternatives to billboards. Indeed, the new National Transportation Policy makes it federal policy to "promote standardized signs and increased information for travelers, particularly along... scenic highways and other passenger routes".

SIZE, HEIGHT AND SPACING

The law has also failed to control the size or height of billboards. The HBA does not limit the height of billboards along federal highways and it allows billboards up to 1,200 sq. feet in rural areas and 3,000 sq. feet in urban areas. As a point of perspective, the typical billboard in 1965 was only 300 square feet in size and it sat on the ground.

The spacing in the current law is also unreasonably permissive. It permits up to 20 new billboards per mile along Interstates, up to 34 billboards per mile on primary highways in rural areas and up to 104 billboards per mile on primary roads inside cities. It even allows new billboards to be built in

national historic districts and at the gateways to our local, state and national parks.

To add insult to injury, the billboard industry has erectd thousands of new billboards in minority and low-income neighborhoods -- the largest number advertising cigarettes and alcoholic beverages. Surveys (see the attached) in Baltimore, Detroit, New Orleans, Washington, D.C., St. Louis, San Francisco, and Atlanta document that there are more billboards in black neighborhoods than comparable white neighborhoods with a higher percentage of alcohol and tobacco ads in black neighborhoods, than elsewhere.

ABUSES IN THE REMOVAL PROGRAM

While the law is overly permissive with respect to the construction on new billboards it is overly restrictive with respect to the removal of nonconforming billboards.

Scenic America recognizes the need for equitable measures to remove billboards. Unfortunately, Congress has saddled the states and local communities with the single least equitable and most expensive form of billboard clean-up.

Today, the law requires taxpayers to pay cash for the removal of all nonconforming billboards. Ironically, no money has been appropriated for billboard removal since 1982. As a result, today cities are told they can not remove billboards unless they pay taxpayers dollars (75% federal 25% state) to remove them, yet no money is available for this purpose.

The law also takes away the power of local governments to use their own local land use powers. Because of the 1978 amendment to

the act, communities which use their own land use authority to require the removal of billboards over time -- a practice called amortization -- now run the risk of losing up to 10% of their federal highway construction funds.

No other industry in America receives this special protection under the law. No other industry in America is exempt from amortization. Under the current law, a local community can amortize junkyards along its freeways, but not billboards.

Today, 25 years after passage of the HBA almost 100,000 nonconforming billboards remain. Last year only 385 were removed. For all practical purposes there is now no federal billboard removal program.

In 1985 the U.S. General Accounting Office declared that "accomplishing the goal of the Highway Beautification Act will require either additional federal funding or a change in the compensation requirement of the act." 4

We agree with the General Accounting Office: either appropriate money for billboard removal, or restore local governments ability to use their own local land use powers.

Nonconforming signs are a local problem to be solved through local law under land use powers defined by state constitutions. If a city wants to be overrun with billboards, so be it. But if a city wants to remove nonconforming billboards, the federal government should not prevent them from doing this.

Communities have traditionally cleaned up billboard pollution by requiring that nonconforming signs be removed after a period of years. Almost all courts have held this to be adequate and fair

compensation for sign owners, particularly because the offending signs can be moved to other more appropriate locations.

Although the billboard industry argues that it is entitled to cash payments under the Fifth Amendment, this claim is contrary to repeated judicial rulings. Federal and state courts routinely uphold the rights of states and localities to use amortization to remove billboards.

The removal program was made even more ineffective by the policy of first paying to remove signs that were voluntarily offered by their owners. The billboard companies used this provision to unload obsolete signs that were no longer economically viable. The money received was often used to erect new billboards in other locations. A study by the Department of Transportation's Inspector General concluded in 1984 that "the Outdoor Advertising Control Program has been ineffective in improving highway beautification as the number of signs located adjacent to the nation's highways continues to increase".

TREE DESTRUCTION

Perhaps the most environmentally destructive aspect of the beautification program is its use as a justification for chainsawing and herbiciding trees on public-rights-of-way in front of billboards. When the interstates were built, the FHWA provided money to plant millions of trees along our roadsides. The billboard industry doesn't like trees blocking the view of billboards so in 1977, it persuaded the FHWA to legalize tree destruction by reclassifying it as "vegetation control" State officials now annually issue thousands of tree cutting permits to

sign companies. Many of the trees being destroyed were originally planted under the federal landscaping program.

Not only has this legalized vandalism, destroyed hundreds of thousands of publicly owned trees, but the 1984 study by the Department of Transportation's Inspector General concluded that "the policy had also hindered the removal program by giving thousands of nonconforming billboards new life"; otherwise the signs would have been abandoned because they would have been obscured by vegetation growth. Even so, the FHWA has refused to change the policy.

BILLBOARDS AND TAXATION

Billboard companies are "users" of the federal highway system, but unlike motorists, truckers and other road users, the billboard industry currently pays no road user taxes, tolls or fees to use our roads. Likewise, there is no Federal property tax or excise tax on outdoor advertising.

The costs associated with individual billboards along interstate and primary roads vary, but for the most part depend on the traffic count of the road and visibility of the billboard.

For the 125 member companies of the Outdoor Advertising Association, the average monthly cost per unit (1988) was $476.00 for poster panels and $2,522 a month for painted buletins.

In other words, the average painted bulletin (the typical billboard along an interstate) is earning $30,264 a year. Despite the enormous revenues generated by billboards, there is currently no federal permit fee to operate a billboard along a federal highway. Annual state fees vary from 50¢ a year in California to a

maximum of $125.00 a year in New Jersey.

It is time to end this national disgrace and reform the Highway Beautification Act so that it preserves national beauty, protects our trees, parks, historic districts, and scenic roads and provides a mechanism for removing nonconforming billboards.

We urge the Subcommittee to support changes in the Act which will:

1) Halt the construction of new billboards along federal highways;
2) Limit the size and height of existing billboards;
3) Increase spacing between existing billboards;
4) Prohibit the destruction of trees on public land in front of billboards;
5) Remove existing billboards along designated scenic roads and near historic sites and districts, national, state and local parks, wetlands, and other areas of critical environmental concern.
6) Either restore local governments ability to remove nonconforming billboards or appropriate money to meet the cash payment requirement.
7) Impose a federal permit fee on billboards and use the money for effective enforcement of the act; and
8) Promote alternative forms of motorist information including logo signs, low-frequency radio and other environmentally benign alternatives to billboards.

Thank you for your consideration.

Footnotes

1. Inspector General, Department of Transportaion, Report on Audit of Highway Beatification Program, FHWA Region 4, Report R4-FH-158

2. Michigan Department of Transportaion as reported in "Planning and Zoning News," Vol. 7, No. 6, Page 8, April 1989.

3. University of Florida, I-75 Study, As reported in "Ocala Star Banner," February 2,1990 page .

4. GAO Report CED 85-34, January 3, 1985, "The Outdoor Advertising Control Program Nees to be Reassessed."

National Trust for Historic Preservation

Testimony of

ELIZABETH S. MERRITT
CHIEF LITIGATION COUNSEL
NATIONAL TRUST FOR HISTORIC PRESERVATION

before the

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
SUBCOMMITTEE ON SURFACE TRANSPORTATION
UNITED STATES HOUSE OF REPRESENTATIVES

on the

REAUTHORIZATION OF FEDERAL SURFACE TRANSPORTATION PROGRAMS

March 15, 1990

Mr. Chairman and members of the committee, it is a pleasure to have the opportunity to appear before you today to express the views of the National Trust for Historic Preservation on the future of federal surface transportation programs.

The National Trust was chartered by Congress in 1949 to lead the private sector historic preservation movement. Today, with nearly 235,000 dues paying members and more than 3,000 member organizations in every state, the National Trust works to revitalize urban neighborhoods and small town main streets, to conserve more than 100 historic places, and to advocate historic preservation as a fundamental value in community planning and development.

THE HISTORIC PRESERVATION -- TRANSPORTATION LINK

It is more than a coincidence that the Department of Transportation (DOT) Act, which created the department, and the National Historic Preservation Act, which established today's national historic preservation program, were both signed into law by President Lyndon B. Johnson on October 15, 1966. For the history of the national preservation program and federal transportation policy are closely intertwined.

The impetus for a vigorous federal role in historic preservation was provided in part by the peril that historic areas faced from the aggressive and destructive federal urban highway projects of the 1960s. With rights of way bulldozed through many historic, and often low-income, areas of the nation's cities, Congress recognized that the federal government's funding of these transportation links carried with it a significant risk of destroying historic places.

1785 Massachusetts Avenue, N.W.
Washington, D.C. 20036
(202) 673-4000

In order to respond to this risk, Congress endowed the Department of Transportation with a special responsibility for protecting and enhancing the resources that would otherwise be most vulnerable to harm from the nation's transportation program. In creating the Department of Transportation, Congress declared a national policy that

> special effort should be made to preserve the natural beauty of the countryside and public park and recreation lands, wildlife and waterfowl refuges, and historic sites.

To implement this preservation policy, Congress included Section 4(f) of the Act, which prohibits federal transportation projects from harming historic places unless there is no "feasible and prudent alternative" to doing so and, even then, the projects must include "all possible planning" to minimize the harm.

Thus, on the same day that the National Register of Historic Places was formally created, a federal transportation law was enacted to provide historic places with strong protection from the destructive potential of federally-funded transportation projects.

THE IMPORTANCE OF A PRESERVATION POLICY

Almost 25 years later, the preservation policy of the DOT Act and the protections of Section 4(f) remain an effective force for historic preservation, saving historic neighborhoods and landmarks for future generations. Section 4(f) is today one of the most important and most effective federal historic preservation protections. In fact, the National Trust supports the application of the substantive protection standards of Section 4(f) to other federal agencies and programs.

The National Trust advocates the continued use of Section 4(f), and the policy it implements, as a fundamental building block of any new federal transportation policy. Therefore, it is especially disappointing that the preservation policy of the DOT Act and Section 4(f) are entirely overlooked in the new Statement of National Transportation Policy released this past week. Incredibly, we find not even a single reference to Section 4(f) in this entire 129-page report.

As the Administration and Congress consider the future of federal surface transportation programs, we believe that strong support for the preservation policy of the DOT Act and Section 4(f) is a litmus test of the nation's commitment to the conservation of our natural and historic resources.

THE NEED FOR VIGOROUS IMPLEMENTATION OF SECTION 4(f)

The National Trust has undertaken a major institutional effort to ensure the vigorous implementation of Section 4(f). Ten times in the last ten years, the National Trust has gone to federal court to enforce the Department of Transportation's compliance with Section 4(f). Many of those controversies have resulted in strong legal precedents that mandate adherence to both the letter and spirit of the law.

One example is known as the "constructive use" doctrine. Under this doctrine, courts have uniformly held that Section 4(f) applies not only to projects that will cause the total destruction of historic and natural resources, but also to transportation projects that will substantially impair the value of historic sites and parks. Thus, Section 4(f) extends to such harmful impacts as noise, air pollution, vibration, and visual blight.

Two recent projects illustrate this point. In Fort Worth, Texas, after the U.S. Court of Appeals mandated compliance with Section 4(f), in a case in which the National Trust participated as a plaintiff, state and federal highway officials set aside a plan to double the width of an overhead Interstate highway. The plan would have had a devastating impact on several important historic buildings and architect Philip Johnson's renowned Water Garden park. Instead, a new alternative was selected, which involves relocating the entire highway using a below-grade design. This plan has been endorsed enthusiastically by highway officials and historic preservation advocates alike.

More recently, in Mobile, Alabama, a lawsuit by the National Trust led to two federal courts finding that a proposed elevated waterfront highway was required to comply with Section 4(f). Following these rulings, highway officials revised the six-mile project so that it would no longer adversely affect a number of historic sites, including Mobile's national historic landmark city hall.

In both of these cases, the Section 4(f) process itself led to the successful modification of highway projects in a creative way that will resolve transportation problems without harming the vital historic resources of those cities. In our view, this is exactly the way Section 4(f) is supposed to work, by encouraging the adoption of viable transportation alternatives that enhance and protect historic resources.

Currently, the National Trust is urging the Federal Highway Administration to deny funding for a 6.2-mile, half-billion dollar highway that the State of California proposes to bulldoze through five historic districts in South Pasadena, California. This massive highway will destroy nearly 1500 homes and 7000 trees. In our view, this project does not meet the high standard of environmental responsibility that Section 4(f) mandates, because feasible and prudent alternatives exist, which will be much less destructive of historic and natural resources. The Department has not yet made a decision on this project.

On an almost daily basis, Section 4(f) works to discourage the loss of the nation's heritage. That is why we find its absence from the new transportation policy so disappointing. And that is why we are also extremely concerned by a recent regulatory proposal from the Federal Highway Administration and Urban Mass Transit Administration to cut back on strong case law that the National Trust was instrumental in establishing. [55 Fed. Reg. 3599 (Feb. 2, 1990).] The Department has proposed narrowly restricting the application of the constructive use doctrine in such a way that seriously jeopardizes historic and natural sites threatened by the indirect impact of transportation projects.

The successful outcome of the Section 4(f) process in Fort Worth and Mobile, described

above, would not have been possible without this important precedent. In the National Trust's view, the constructive use doctrine should be enshrined, not undermined, in the Department's regulations.

A PRESERVATION AGENDA

But even with the vigorous application of Section 4(f), the federally subsidized destruction of historic places by transportation projects continues. The lure of low-match federal highway funding can encourage state and local governments to trade off their heritage for the promise of highway mobility. And that very promise is too often illusory as new highways induce new development, more traffic and result in gridlock. Once again, this reality is not acknowledged in the Statement of National Transportation Policy.

Therefore, the National Trust urges that any new federal transportation program build on the preservation policy of the 1966 Act and Section 4(f) to incorporate those fundamental policies into the design of the program. Meeting this goal will require a multi-pronged approach. Today we would like to suggest some of the elements of that approach.

Stronger Emphasis on Integrated Planning. Any commuter in the nation's major cities experiences daily the results of transportation planning that has failed to include adequate consideration of land use impacts, environmental consequences and preservation concerns. These commuters have seen how new highway links built to relieve traffic are soon gridlocked by the new development they encourage. And they see how urban beltways, whose ostensible purpose was routing interstate traffic around urban centers, have become anchors for traffic-inducing suburban sprawl.

To restore the connection between transportation decisionmaking and broader community concerns, we recommend that new legislation should condition the receipt of federal funds on the development of state and local plans that demonstrate an appreciation for this necessary integration. Such planning would place highway and transit improvements in a larger context of economic development, growth management, and conservation.

This recommendation is wholly consistent with the Secretary's Statement of National Transportation Policy. Significantly, federal law already provides one appropriate mechanism for accomplishing this goal. Section 134 of Title 23 provides for the development of transportation plans

> which are formulated on the basis of transportation needs with due consideration to comprehensive long-range land use plans, development objectives, and overall social, economic, environmental, system performance and energy conservation goals and objectives ....

This policy is known commonly as the "3-C" process, after its mandate that the planning process shall be "continuing, cooperative, and comprehensive." The vigorous application

of this philosophy should be at the core of the federal surface transportation program.

Flexible Funding Options. The National Trust supports the reorientation of the federal highway program away from an outdated emphasis on destructive new highways and toward flexible solutions to transportation needs that are consistent with, and supportive of, the conservation of the nation's natural and historic resources.

New legislation must provide sufficient flexibility to state and local transportation officials to ensure that the federal government itself does not encourage more destructive options simply because of the fear of losing federal funds. The Statement of National Transportation Policy appropriately endorses greater funding flexibility. However, it only acknowledges that such flexibility will help find the most cost-effective solution. This approach is too restrictive. Funding flexibility should be used to promote project compatibility with the Department's preservation policy as well as serving to address cost considerations.

One model for this approach is the historic bridge provisions of the Highway Bridge Repair and Replacement Program. Section 123 (f)(2) of the Surface Transportation and Uniform Relocation and Assistance Act of 1987 (STURAA) enables states to "trade in" federal funds earmarked for the demolition of obsolete historic bridges to enable public or private entities to assume responsibility for and restore historic spans. In addition, it clarifies that preservation costs are eligible for federal funds when a historic bridge is being rehabilitated.

Mitigation Incentives. New legislation should also provide affirmative incentives for state and local governments to incorporate historic preservation activities into their transportation programs. Given the enormous potential for highways to harm or destroy historic places, federal law should encourage state and local governments to use a portion of their funds to conserve and protect these resources.

For example, federal funds could be made available to states on an unmatched basis for preservation expenditures related to highway and transit projects. These mitigation funds could be used for site protection, rehabilitation, interpretation or other conservation purposes, which would further the Department's mandate of enhancing the natural and cultural environment. The amount of these additional federal funds could be based on a percentage of overall project costs.

Scenic Byways. The National Trust has also found that in many cases transportation projects can actually contribute to the enhancement and conservation of historic, scenic and natural resources. By providing access to historic resources and public information on nearby historic attractions, highways and transit links can further historic preservation. The National Trust supports the creation of a nationwide system of scenic byways to designate and protect transportation corridors of superior scenic, natural and historic value.

Billboards. Finally, Mr. Chairman, we support the testimony that you will receive today that urges the removal of federal support and protection for roadside billboards. Too many outstanding historic landscapes have been marred by federally subsidized

commercial display advertisements. Providing information to motorists about commercial and noncommercial attractions can be consistent with a federally supported transportation program. Billboard blight is not.

CONCLUSION

Mr. Chairman, the ties between the federal historic preservation program and transportation policy are strong. While the goals of these two programs are different, they are not incompatible. We believe that transportation projects can be planned in a manner that minimizes harm to historic resources and actually enhances the natural and cultural environment. That is the essence of the recommendations we have made today.

As you proceed, it may be helpful to consider the words of Budget Director Richard Darman from his introduction to this year's Administration budget proposal. Darman wrote

> To the extent that investing in the future tends to emphasize technological advances -- as it should -- there is a need to assure a counterbalancing attention to aesthetic values.

The National Trust is eager to work with the Committee and the Administration to incorporate the preservation of the American heritage into a new transportation vision.

BEFORE THE

UNITED STATES HOUSE OF REPRESENTATIVES

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
SUBCOMMITTEE ON SURFACE TRANSPORTATION

STATEMENT OF THE OWNER-OPERATOR INDEPENDENT DRIVERS ASSOCIATION, INC.

Hearing on Reauthorization of the Post-Interstate Surface Transportation Programs

K. MICHAEL O'CONNELL
Counsel

March 15, 1990

Mr. Chairman, Committee members, Committee staff, my name is Michael O'Connell, and I am Counsel to the Owner-Operator Independent Drivers Assn., Inc. ("OOIDA" or "Association"). OOIDA is the national trade association representing the interests of the nation's more than 350,000 independent truck owner-operators. Headquartered in Oak Grove, Missouri, OOIDA has over 14,000 members in all 50 states, and is the second-largest trade association in the trucking industry.

Owner-operators are small business men and women who own and operate individual class 7 and 8 trucks and small truck fleets. Collectively, owner-operators are responsible for approximately 40% of the intercity truck traffic in the United States. They engage in the transportation of commodities exempt from the regulations of the

Interstate Commerce Commission or lease their equipment and services to private and for-hire motor carriers. Many have obtained their own motor carrier operating authority from the Interstate Commerce Commission. Owner-operators provide a vital transportation service which must be protected as we enter a new decade and plan for the 21st century. As small business men and women who operate an average of more than 90,000 miles per year, and spend in excess of 300 days per year on the nation's highways, owner-operators are vitally interested in all trucking issues that affect the health, safety and integrity of all commercial vehicle drivers.

GENERAL COMMENTS OF THE ASSOCIATION

The Association welcomes this opportunity to share with the Committee the interests of its owner-operator members, as well as the interests of all commercial vehicle drivers. The Committee has a substantial task ahead of it as it begins work on the reauthorization of the surface transportation programs that expire at the end of Fiscal Year 1991. OOIDA believes that if all of the major interests within the surface transportation industry focus their collective talents and resources on our common problems, great strides can be made in maintaining this country's transportation system as the finest in the world.

As Secretary Skinner recently stated in the forward to the National Transportation Policy, in the next decade "we have an opportunity to address the challenges of a changing society, a changing economy, new technology, and new roles and possibilities for all the members of the transportation community." OOIDA believes that reauthorization of the surface transportation programs will be a process of great significance to the transportation industry as a whole, and will set the tone for the nation's highway policy well into the 21st century. For that reason the programs must be carefully weighed, fairly structured, and long term in nature.

The issues that we face in reauthorization are complex. The solutions are not easy and will require a certain amount of compromise. OOIDA urges the members of this Committee not to compromise the traditionally strong federal leadership role in molding the nation's transportation policy, and not to shift policy leadership to the states. At the same time, the Congress must balance the interests of both federal and state and local governments by placing the burdens of program funding and maintenance at the most appropriate levels.

The marketplace is the best judge of the choices among the various modes of transportation. The federal government has always avoided substituting its judgment for that of the marketplace, and this must continue to be its policy in the future. Unfortunately, the recently released National Transportation Policy implies that problems such as congestion and air quality can be dealt with through policies that favor specific transportation modes over others. Such a policy is inconsistent with a market driven approach and bad public policy. As such, it should be rejected. This Committee should not permit the diversion of highway user funds to other projects in the name of "flexibility."

SPECIFIC COMMENTS OF THE ASSOCIATION

While there are a great number of issues that have a direct and significant impact on all commercial vehicle drivers, OOIDA would like to specifically address the following: (1) the need for strong national leadership in federal highway policy; (2) the policy of using toll roads to fund the highway system; (3) the uniformity of enforcement of safety regulations; and (4) further economic deregulation of the truck transportation industry.

Strong National Leadership

America needs strong leadership in developing and implementing the nation's

highway policy. The Association understands that, at a time of serious federal budget constraints, increased reliance must be placed on state and local governments and the private sector to provide some of our basic transportation services. However, the federal government cannot abdicate its historic leadership responsibilities in this vital area. While the states have an important role, the federal government is the only entity that can ensure that a national system is maintained. The Association believes that a retreat to a more significant role for the states in highway policy would seriously weaken our highway system.

Over the past several decades, the truck transportation industry has been victimized by a patchwork of ill-conceived state taxation policies and regulations. Many states have enacted taxes that are specifically aimed at out-of-state truckers. State legislatures have exhibited extreme short-sightedness and the lack of political will to impose these "user fees" on their own citizens. The fragmentation of surface transportation through the use of discriminatory and retaliatory taxes is a serious issue that has negative implications for the competitiveness of industries utilizing highway transportation, as well as for the transportation industries themselves.

Many of these taxes are merely taxes on interstate commerce. The U.S. Supreme Court has declared certain types of these state taxes unconstitutional; however, it is not certain whether states must refund such collections. As one type of tax is overturned, the states impose others, such as property and income taxes on trucks merely passing through the state. The Commonwealth of Pennsylvania alone collected more than $350 million in illegal taxes which may never be refunded to the large and small motor carriers and owner-operators who paid them.

Unfortunately, this scene has been replayed in over a dozen other states. OOIDA fears that a transportation policy which emphasizes state revenue generation and "flexibility" in spending of highway taxes will substantially worsen an already critical situation. It is far easier for a state to enact a discriminatory tax than it is for a

trucking company to avoid passing through that state. Such a situation cries out for a strong national transportation policy and a national emphasis in financing the system.

State and local governments should not be given greater leeway to raise revenues from the transportation industries. There will always be a political incentive to tax out-of-state interests, with no effective representation of those interests in the taxing and spending decisions. Any policy that encourages states to raise highway funds should flatly prohibit states from imposing taxes on highway users in order to fund projects in other transportation modes, or which might be totally unrelated to our critical highway needs.

In addition to the issue of taxation, the states have enacted burdensome and duplicative licensing, permitting and registration requirements. These requirements represent an enormous cost and lost productivity both to the trucking industry and the industries that it serves. Within two years it will be easier for truck traveling in Europe to move between countries than for one to move from New York to California. This issue has persisted for many years, and cooperative efforts have largely failed to address it. It is now time to preempt the ability of the states to obstruct commerce in this manner.

Use of Toll Roads

Secretary Skinner's National Transportation Policy has, unfortunately, opened the door to the possibility of increased use of state-sponsored and private sector toll roads. Such a policy is a significant departure from the historic federal policy that has discouraged their use. OOIDA strongly believes that this is the wrong direction for highway policy. We should continue to fund highways principally at the federal level. We should not allow states to collect revenues from tolls on roads where they also receive federal transportation funds. Tolls are a very effective mechanism for state governments to tax interstate commerce passing through their states. It is simply not

necessary to consider to toll roads as a policy at a time when the Highway Trust Fund is showing a substantial surplus.

Highway Safety

A safe highway system is of paramount concern to the nation's owner-operators. While much has been done in this area, there is substantial room for improvement through proper focusing of safety resources. The Association strongly believes that the advent of the new Commercial Driver's License will improve the overall quality of commercial operators on the nation's highways, to the advantage of all drivers. It represents a landmark change in the level of knowledge and skill necessary to become a professional driver. OOIDA believes that the benefits resulting from the CDL should be thoroughly assessed before further safety legislation, possibly mandating costly and exotic technologies, is considered.

The federal government must assume a strong leadership role in overseeing the enforcement of existing highway safety regulations. While delegating the appropriate level of enforcement discretion so that state and local governments can protect their own unique interests in highway safety, the federal government must prevent the states from proceeding in a fashion that is aimed more at raising revenue and fulfilling personal political goals than at promoting safety. These objectives are inconsistent with highway safety and are ultimately counterproductive.

A recent press report indicated the great displeasure of a Missouri school district that was losing revenue because a local truck scale had been closed. In another recent incident, a California city fined a trucker $2,500.00 for a simple logbook paperwork violation. A series of reports from Tennessee indicates that the Chairman of that state's Public Service Commission is "fighting the good war" against truck drivers by searching their trucks and sleeping compartments without probable cause. These sorts of incidents raise serious concerns among drivers as to the legitimacy of such "safety"

efforts. They also lead to a counterproductive, adversarial relationship.

The Association urges the federal government to actively address these issues and to facilitate the uniformity of state safety enforcement as well as registration and taxation. States must not be allowed to use federal highway regulations as a cover for raising revenues for uses unrelated to our transportation needs. Problems such as those described above have been allowed to continue (and to grow) for far too long. This Committee should address them as part of reauthorization, and preempt the states' authority in certain areas through conditions requiring uniformity and reasonableness placed on programs such as the Motor Carrier Safety Assistance Program.

An additional highway safety concern arises as calls mount for larger, heavier trucks. While this issue is often disguised as a "productivity" issue, it is fundamental to highway safety and protection of the infrastructure. Some size and weight proposals stretch the design limits and durability of the highway system. The Association urges the Committee to resist calls for increased size and weight limits.

Further Economic Deregulation

OOIDA agrees with Secretary Skinner that transportation deregulation must be advanced by eliminating remaining economic regulation of trucking, and that restrictions on the provision of for-hire transportation should be limited to those necessary to ensure adequate safety and liability requirements. Owner-operators, who are responsible for 40% of all intercity truck traffic, represent the most productive segment of the trucking industry. They are also the safest operators. The economic regulations that currently exist accomplish little of value; instead, they represent a barrier to direct relationships between shippers and the owner-operator segment of the industry.

The financial investment that owner-operators make in their equipment, and the psychological investment that they make in starting up and operating their own small

businesses (while at the same time spending over 300 days a year away from their homes and families), demonstrates their dedication to their chosen profession. Their strong desire to succeed and maintain their independence, combined with their willingness to work as hard as necessary to accomplish their goals, guarantees them a substantial role in the industry in the 1990's. Further economic deregulation of truck transportation will permit them to compete fairly and effectively and thus to enjoy the full benefits of their efforts.

CONCLUSION

OOIDA supports the work of this Committee and welcomes the opportunity to provide further input into the reauthorization process. On behalf of the Association, I thank the Committee for the opportunity to appear here today to express the views of owner-operators. I welcome any questions that you might have.

REMARKS BEFORE

U.S. HOUSE OF REPRESENTATIVES

PUBLIC WORKS COMMITTEE

March 15, 1990
Fran Pavley, Councilmember

Good afternoon. My name is Fran Pavley. I have been a mayor and a councilmember of the City of Agoura Hills for eight years. I am here today representing the National League of Cities and the California League of Cities. Agoura Hills became L.A. County's 83rd city in 1982. Agoura Hills is located about 35 miles west of the City of Los Angeles, nestled against the Santa Monica Mountains.

The beautification of the freeway corridor is a top priority for the residents of Agoura Hills. We have been successful in adopting ordinances to encourage quality development, while also preserving the natural beauty of our area. We have passed a sign ordinance, a protective hillside ordinance, and adopted a community-supported General Plan to help accomplish this goal.

However, we have been unable to eliminate the 30 billboards that line four miles of Route 101, the freeway which intersects our City. Federal law has made it impossible to remove these structures within 660 feet of the freeway. I am continually asked by local residents, "Why can't you do something about those billboards?" They don't understand why the state and federal governments can regulate this undesirable land use within our city limits. Our City Council has been actively seeking legislative solutions to address this problem. Our local state legislators

have authored bills on our behalf. The crux of our problem is the requirement that we use taxpayers dollars to buy out a prohibitively expensive billboard. There are no state or federal formulas to determine the value of a billboard. The lease and potential rental income, in addition to the value of the structure, determines the worth of the billboard. These figures are vague and unobtainable. According to the billboard companies, the value of each billboard could be as high as $100,000. It is interesting to note that even though the property owner is obtaining income from the improvement to his property, no additional property tax is paid by either the landowner or billboard company.

Congress should amend the Federal Act because cash payments to the billboard industry are wasteful, unwise, and constitutionally unnecessary.

First, nonconforming signs are a local problem to be solved through local law under land use powers defined by state constitutions. Practically every state court in the country has held that amortization is a constitutional method for removing billboards. The decision on whether to make cash payments or use the amortization technique should be left to local government.

What's more, billboards are a form of moveable property which can be dismantled and relocated. Indeed, the billboard industry does this all the time. When a billboard is removed pursuant to a zoning ordinance, the billboard is not "taken" and used by the government. On the contrary the billboard is simply dismantled, after which it can be put on a truck and moved to another location. The land owner, of course, retains full title to the property which can be used for any other lawful purpose.

Requiring local governments to pay cash for billboard removal gives special treatment to billboard companies not received by any other industry or nonconforming land use. All other land uses are regulated by local government without federal interference and with out cash payments. Courts have approved the use of zoning to

relocate billboards, junkyards, cement factories, taxidermists, shelters, garbage dumps, and other land uses. However, today only billboards are being singled out for special protection by Congress.

Courts say that the government interest in regulating billboards is especially strong because billboards don't derive their value from the private land they stand on but from the public roads they stand next to. Without the captive audience delivered by a public highway, billboards have no inherent value.

Last year, we had asked our state legislators to amend the Business and Provisions Code to allow local government to use amortization or cash compensation. It is legal for cities to amortize all nonconforming uses over a period of time in order that landowners have ample opportunity to recoup their investments. California courts have found reasonable amortization to be a constitutional exercise of police power which does not require compensation. Our billboards have already been in existence for 10 to 20 years, well before an amortization period would begin.

Our state legislators told us that they could not amend the state law to allow for the amortization of nonconforming billboards adjacent to interstate highways To do so would mean our state would risk losing ten percent of its federal highway money. This is the requirement of the Federal Highway Beautification Act.

Our city would like to remove billboards to meet the intent of the Highway Beautification Act. We would like the opportunity to enhance the beauty of our freeway for traveling motorists, attract quality development and improve our property values. In order to accomplish this goal, the Federal Highway Act should be amended to allow local governments the option of using amortization or cash compensation to reduce the number of billboards. Agoura Hills has now become the gateway to the Santa Monica Mountains National Recreation Area. We should no longer have to be called "Billboard Alley". Forcing cities to use taxpayer dollars to remove billboards is unrealistic. We don't pay other polluters to stop polluting, why does the federal government single out this form of pollution for special treatment? Our city's relatively small budget makes this impossible. Our limited reserves are being spent on improving the freeway overpasses and local roadways.

I've heard that the 1990's is the decade for the environment. Please amend the Federal Highway Act in order to allow local governments to use amortization <u>or</u> cash compensation to reduce the visual blight on federal highways, without jeopardizing a state's federal highway money.

Thank you.

STATEMENT OF SUSAN PERRY
SENIOR VICE PRESIDENT - GOVERNMENT RELATIONS
AMERICAN BUS ASSOCIATION
MARCH 15, 1990

Mr. Chairman and Members of the Subcommittee:

My name is Susan Perry. I am the Senior Vice President-Government Relations of the American Bus Association (ABA). It is a pleasure to be here once again to present the views of the Association, this time on the reauthorization of the highway and transit programs.

ABA is the national trade association of the intercity bus industry. We have several thousand members, some 700 of whom are bus operators engaged in intercity regular route, charter and tour, transit and commuter, and airport bus service. (The rest of our members represent the travel and tourism industry visited by the bus and its passengers, and the manufacturers and suppliers serving the industry.)

My testimony today will cover a number of issues in several titles of the reauthorization legislation that you will be developing during the coming months. I appreciate your affording us this opportunity to discuss with you these concerns and interests of ours.

By way of introduction and explanation of what the intercity bus industry is today, I would like to cite a report done last year by Robert R. Nathan Associates, Inc. entitled, Federal Subsidies for Passenger Transportation, 1960-88: Winners, Losers, and Implications for the Future. For the record, I would like to submit a copy of its Executive Summary. The report points out that while the intercity bus industry is the primary carrier of the old, the young, the poor, and those in rural America, the industry has received only 0.3 percent of the federal transportation assistance over the last 28 years. When we refer to an unlevel playing field--and say that this must be rectified--this is what we mean. Although we are not asking for direct federal subsidies, we are asking for federal transportation policy that will maintain and revitalize the only intercity service that exists for the groups of travelers I have mentioned. To quote from the report: "...private bus operators have continued trying to serve as every community's link to neighboring urban centers, ensuring that affordable transportation would be available to everyone. But now, the cumulative impact of Federal neglect has begun to take its toll on the network of intercity bus transportation." A federal transportation policy that would include attention to the following would be most helpful:

- promotion of public/private partnerships;
- development of intermodal facilities (transportation centers);

- equity of treatment, including looking at subsidies of competing intercity modes such as Amtrak and the airlines: and,
- infrastructure improvements, including high occupancy vehicle lanes (HOVs).

I believe it is appropriate for me to address some of this in more detail. Let us look at intermodal facilities. These are a win-win experience for the private and the public sectors as well as the traveling public. The recipient of federal capital dollars builds the center and uses it for its operations. The private sector operator pays rent to use it as well, thus providing income to the owner and builder while receiving a new, safe, and clean facility for the private bus operator who does not have the construction capital sufficient for its needs around the country. In one location, the traveler has two or three modes of transportation to use. There are well in excess of 50 such centers around the country at this time, and the potential for many more. The availability of federal dollars for these transportation centers benefits the private, intercity bus industry immensely but does not constitute direct subsidy to it. In fact, by paying rent, the industry pays its own way and makes a contribution to the center's operation.

Mr. Chairman, this is not a new idea for the intercity bus industry. You may recall that in 1978, with the strong support of the American Bus Association, the Surface Transportation Assistance Act authorized a Terminal Development Program. Under this program, funds were authorized for capital grants to states and local bodies to acquire, construct, or alter facilities that are used primarily for intercity bus services and to coordinate these services with other modes of transportation. After several years of no monies being appropriated for this purpose, Congress deauthorized the program. What we are suggesting today is an updated version of this 12-year old concept that appropriately incorporates the idea of transportation public/private partnership.

Another need: infrastructure improvements, such as high occupancy vehicle lanes. Unquestionably, HOV lanes are a highly cost-effective method of relieving urban congestion. And we know that there is congestion in every urban area of the country. Because this is a nationwide problem, there needs to be, we believe, federal incentives for HOV lane planning and development by local officials. Further, there needs to be melding of highway and transit funds in order to solve the problem of who is responsible for paying for HOV lanes. Reauthorization of the surface transportation programs at this time in history when there is opportunity for new and different concepts seems an ideal circumstance for solving this problem. High occupancy vehicle

lanes, which could be a major and sensible solution to an ever-increasing transportation mobility issue, should become a reality as the result of this reauthorization.

Turning from the infrastructure to a related area--that of equipment--a new problem has emerged which could be solved as well by this legislation. The intercity bus industry needs, in some instances, a 45 foot bus. This is five feet longer than the current bus that has been in use for many years. In heavily congested areas, like the Northeast corridor, it makes sense to have the most possible passengers per vehicle. Environmentally, it also is desirable to have more passengers in fewer vehicles. Our problem is not one of manufacture but, rather, one of lack of uniformity of regulation. With a few exceptions, primarily for articulated buses, 33 states have a 40 foot limit; 2 states have a 42 foot limit; 1 state has a 42-1/2 foot limit; 5 states have a 45 foot limit; 2 states have a 50 foot limit; 5 states have a 60 foot limit; and, 2 states have limits established by departmental regulation. It is unclear why 40 feet became the maximum length limit for intercity buses in a majority of the states. There is no apparent relationship that we have been able to find between the maximum length limit for intercity buses and highway safety. Since highway safety is our primary concern, and the excellent record of the intercity bus industry bears that out, we would have some pause were this an issue. Since it is not, what we need, Mr. Chairman,

is for this committee to consider preemption of these various state laws so that we may be permitted to manufacture and to operate 45 foot buses on the federal highways of this country.

Having mentioned safety, I wish to turn to it for a moment and to one particular issue that is troubling us. Knowing that this subcommittee plans to consider additional motor carrier safety legislation this year, I need to call to your attention an item of unfinished business from the Motor Carrier Safety Act of 1984. In that act, Congress mandated the extension of motor carrier safety regulations to include private, not-for-hire carriers of passengers engaged in interstate commerce. These carriers, who include churches, colleges and universities, and social and civic organizations, among others, comprise the largest group of bus operators on the nation's highways. They are not ICC-certificated and are not, therefore, required to carry minimum insurance of $5 million. They generally operate second or third hand buses tended to be mechanics who may not be professionally trained. Their drivers are the least trained. This group is most in need of strict safety regulation, yet they remain unregulated to this day--some six years after Congress said they were to be covered by the Federal Motor Carrier Safety Regulations. An advance notice of proposed rulemaking was issued on January 23, 1985 and a notice of proposed rulemaking finally was issued by the Federal Highway Administration on February 17, 1989 after much badgering, including

some prodding by the Public Works Committee. Comments were due by June 19, 1989. Now we are in mid-March of the next year and a final regulation still has not been promulgated. Once again, we bring this to your attention and request that you look into the lack of timely action on this most important component of safety on the nation's highways.

Before moving to several mass transit program concerns of the American Bus Association, I want to voice our continuing support of House Resolution 41 expressing the sense of the House in opposition to an increase in federal fuel taxes to reduce the budget deficit. Raising the fuel tax now, when there is a multi-billion dollar surplus in the Highway Trust Fund, does not make sense to ABA, let alone the idea of raising it for the wrong reason: to solve the federal deficit problem. The leadership of the Public Works Committee deserves to be highly commended for introducing H. Res. 41 and for gathering cosponsors now totaling considerably more than a majority of the members of the House. Congratulations to all of you for this and good luck in obtaining its passage by the House.

I will conclude my testimony with some thoughts of the industry on two mass transit items: charter bus service and competitive contracting of transit services.

The Urban Mass Transportation Administration, after some ten years of consideration, issued charter bus regulations on April 13, 1987. These regulations were amended by UMTA on December 10, 1988.

The regulations prohibit local transit authorities, with certain exceptions, from providing charter service with UMTA funded buses or facilities so long as private bus operators in the area are willing and able to provide the service. The regulations implement Sections 3(f) and 12(c)(6) of the Urban Mass Transportation Act of 1964, as amended, which are based on the premise that federally-funded buses and facilities should not be used in competition with the unsubsidized equipment and facilities of privately-owned charter bus operators. That principle is consistent with Congress' general policy of protecting unsubsidized, privately-owned businesses from federally-supported competition when there is competition in the private sector.

Almost three years of experience with the charter regulations have demonstrated that the Congress and UMTA acted wisely. The regulations are working to the benefit of all. Public and private bus operators have worked together to insure that all reasonable demands for charter service are met. Disagreements between the public and private sectors have been rare, but where disputes have arisen, the difference have been resolved amicably in almost every case. The ABA has assisted private bus operators and public

transit authorities in reaching agreement on charter service in such places as Flint, Michigan, Greenville, South Carolina, and Topeka, Kansas. UMTA has settled other disputes under its complaint procedures and without the necessity of court intervention.

In the 1982 Surface Transportation and Relocation Assistance Act, the Congress prohibited the Interstate Commerce Commission from granting interstate charter operating authority to recipients of governmental assistance for the purchase or operation of buses. That legislation and Section 3(f) of the UMTAct have levelled the playing fields for charter bus competition. We implore you not to disturb either of these pieces of legislation nor the resulting regulations in your upcoming reauthorization process.

My final issue for discussion today, Mr. Chairman, is another contained in the Urban Mass Transportation Act of 1964, as amended, and that is the requirement to involve the private sector "to the maximum extent feasible" in the planning and implementing of transit service. Indeed, as we have argued, there is no law that says that public transportation must be provided only by public entities; when the private sector participates in this service, as expected by the UMTAct, we have another win-win scenario for the public and private operator and the traveling public.

Where certain transit services are put out for competitively bid contracts, both public and private operators may bid. Control of the service (schedules, fares, type of equipment, drivers' uniforms, etc.) is maintained by the public agency. The winner of the bid is merely the provider of the service, not a policy maker.

Everybody wins in this public/private partnership for a number of reasons, including: the public agency chooses what service it will contract out; the private operator has the opportunity to participate in the provision of service; and, the public receives service that costs less (approximately 30 percent) because of the competition and, therefore, requires less subsidy, and saves scarce public funds.

Some current examples of competitive contracting that work are in San Diego, Los Angeles, St. Louis (suburban bus service), Houston (park and ride service), Fort Wayne, Chicago, and Snohomish County, Washington.

All the ABA asks, Mr. Chairman, is that the private bus industry's right to participate, to be included "to the maximum extent feasible," be preserved in this next round of amendments to the Urban Mass Transportation Act.

Thank you very much.

ATTACHMENT

Federal Subsidies for Passenger Transportation, 1960-1988: Winners, Losers, and Implications for the Future

Robert R. Nathan Associates, Inc.
Consulting Economists
Public Policy Analysis Group
Washington, DC

May 1989

EXECUTIVE SUMMARY

The intercity bus cannot continue to serve as the single constant factor in America's transportation network without a restructuring and leveling of Federal subsidies to passenger transportation systems and modes. In 1988, less than half of one percent of total Federal transportation assistance went to the needs of the intercity bus and those who rely on its service.

A study conducted by Robert R. Nathan Associates, Inc. (RRNA) revealed that the allocation of Federal assistance to all modes of intercity transportation has — for more than a generation — placed intercity bus operators at a significant competitive disadvantage behind the providers of air and rail passenger transportation services. Despite their disadvantage, private bus operators have continued trying to serve as every community's link to neighboring urban centers, ensuring that affordable transportation would be available to everyone. But now, the cumulative impact of Federal neglect has begun to take its toll on the network of intercity bus transportation. Thousands of rural communities have been cut off from all public modes of intercity passenger transportation. More and more, low income families and the elderly are finding themselves without access to the intercity transportation network. Unless Federal assistance is distributed equitably, these trends will continue. Policies that once were designed to ensure universal access to transportation service will continue to stand as barriers to access.

The intercity bus industry received only $265 million (0.3 percent) of the $90.5 billion of total Federal outlays, net of user fees, for all modes of passenger transportation since 1960. As illustrated in Figure ES-1, commercial air carriers, general aviation, mass transit, and Amtrak each received a Federal subsidy that was more than 40 times greater.

The inequities in the allocation of Federal funds for passenger transportation are even more pronounced on a per passenger trip basis. In 1987, each time someone traveled by Amtrak, he received a subsidy that averaged $33.45 — more than 400 times greater than the average $0.08 subsidy received by bus passengers. It can be seen clearly in Figure ES-2 that the needs of bus passengers continue virtually to be ignored during the Federal budgeting process.

This discriminatory allocation of Federal funds has created an uneven playing field on which the intercity bus industry has been forced unfairly to compete with other modes of intercity passenger transportation. The unevenness of the field changed dramatically in 1971 with the creation of Amtrak. Figure ES-3 compares subsidy shares with service demand from 1960 through 1970 and from 1971 through 1987 to illustrate the competitive advantage provided by subsidies and the impact the inequitable distribution of subsidies has had on the intercity bus.

Air passenger transportation service began and ended 1960 through 1987 as the big winner in the competition for Federal subsidies to intercity passenger transportation and for intercity passenger demand growth. From 1960 through 1970 passenger air service received almost 85 percent of total subsidies to intercity passenger transportation and grew at an extraordinary rate of 13.3 percent per year. As the air service subsidy share shrank to 70 percent during 1971 through 1987, the growth rate for air transportation service also declined to 6.8 percent per year.

But Amtrak provides a more dramatic example of the impact of subsidies. From 1960 through 1970, intercity rail passenger transportation service was not subsidized and demand declined 9.6 percent per year. Since the creation of Amtrak, however, the rail service subsidy share has been 30 percent and Amtrak passenger miles have increased 6.4 percent per year.

The intercity bus industry, which received only 0.4 percent of subsidies to modes of intercity passenger transportation from 1960 through 1970 and from 1971 through 1987, managed to compete reasonably well during the earlier period before it faced heavily subsidized competition from Amtrak. From 1960 through 1970 bus demand grew 2.7 percent per year. Since 1971, however, bus demand has declined 0.6 percent per year.

As the intercity bus industry has found it harder to compete with the more heavily subsidized public modes of intercity passenger transportation, the industry also has found it harder to continue to provide service to its customer base, which, as shown in Figure ES-4, consists of rural Americans, Americans from low income families, the young, and the elderly — those with few, if any, transportation alternatives. These segments of the population depend on intercity bus service.

A more equitable distribution of Federal assistance is necessary to preserve the intercity bus transportation network — a network that links many communities that are not served by alternative public modes of intercity passenger transportation. Although regularly scheduled bus service still reaches more than 10,000 points, the number of communities served has declined by more than 50 percent since 1960. What would remain without the bus? an air and rail network that serves fewer than 1,000 cities and provides service mostly to people traveling for business purposes and to people whose incomes and areas of residence do not significantly constrain their transportation alternatives.

As Congress develops its transportation programs and budgets for the 1990s and beyond, subsidies to intercity public modes of transportation should be redirected to help those who truly need Federal transportation assistance.

AMERICAN PUBLIC WORKS ASSOCIATION

1301 Pennsylvania Avenue, N.W., Suite 501, Washington, DC 20004 (202) 393-2792, FAX (202) 737-9153

TESTIMONY
by
HAROLD E. SMITH, PRESIDENT
AMERICAN PUBLIC WORKS ASSOCIATION
before the
SUBCOMMITTEE ON SURFACE TRANSPORTATION, COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, US HOUSE OF REPRESENTATIVES
on
REAUTHORIZATION OF THE POST-INTERSTATE SURFACE TRANSPORTATION PROGRAMS
March 15, 1990

Mr. Chairman, Members of the Subcommittee on Surface Transportation, my name is Harold E. Smith, City Engineer for Des Moines, Iowa. I am here today representing the American Public Works Association (APWA) as its President. It is indeed a pleasure to appear before you.

The American Public Works Association is a non-profit educational and professional association whose origins date back to 1894. APWA is headquartered in Chicago, Illinois, with a governmental affairs office in Washington, D.C. The purpose of the Association is to assist public works agencies in fulfilling their responsibilities and to enable people involved in this field to work together to improve their professional practice. Membership is comprised principally of local officials, but also includes strong representation from the state and federal levels of government. Educators and representatives of the private sector are also counted among our 28,000 members.

APWA defines public works very broadly as, "the physical structures and facilities developed or acquired by public agencies to house governmental functions and provide water, waste disposal, power, transportation, and similar services to facilitate the achievement of common social and economic objectives." Both the membership and the interests of APWA reflect the breadth of this definition. The training and focus of our members, and hence our Association, are in the technical disciplines underlying the various aspects of public works engineering and administration.

To foster professional development among public works personnel, APWA has established a number of institutes that focus on the various fields of public works: administrative management, buildings and grounds, equipment services, municipal engineering, transportation, solid wastes and water resources. The Association's Institute for Transportation focuses on the development and management of the infrastructure required for all modes of transportation, including the maintenance of streets, highways, bridges, transit systems, airports, waterways, harbors, docks, and other public facilities needed for the transportation of people and goods. This Institute exists to promote high standards of competence in transportation. It conducts surveys and studies, and collaborates with APWA's Education and Research Foundations in presenting training programs and conducting research projects.

APWA and its Institute for Transportation have long been concerned with the direction our nation's surface transportation programs should take in the post-interstate era. We have been proud to serve as a member both of the Advisory Committee on Highway Policy, which under the leadership of the Highway Users Federation conducted an unprecedented series of 65 public forums across the country

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between August 1987 and May 1988, and of the Transportation Alternatives Group, a non-partisan coalition of 12 major national public and private-sector organizations with a broad concern for the future of the nation's surface transportation.

The Transportation Alternatives Group was developed by the American Association of State Highway and Transportation Officials as a means to build consensus among the multi-varied interests concerned with transportation. It has worked diligently over the last eighteen months to identify transportation issues where a consensus was important and could be achieved. I truly believe that it is a tribute to this unique coalition that twelve diverse organizations have been able to agree to a set of important policy recommendations in the areas of program orientation, intergovernmental roles and responsibilities, and investment levels and funding sources. These recommendations can be found in the Transportation Alternative Group's final report titled "Future Federal Surface Transportation Program: Policy Recommendations," a copy of which will be provided for the record, Mr. Chairman, if you so desire.

As a participant in the Transportation Alternatives Group, APWA sought involvement of its membership to develop its own positions on the major surface transportation issues of the day, as did most of the other participating organizations. We formed a special Task Force on Transportation Policy and prepared a report called "Moving America into the 21st Century." This report, which was approved by APWA's membership at its annual meeting on September 25, 1989, lays out six principles and supporting APWA position statements for the development of the nation's surface transportation policy and implementation programs for the post-interstate era. Mr. Chairman, the American Public Works Association believes that you should consider the following six principles as you proceed with legislation to reauthorize the nation's surface transportation programs:

Principle #1: The federal government must provide increased funds from a permanent and reliable source that, together with additional state and local revenues, will correct existing deficiencies and meet future needs. It should remove existing barriers and refrain from future actions that hamper the ability of state and local governments to generate enough revenue to fulfill their responsibilities.

For the past 30 years, highway expenditures by all levels of government have declined as a percentage of the gross national product. For the past two decades, the amount of money spent on the national highway system has decreased in constant dollars. Moreover, changes in the federal tax code, court decisions, and other actions taken by the federal government have hampered the ability of state and local governments to raise revenue. At the same time, there has been a steady increase in vehicle miles travelled, leading to excessive congestion and a system that is physically deteriorating in many areas. While additional money is not the only answer, there must be a stable, reliable, and adequate source of funding. Federal excise taxes should be indexed to the gross national product to protect the integrity of the Highway Trust Fund and to relate the nation's transportation investment to economic growth.

In support of Principle #1, APWA believes that:
1. Transportation trust funds should be separated from the unified federal budget and utilized for transportation purposes without regard to the general fund deficit.
2. The sizeable balances of the transportation trust funds should be spent down by 1995 on transportation projects.
3. The Highway Trust Fund should be made permanent and federal fuel excise taxes increased and indexed to the gross national product. All such revenue should be allocated for surface transportation programs to provide a stable source of funding that is not devalued by inflation.
4. There should be a stable, reliable, and adequate source of federal aid for public transportation, preferably in the form of flexible block grants that can be used for either capital or operating expenses.
5. The federal government should adopt a long-range capital budget with emphasis on an integrated national transportation program. It should establish a fair and equitable plan for allocating costs and assuring stable sources of revenue for financing the federal share of these costs.

6. The federal government should remove existing barriers and refrain from future actions that hamper the ability of state and local governments to generate revenue from a variety of sources.
7. The federal government should encourage state and local governments to use innovative funding techniques where appropriate and with proper planning and coordination.
8. State fuel taxes should be increased to provide a greater local share of fuel tax funds for rehabilitation of the nation's system of local roads, highways, and bridges.

Principle #2: The highest priority of the national surface transportation program must be to preserve the physical integrity, enhance safety, and increase the effectiveness of existing highways, roads, bridges, and public transportation systems.

The cornerstone of any new national transportation policy should be the preservation and enhancement of existing facilities. The surface transportation network in the United States is a complex system of highways, roads, bridges, and public transportation. Many sections of the surface transportation system, including portions of the Interstate Highway System, need to be replaced. Bus, train, and other forms of public transportation are falling into disrepair. The national program must enhance the effectiveness of the present system, increase its capacity, and improve safety.

In support of Principle #2, APWA believes that:
1. Preservation of the physical integrity and safety of the existing transportation system should receive highest priority by all levels of government. Under the new program, federal aid for this purpose should be available for all transportation facilities, including highways, streets, bridges, and public transportation systems.
2. The United States Congress should increase funding to restore or replace deficient bridges.
3. The United States Congress should increase funding for the 4R (restoration, rehabilitation, reconstruction, and resurfacing) program to protect the nation's investment in the federal aid highway system.
4. APWA opposes any new national standards that would increase allowable truck sizes and weights beyond those authorized by the 1982 Surface Transportation assistance Act (STAA). More liberal weight and size standards should be prohibited until their full impact has been evaluated. State and local agencies should retain their present authority to restrict truck weights and sizes.
5. Traffic safety should be the focus of a broad-based effort involving all levels of government, private industry, and citizen groups. A comprehensive safety program should feature additional basic research, educational activities targeted toward drivers and pedestrians alike, and stricter enforcement of existing laws.
6. The Federal Highway Administration requires all state transportation agencies to adopt pavement management systems by 1993. APWA encourages local transportation agencies to implement pavement management systems, such as PAVER.

Principle #3: The partnership among local, state, and federal governments must be strengthened to integrate the many separate components that are owned, operated, and regulated by the different levels of government into an effective surface transportation system.

The success of the national surface transportation system depends on a high degree of cooperation among all levels of government, transit service providers, and freight carriers. A comprehensive and collaborative approach is critical to avoid piecemeal solutions to long-term problems. It can be achieved only if everyone concerned is willing to share the decision-making power. Moreover, regions have become the dominant players in the world marketplace. Their ability to compete is often hindered by congestion and other transportation problems that involve numerous jurisdictions. There should be a fundamental shift in the purpose and structure of the national surface transportation program to improve the competitiveness of each region in the global marketplace.

In support of Principle #3, APWA believes that:
1. There should be an adequately funded formal mechanism to support a regional perspective on the planning, programming, and funding of surface transportation programs.
2. The new surface transportation program should be flexible. It should not impose unnecessary restrictions as a condition of federal funding that hinder efforts by state and local officials to seek innovative solutions to local transportation problems.
3. Local governments and transportation agencies should be equal partners with the federal and state governments in transportation decisions affecting their jurisdictions and service areas.
4. Administrative requirements under federal aid programs should be kept to a minimum to avoid unnecessary and expensive delays. They should be designed to assure that projects meet acceptable performance standards, to provide accountability for public funds, and to provide state and local officials with enough flexibility to manage the project effectively.

Principle #4: The federal government must provide a permanent, reliable, and much greater level of federal funding for research, education, training, and the application of new and existing technology.

The need for additional basic research, training, and technology transfer has been well documented by the National Council on Public Works Improvement and others. If current and future needs are to be met, we must invest in an ambitious research program to improve the construction, maintenance, and operation of surface transportation systems. The federal government should play a leadership role in establishing a comprehensive research agenda that also includes environmental considerations. Moreover, there must be a systematic and consistent effort to transfer research findings to state and local agencies as well as to the private sector. Finally, there is a critical need for more qualified engineers, transportation administrators, and public works managers.

In support of Principle #4, APWA believes that:
1. A specific percentage of the Highway Trust Fund should be earmarked to support a national research, education, and technology transfer program.
2. The federal government should take the lead role in developing and funding a national transportation research agenda that is comprehensive in scope and coordinated with other levels of government, service providers, and private industry.
3. There should be a substantial increase in funding for technology transfer programs. These programs should be specifically designed to: a) promote the effective use of new technology by state and local agencies and the private sector; and b) encourage the widespread application of existing technology as well as effective planning, design, and management practices.
4. The national surface transportation program should assign a high priority to protecting the quality of the environment. There must be increased funding for research and development on the use of alternative fuels, flexible-fuel vehicles, and fuel distribution systems.
5. There should be a comprehensive national program to address the critical need for qualified personnel. Federal and state action is necessary to promote the education and training of transportation professionals to work at all levels of government.

Principle #5: There must be a significant increase in federal funds to address urban and suburban congestion through a flexible funding mechanism that does not mandate solutions by mode or expense category.

Cities and their suburbs present unique transportation problems, primarily because of a dramatic shift in commuting patterns since World War II. The dominant commuting pattern is suburb-to-suburb, now twice the size of the "traditional" pattern of suburb-to-central city travel. Suburban development no longer is solely residential in character, but includes many commercial, industrial, and other high-density developments. Suburbs currently account for 60% of all metropolitan workers, 47% of all job destinations, and about 67% of job growth. Urban and suburban congestion is fairly uniform throughout the United States and is projected to continue well into the 21st century. The availability of federal funds for specific categorical programs skews the decisions of state and local officials in

determining the most appropriate solutions to their congestion problems. Accordingly, there should be a shift in focus from moving cars, trains, and buses to moving people and goods.

In support of Principle #5, APWA believes that:
1. There should be a substantial increase in federal funding for metropolitan regions to reduce urban and suburban congestion. These funds should be used to promote the optimal use of existing facilities and to construct new facilities, where appropriate.
2. The national surface transportation program should provide a flexible funding mechanism that is designed to reduce congestion rather than to mandate specific solutions by mode or expense category. Categorical funding should be used only to preserve the integrity of existing transportation systems.
3. Local governments should take an active role in reducing congestion by exercising their responsibility to regulate land use and development while recognizing that their actions often affect neighboring jurisdictions.
4. Local governments should work closely with major employers, developers, and citizen groups to reduce congestion in their jurisdictions. The national surface transportation program should encourage local officials and their constituents to use such techniques as transportation management associations, community vanpools, flexible working hours, and other approaches to demand management.
5. All levels of government should develop and implement solutions to congestion that give priority to environmental considerations while meeting transportation needs in order to protect the already fragile environment of many cities and suburbs.

Principle #6: There must be increased federal funding to address the needs of rural America and provide incentives for state governments to increase their support of the existing rural transportation system and to develop mechanisms that promote intergovernmental planning and cooperation.

Like their urban and suburban neighbors, rural Americans have experienced a dramatic shift in demographic patterns and transportation needs. The loss of rail service has placed a heavy burden on the rural road system. The rural economy has diversified beyond its traditional agricultural base, but the nation's underinvestment in the transportation system has hampered this diversity and growth. Better transportation would allow rural Americans to take advantage of increasing opportunities to work in the trade, service, and manufacturing sectors. Rural communities face four major transportation challenges: 1) the growing reliance on cars and trucks on a system of roads and bridges that cannot tolerate current truck weights and sizes; 2) a system of bridges that have fallen into disrepair; 3) a network of nearly 3 million miles of roads, of which 62% are unpaved; and 4) a fragmented, uncoordinated system of public transportation. Virtually all of the burden for rural transportation falls on villages, townships, and counties that simply cannot afford to pay for routine maintenance, let alone substantial improvements. Moreover, many do not have the legislative authority to raise revenues.

In support of Principle #6, APWA believes that:
1. State governments should take a leadership role in planning, programming, and funding rural transportation systems. States should include local governments and transportation agencies in a collaborative process that incorporates a regional perspective.
2. The national surface transportation program should provide a flexible funding mechanism to state and local officials that is designed to meet the needs rather than to mandate solutions by mode or expense category.
3. State and local governments should work with the private sector to coordinate transportation, land use, and development decisions in a way that protects farmland, encourages rational development and economic growth, and preserves the physical integrity of the existing transportation system.
4. The national surface transportation program should encourage greater cooperation between the public and private sectors in meeting the public transportation needs of rural Americans through innovative mechanisms that are likely to increase the level of service, reduce cost, and make the most effective use of limited resources.

5. There should be more basic research on such issues as the design, construction, and maintenance of rural highways and low-volume, unpaved roads.
6. Federal and state governments should increase funding for technology transfer programs that focus on cost-effective solutions, which can be readily implementable by local officials. At a minimum, they should continue to fund at no less than current levels the FHWA-administered Rural Transportation Assistance Program and the UMTA-administered Rural Transit Assistance Program.

To close, as I suggested earlier, the American Public Works Association has served the public works profession, and indeed the public at large, for a long period of time. The Association will celebrate its centennial in 1994. We would welcome and appreciate no better present for our 100th birthday than to have in place federal legislation that reverses the twenty-year trend of federal underinvestment in the nation's decaying surface transportation system; takes the leadership in research, education and technology transfer; and works with state and local governments to build a sound foundation to move America into the next century.

Mr. Chairman, Members of the Subcommittee, thank you for allowing me, as the President of the American Public Works Association, this opportunity to appear before you today. If there are questions, I would be pleased to answer them at this time or provide written responses at a later date.

Transportation
Alternatives
Group

Future Federal Surface Transportation Program

POLICY RECOMMENDATIONS

TRANSPORTATION 2020

MEMBERS OF THE TRANSPORTATION ALTERNATIVES GROUP

American Association of State Highway and Transportation Officials
Francis B. Francois

American Automobile Association
John Archer

American Public Transit Association
Jack R. Gilstrap

American Public Works Association
Richard H. Sullivan

American Trucking Associations, Inc.
Thomas J. Donohue

Highway Users Federation
Lester P. Lamm

National Association of Counties
John P. Thomas

National Association of Regional Councils
Richard C. Hartman

National Conference of State Legislatures
William Pound

National Governors' Association
Raymond C. Scheppach

National League of Cities
Alan Beals

U.S. Conference of Mayors
J. Thomas Cochran

TAG Chairman
Thomas W. Bradshaw, Jr.
The First Boston Corp.

Executive Director *(until 12/89)*
Stephen C. Lockwood

TAG • Suite 500 • 1776 Massachusetts Ave., NW • Washington, DC 20036 • (202) 822-9282

January, 1990

Transportation Alternatives Group

Suite 500
1776 Massachusetts Ave., NW
Washington, DC 20036
(202) 822-9282

American Assn. of State Highway and Transportation Officials
Francis B. Francois

American Automobile Assn
John Archer

American Public Transit Assn
Jack R. Gilstrap

American Public Works Assn
Robert Bugher

American Trucking Assn
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TAG Chairman
Thomas W. Bradshaw, Jr
First Boston Corp

January 1, 1990

Dear Reader:

As Chairman of the Transportation Alternatives Group, which is often referred to as TAG, I am pleased to submit this report, **Future Federal Surface Transportation Program: Policy Recommendations**, for consideration by all those concerned about the future of our nation's transportation system.

The TAG is an unprecedented effort by a non-profit, non-partisan coalition of 12 national public and private interest groups representing users, policy-makers and service providers sharing a broad interest in the nation's surface transportation system and its operation.

While a national effort related to surface transportation necessarily includes all levels of government and the private sector, TAG members agreed that the federal program is a significant common interest. It was therefore selected as the focus for additional TAG discussions and development of this special consensus report.

Over an eighteen month period, staff representatives of the TAG member organizations discussed issues and identified major topics where consensus was both important and feasible. At a special two-day workshop of TAG member organization representatives held on October 13-14, 1989, agreement was reached on key aspects of the future federal surface transportation program in the form of sixteen consensus statements. These consensus statements represent the views of the individuals attending the workshop and are recommended to TAG member organizations and other interested parties for consideration.

I want to express my appreciation to the TAG member organizations, to the members of the TAG Chairman's Advisory Council and those individuals and organizations who have provided support to the TAG over the past two years.

Our transportation system is a vital part of our economic system, our defense readiness, and our freedom to travel as a people. The preservation and enhancement of this system is a matter of concern to all Americans. By working together, we can provide a system that meets the mobility needs of our metropolitan areas and the access needs of rural America not only for the coming decade, but for future generations as well.

Respectfully submitted,

Thomas W. Bradshaw, Jr.
Chairman

TRANSPORTATION 2020

TAG POLICY RECOMMENDATIONS

FUTURE FEDERAL SURFACE TRANSPORTATION PROGRAM

This Report sets forth the consensus of the Transportation Alternatives Group (TAG) regarding the future federal surface transportation program. This consensus represents the views of TAG staff and principals present at a summary workshop and is recommended for consideration by TAG member organizations and other interested parties.

Background

As the Nation looks ahead to the 21st Century, it is apparent that changes in the context for mobility – social and economic, geographic and environmental, institutional and technological – present an array of new problems and opportunities for transportation infrastructure and services. Current and emerging challenges facing the nation in the preservation and enhancement of mobility for people and goods have generated widespread concern.

The existing surface transportation systems as well as the programs, roles and funding guiding their development were established more than a generation ago for a society, economy and environment substantially different from that of today. The Transportation 2020 Consensus Program is a comprehensive effort to formulate a broad consensus on a new national surface transportation program for the 21st Century. Driven by concern over the absence of a long-range national policy, it has brought together for the first time public officials, private and public interest groups and citizens to assess future mobility and transportation needs.

Over the past two years Transportation 2020 activities have been structured to review the issues surrounding future surface transportation programs, examine service and investment requirements, develop and evaluate a broad range of policy options and facilitate consensus development among interested parties.

Role of the Transportation Alternatives Group (TAG)

The Transportation Alternatives Group (TAG) has been serving as the primary focus for consensus building within the Transportation 2020 Program. TAG is a non-profit, non-partisan coalition of 12 national public and private interest groups representing users, policy-makers and service providers sharing a broad concern for the future of the nation's surface transportation.

TAG has been synthesizing Transportation 2020 data as well as identifying and evaluating alternative policies and programs for meeting the surface transportation needs over the next three decades. This material has been used by TAG to guide and assist its members in consideration of policies and positions and has been available to other interested parties.

National Surface Transportation Program

Combining findings from 65 state forums, a futures conference and individual TAG member organization deliberations, TAG identified key issues facing our surface transportation system in the **TAG Issue Statement** of December 1988.

Based on further deliberations, TAG members then developed a consensus on key aspects of a new program to serve an overall policy framework for more detailed consideration in the areas of: program orientation; intergovernmental roles and responsibilities; and investment levels and sources. This consensus framework was set forth in **Basic Directions for a New National Surface Transportation Program** of May 1989. The mission statement and the major policy themes developed in **Basic Directions** are summarized below. The complete **Basic Directions** report is included as Appendix B.

Mission

TAG has stated the mission of the national surface transportation program as follows:

"The mission of the national surface transportation program is to maintain and improve mobility through the provision of safe, efficient, convenient, cost-effective, and environmentally-sensitive transportation. This program should support fundamental national economic, social and security goals."

Policy Themes

Ten key policy themes supporting this mission summarize the consensus developed in **Basic Directions**. They include:

- ☐ **Maintain the physical integrity of existing transportation systems**
- ☐ **Increase productivity, efficiency, market-responsiveness and international competitiveness**
- ☐ **Provide increased capacity in congested and developing areas and improved rural access**
- ☐ **Enhance safety of all transportation modes**
- ☐ **Reduce barriers to intermodal, interagency and public/private cooperation**
- ☐ **Develop strategies to reduce environmental and resource impacts**
- ☐ **Simplify and focus federal-aid programs**
- ☐ **Improve metropolitan and rural regional planning/programming**
- ☐ **Encourage the best available technology**
- ☐ **Commit to needed investment level increases**

Future Federal Program Consensus

While a national effort related to surface transportation necessarily includes all levels of government and the private sector, TAG members agreed that the federal program is a significant common interest. The federal program was therefore selected as the special focus for additional TAG discussions and development of this special consensus report.

Key topics where consensus was both important and feasible were initially identified. At a special two-day workshop of TAG member organization principals, agreement was reached on key aspects of the future federal surface transportation program in the form of sixteen consensus statements. These consensus statements represent the views of the Workshop attendees (see Appendix A) and are recommended to TAG member organizations and other interested parties for guidance and assistance in consideration of their policies and positions.

Federal Program Consensus Topics

Topics which were the focus of consensus discussion are listed below. The order of presentation does not denote priority.

A. Program Orientation

A.1. Federal Program Focus/Priority

A.2. Federal-Aid Program Structure

A.3. Nature and Extent of "National Highway System"

A.4. Flexibility of Urban, Suburban and Rural Programs

A.5. Specific Program Issues

A.5.1. Safety

A.5.2. Bridge Replacement and Rehabilitation

A.5.3. Systems Productivity

A.5.4. Freight/Trucking Operations

A.5.5. Intermodal Access and Integration

A.5.6. Air Quality

A.5.7. Scenic Byways

A.5.8. Intercity Passenger Rail and Bus

A.5.9. Research, Development and Technology Transfer

B. Intergovernmental Roles and Responsibilities

B.1. Decision-making: Level, Style and Process

B.2. Funding Allocation and Recipients

C. Investment Level and Sources

C.1. Level of Federal Investment and State/Local Matching

Consensus Statement Format

For each of the above topics, a brief background discussion is followed by a statement of the TAG consensus policy developed by the staff and principals at the Workshop (in bold type).

FEDERAL PROGRAM CONSENSUS TOPICS

A. PROGRAM ORIENTATION

The orientation of the federal-aid surface transportation program within the overall mission as stated above is determined by the way in which the program and priorities reflect major objectives. TAG has agreed that the existing federal-aid surface transportation policies and programs need to be refocussed and restructured so as to more directly address key transportation-related issues.

A.1: FEDERAL PROGRAM FOCUS/PRIORITY

Federal transportation policy historically has placed priority on capital investment for new highway and transit systems serving interregional and interstate transportation. In recent years, this focus expanded to include capital maintenance activities (reconstruction and rehabilitation) which previously had been solely the responsibility of the state and local government system owners.

The substantial backlog of requirements for reinvestment in existing systems and facilities competes with new requirements for capacity increases. These occur, not only on the upper level systems serving long distance trips, but in response to metropolitan-wide congestion that cannot be served by such systems alone. In rural areas new demands also place special burdens on local roads.

At the same time, there is increasing recognition that the nation's urban highway and transit systems are not operated at their highest level of efficiency and that improved operations can produce immediate cost-effective benefits.

These competing demands for federal aid raise the issue of the relative balance that must be struck among reinvestment, capacity expansion and improved productivity of the existing system in an effort to meet today's transportation needs as well as those of tomorrow.

TAG Consensus: Flexibility to respond to both reinvestment and capacity expansion should be a primary feature of a new surface transportation program. The federal role should ensure preservation of the physical and operational integrity of the major elements of the existing surface transportation system, including highways, bridges and public transportation and should support the nation's economic goals. In addition, the federal program should provide for capacity expansion to improve mobility as well as safety — focussing on addressing interregional and interstate travel needs, relieving urban/suburban congestion, and improving rural access.

Both reinvestment and capacity expansion programs should include a strong commitment to enhanced productivity through operational improvements, increased vehicle occupancy, and appropriate design guidelines to promote efficiency and reduce life cycle costs.

A.2: FEDERAL-AID PROGRAM STRUCTURE

Federal funding for surface transportation is currently provided though a large number of separate categorical programs. Federal aid is distributed:

- ☐ **by separate modes (highway and transit),**
- ☐ **on predefined, functionally classified systems or project types within each mode,**
- ☐ **for use on narrowly-defined eligible project activities and accepted facility standards,**
- ☐ **on a formula or discretionary basis,**
- ☐ **to designated recipients (states and transit agencies) with some funds earmarked for urban areas of specified sizes**
- ☐ **assuming varying degrees of consultation between state and local government consistent with certain regional intergovernmental planning requirements.**

The current approach emphasizes developing several functionally-defined systems at the expense of providing flexibility to tailor investments to specific state, regional and local problems and circumstances. At issue is whether the surface transportation program should reinforce both the modal and functional system focus -- or, alternatively, be geographically and problem-focussed to provide increased flexibility to state and local governments to address priority problems less restricted by existing modal and system definitions and standards.

TAG Consensus: **The new surface transportation program should include a renewed federal commitment to a national highway system, public transportation, and an increased emphasis on urban/suburban mobility and rural access. Selected categorical programs should be simplified and consolidated with programs focussed on metropolitan and rural needs.**

A.3: NATURE AND EXTENT OF "NATIONAL HIGHWAY SYSTEM"

Within the federal-aid transportation program certain investments have been accorded special priority as evidenced by federal system designation, level of investment and favorable matching ratios. Within the highway program, for example, special priority was accorded to the development of a high standard national highway system to accommodate longer distance trips and interstate travel.

A key issue regarding the future program is the nature and scale of such a national highway system and whether its focus should be limited to the existing Interstate System and its preservation or, in addition, include extension of this concept via an expanded system. A closely related question is the degree to which such a system can be integrated with a response to localized mobility problems and, if so, the appropriate process and participants in such a redefinition.

TAG Consensus: A national highway system of transportation services and facilities must serve multiple goals and interests including defense mobilization, commerce, economic development and access, and congestion relief — at a high level of service appropriate to the nature and length of such trips. National policies and programs must recognize that the mix and priority of these goals will vary in rural, small urban and major metropolitan areas as well as from state to state.

The national highway system must, at a minimum, include the existing Interstate System and have as a priority the preservation of its desirable physical and operating characteristics. The overall system should result as part of a plan developed by the federal government working in collaboration with state and local governments.

A.4: FLEXIBILITY OF URBAN, SUBURBAN AND RURAL PROGRAMS

Increasing congestion in urban and suburban areas and the need to improve rural access requires the mobilization of a broad range of approaches carefully tailored to meet local circumstances. The existing modal, system, and project eligibility definitions tend to inhibit cost-effective solutions and available program funds often do not match state and local priorities.

The desired flexibility at the state and local level can be achieved through reductions in mandates, simplification and consolidation of programs, increases in transferability of funds, flexibility in design standards and greater latitude in eligible project activities. Options range from restricting funds to a reduced number of specific facility types on predesignated systems within modes to making funds available for any investment determined in an intergovernmental planning process.

TAG Consensus: Substantial simplification and increased flexibility and discretion should be introduced into the new surface transportation program to permit state, regional and local governmental units to more effectively meet specific urban, suburban and rural transportation needs. These should be accompanied by increased accountability for transportation decisions. The new program should include the full involvement in the process by appropriate levels of government and a general reduction in non-transportation mandates along with consolidation and transferability among certain programs.

A.5. SPECIFIC PROGRAM ISSUES

Beyond changes in broad policy orientation and program structure, certain specific program issues require special consideration in the development of a new surface transportation program. Those topics are presented below:

A.5.1: Safety

Highway-related accidents continue to be the number one cause of accidental death. Despite a 50 per cent reduction in the fatality rate over the last 20 years, fatalities continue to increase with growth in vehicle travel. The projected doubling of travel together with changes in the mix of vehicle types, variable licensing and enforcement practices, changing operator capabilities – including more elderly drivers – will pose new challenges in the future. Design improvements, uniformly high standards in driver requirements, education and enforcement, and "crash-worthy/crash avoidance" technologies offer important potential to reduce accidents, injuries, and fatalities.

TAG Consensus: There should be an increase in safety-related capital investments and operational improvements. All possible consideration should be given to safety in planning, design and rehabilitation. Additional resources need to be focussed on education and enforcement at all levels of government. Federal resources should focus on overall safety management and incentive programs.

A.5.2: Bridge Replacement and Rehabilitation

Despite significant improvement in recent years, there is a substantial backlog of bridge rehabilitation and replacement facing most states and local governments. Substandard bridges both on and off-system – jeopardize safety, threaten economic productivity, and represent a substantial burden to responsible jurisdictions. An important question is how to address bridges programmatically given the large investment requirements often associated with major bridges and the uneven distribution of substandard bridges throughout the country.

TAG Consensus: Bridge rehabilitation and replacement is a high priority and should be an eligible expenditure from highway programs.

A.5.3: Systems Productivity (Operations and Management Emphasis)

Given current and anticipated urban and suburban congestion problems, it is essential that the most efficient use be made of both existing facilities and services as well as new transportation investments. At present, however, the best available technologies and strategies to improve operations are not widely applied despite their proven cost-effectiveness and immediate potential. In addition, few metropolitan areas have developed organized responses to manage incidents which cause more than half of urban freeway delay. In rural areas, consistent application of appropriate design standards pose a similar challenge.

In addition, federal aid is not currently available for certain types of improvements that offer opportunities for efficiency or substantial savings. These include off-system "reliever" roadway improvements and certain types of smaller transit vehicles more appropriate for suburban

densities. Advanced acquisition of scarce right-of-way often faces legal and regulatory difficulties.

TAG Consensus: The most efficient use of urban and suburban transportation facilities should be promoted through support for traffic operations, surveillance and control techniques, and incident management along with positive incentives to increase the availability, use and support of public transportation and all other forms of high-occupancy/shared ride services. Cost-effective transportation design standards and appropriate operational improvements should also be promoted in rural areas.

A.5.4: Freight/Trucking Operations

The efficiency of goods movement is a key aspect of improved economic productivity. The "lighter" more dispersed economy, deregulation, industry reorganization and new technology together with evolving market requirements have introduced new challenges for the motor carrier industry. In the context of a new surface transportation program, key issues are raised, both regulatory and operational. These issues include: (1) the acceptable size and weight of vehicles (2) on a redefined national truck network (3) with access to off-system destinations. Resolving these issues requires increasing trucking efficiency while simultaneously minimizing truck impacts on urban and rural systems.

TAG Consensus: The productivity of freight transportation should be enhanced while at the same time working to assure equitable cost allocation among highway users and minimizing adverse safety and community impacts.

Regulatory uniformity regarding freight operations should be improved through cooperative, coordinated efforts among federal, state, and local governments under guidelines which provide the maximum feasible access to labor pools, markets and areas of production consistent with safety.

Federal policies should encourage shippers and receivers within metropolitan areas to work with public agencies to consider flexible delivery hours where economically feasible in an effort to reduce congestion and improve delivery reliability.

A.5.5: Intermodal Access and Integration

Inadequate linkages and gaps between modes of transportation tend to create inefficiencies in the nation's transportation system – urban, suburban, rural, intercity, and international. Problem areas include highway and transit access to intermodal freight and passenger terminal facilities, intercity/urban bus connectivity, and park-and-ride facilities. Even when eligible for federal aid, implementation of key intermodal access links may fall victim to interjurisdictional problems or conflicting program responsibility.

As the nation's passenger and freight system both become increasingly intermodal and global, the lack of standardization in both facilities and equipment is a related concern and can have a major impact on the productivity of each modal system.

There is currently no institutional focus or responsibility for intermodal problems – either domestic or international.

TAG Consensus: The increasingly intermodal aspects of international, interregional and local transportation should be addressed on an integrated basis in federal, state, regional and local planning programs. Highway-related intermodal access projects should be eligible expenditures from highway programs, including: access roads to ports; airports; railheads; inland waterway facilities; bus terminals and transit stations; and parking facilities at bus and rail terminals and transit stations.

A.5.6: Air Quality

In many major metropolitan areas today, maintaining acceptable air quality is a major challenge. Vehicle emissions produce carbon monoxide and contribute significantly to the formation of ozone, both major health-related pollutants. Tighter controls on fuel volatility and emissions required under current law, if met, will postpone exacerbation of this problem in the short run in many non-attainment areas. However, the next decade's growth in vehicle travel may offset these reductions as well as those introduced from fleet turnover.

Stationary sources also are a very significant contributor to pollution. Many stationary sources have not matched vehicles in their emissions reductions.

In the long run, major reductions in air pollution in many metropolitan areas will depend, in large part, on improvements to vehicles that significantly reduce emissions and/or introduction of less polluting fuels and improved fuel handling systems, together with significant reductions in emissions from stationary sources.

In the short run, reductions in the rate of pollution increase in non-attainment areas may also depend on non-technological strategies aimed at moderating the rate of growth in vehicle miles travelled (VMT). This places special significance on increased vehicle occupancy and other transportation improvements and programs that can both improve mobility and reduce the relative rate of emissions increases.

TAG Consensus: Comprehensive transportation supply, demand and technology strategies should be developed that meet mobility needs and complement the attainment of air quality standards. Reductions in air pollution depend on improvements in vehicle emissions and fuel standards as well as non-technical strategies aimed at reducing the relative rate of emissions increase.

A.5.7: Scenic Byways

The economic significance of the tourism industry and the importance of pleasure driving and recreational access are growing. Recreational and social trips now constitute one-third of all travel, and tourism is a major industry in most regions. Vacation-related travel – the longer trips – is predominantly by automobile and shorter recreation trips are increasing in importance.

TAG Consensus: **A state-initiated scenic byway system plan should be developed. Elements of the plan should be eligible for funding from federal highway programs, where appropriate. The proposed byway system elements should not unduly restrict use of existing highway systems.**

A.5.8: Intercity Passenger Rail and Bus

Intercity passenger service is currently provided by Amtrak and private intercity bus companies. They provide increased capacity in congested corridors as well as reliable all weather service, reduce rural isolation and provide alternative mobility for transit-dependent people.

Amtrak, which is experiencing increased ridership and revenues, continues to receive operating support as well as funds for capital improvements in its basic rail service.

Private intercity bus operators have embarked on a program to provide improved connections and coordination with rural and local transit services.

In addition, several states are developing high speed intercity passenger rail projects in high density corridors to relieve traffic congestion and to reduce demand for expanded air system capacity.

Outstanding policy issues include the extent to which these services should be integrated into a national system and the form that integration might take in such areas as funding, regulation, and promotion.

TAG Consensus: **Limited general fund support should be provided for basic national rail network routes connecting major cities and regions where current or prospective passenger levels justify the investment and where continuation serves the national interest.**

Urban, suburban and rural public transportation connections with intercity bus service should be supported to reduce rural isolation, to offer alternative service, and to serve transit dependents.

Federal, state and local governments should support and encourage public/private partnerships to develop state-of-the-art high speed intercity service in select high density corridors where revenues are sufficient to cover most capital and operating costs and

where private capital and management is capable of financing and developing such systems.

A.5.9: Research, Development and Technology Transfer

Extremely low investment in research and development in transportation has restrained improvements in performance and productivity and contributed to a decline in the nation's technological leadership.

A wide range of technologies could be combined in both evolutionary and revolutionary approaches to developing an "intelligent vehicle/highway system." "Smart" systems for transportation system management, driver information, freight and fleet control, and vehicle automation incorporate currently available communications technology, computers, electronic displays, warning and navigation systems, and vehicle controls to improve transportation performance, safety, and reliability. Other technologies related to highway and transit materials and construction methods are also available for further research and development.

Reversing the long-standing downward trend in research within a new surface transportation program introduces questions of priorities among objectives and between short and long-term payoffs, as well as appropriate institutional roles and funding levels.

TAG Consensus: **A focussed and coordinated public-private research and development effort should be undertaken, targeted on a new generation of vehicle and guideway technology including materials, design, propulsion/fuels, operations, controls, and driver information systems.**

The widespread application of the best available technology as well as planning and management practices should be supported through an expansion of training and technology transfer activities on a cooperative federal, state, and local basis.

B. INTERGOVERNMENTAL ROLES AND RESPONSIBILITIES

Identifying appropriate intergovernmental relationships and roles in decisionmaking and resource allocation is as important as structural change in the programs themselves. TAG consensus includes the need to increase the discretion of states and local governments through program simplification and consolidation, and to enhance the roles of local government and the private sector in planning, financing, and decisionmaking. Key issues relate to the degree of flexibility that should be embodied in future programs, how decisionmaking responsibilities may be shared, and how resources are allocated.

B.1: DECISION-MAKING: LEVEL, STYLE, AND PROCESS

The allocation of most federal-aid transportation funds directly to states or transit authorities and the organization of the programs around categorical systems has the effect of reinforcing federal priorities. However, it also limits the flexibility of state and local officials to implement cost-effective solutions required to attain more broadly defined objectives such as congestion reduction, economic development, and environmental improvement.

Restructuring the federal-aid program offers the opportunity to consider striking a new balance among the federal, state, and local partners in the decisionmaking process through modifications in the existing intergovernmental planning and programming process in both metropolitan and rural contexts.

TAG Consensus: The new surface transportation program should provide for greater state and local flexibility in planning and programming decisions. The role of local government should be enhanced through a more effective intergovernmental multimodal process in metropolitan and rural areas.

B.2: FUNDING ALLOCATION AND RECIPIENTS

Under the current federal-aid process, highway-related funds are apportioned by formula to states on a functional systems or program basis for statewide application. Federal-aid Urban Systems funds are earmarked for urbanized areas over 200,000 population (with limited transferability within the state). Bridge funds are allocated on both a formula and discretionary basis to states. Urban transit funds are distributed directly to transit agencies, local governments or state agencies, depending on the "designated recipient" established pursuant to federal law. States administer the rural transit funds.

Any consolidation of the federal-aid programs brings with it difficult issues. These include formula versus discretionary apportionments for both highways and transit, and whether such funds should be allocated directly to states, earmarked for expenditure in metropolitan and rural regions, or go directly to local government or regional agency recipients.

<u>TAG Consensus</u>: Funds for federal-aid highway programs should be allocated and apportioned to states. Within states, federal funds for state and local programs should be further distributed by states and appropriate local officials in cooperation with each other.

Federal funds for public transit to support existing systems, services, and programs should continue to be provided directly to designated recipients. Federal transit funds for rural and small urban areas should continue to be provided to and through the states.

C. INVESTMENT LEVEL AND SOURCES

Achievement of national goals and program objectives is dependent to a large extent on the level of overall investment as well as the relative shares of each level of government and the private sector. TAG has agreed that an increase in the current overall national level of capital investment in surface transportation is required to respond to the backlog of unmet needs and to meet future demand.

C.1: LEVEL OF FEDERAL INVESTMENT AND STATE/LOCAL MATCHING

TAG **Basic Directions** expresses the consensus commitment to strengthening the current federal-aid funding system, broadening potential revenue sources, and increasing overall levels of investment.

Key issues remain regarding the level and timing for these increases. In addition, consideration must be given to the appropriate relative shares and sources for federal versus state/local investment and the private sector to achieve the required investment level and maintain the desirable federal role in the surface transportation program.

TAG Consensus: TAG members recognize a serious shortfall in the funding available for preserving and expanding the nation's transportation system. A substantial increase in the combined level of capital investment shared by all levels of government and the private sector is required if the transportation system is to support economic growth into the next century.

In this funding partnership the federal government must renew its commitment to a strong transportation program in support of the nation's economic health and prosperity.

In the short run, an initial increase in investment should be achieved by spending the federal user fee revenues accrued to the Highway Trust Fund for the purposes for which they are intended rather than maintaining them in the Fund to mask the true magnitude of the federal budget deficit. Until surface transportation legislation is enacted, the balances in the Trust Fund should be spent to their authorized levels. The new act should provide for drawing down the balances in a responsible incremental fashion.

The Highway Trust Fund exemption for gasohol should be eliminated and the development of alternative fuels should be supported by means that do not negatively affect highway revenues. Provision should also be made through tax incentives and programmatic means for utilization of a wider range of funding sources — private as well as public — at the state and local level.

Over the long term, federal transportation user fees and other sources of funding should be reviewed and adjusted, as necessary, to assure that the national investment in transportation facilities and services is sufficient to support the nation's goals for economic growth.

APPENDIX A

TRANSPORTATION ALTERNATIVES GROUP

HUNT VALLEY CONSENSUS WORKSHOP

ATTENDEES

October 13-14, 1989

AAA

John Archer	Managing Director, Government Affairs	
John Haifley	Director, Federal Relations	

AASHTO

James P. Pitz	Past President	Director, Michigan DOT
Kermit Justice	President	Secretary, Delaware DOT
Charles L. Miller	Chair, Task Force on Consensus Transportation Program	Director, Arizona DOT
Francis B. Francois	Executive Director	
David Clawson	Program Director	
Billy Higgins	Director, Government Affairs	

APTA

Alan Kiepper	Vice Chairman	APTA
Lou Gambaccini	Transit 2000 Task Force	General Manager SEPTA, Philadelphia, PA
Jack Gilstrap	Executive Vice President	
Bob Stanley	Deputy Executive Director	

APWA

Chester Funnye	1988-89 President	Commissioner of Public Works, Atlanta, GA
Thomas Tidemanson	Member of Board Chair, Transportation Policy Task Force	Director of Public Works Los Angeles County, CA
Kent Lande	Chair, Rural Transportation Committee	Director of Public Works McPherson County, KS
Steve Pudloski	Associate Executive Director	
Carol Everett	Director, Special Projects	

ATA

Chester Stranczek	Vice Chairman	Mayor, Crestwood, IL Chairman, Cresco Lines
Robert Farris	Vice President, Policy	
John Reith	Director, Highway Policy	
Peter Koltnow	Counselor to President	
Clyde Woodle	Executive Director, TRI	

HUFSAM

Thomas Cole	Chair, Policy Committee Member, Executive Committee	President, Rubber Manufacturers Assn.
Les Lamm	President	
Carlton Robinson	Executive Vice President	
Brenda Davis	Administrative Assistant	

NACo

Bart Barker	Chair, Transportation Steering Committee	County Commissioner Salt Lake County, UT
John Horsley	Member, Transportation Steering Committee	Chair, County Commission Kitsap County, WA
Kathleen Braaten	Second Vice President	County Commissioner Richland County, ND
Robert Fogel	Legislative Representative	

NARC

Ted Hackworth	Past President Chair, Transportation Task Force	City Councilman Denver, CO
Sandra Glenn	Member Board of Directors Member, Transportation Task Force	County Commissioner Seminole County, FL
Larry Dahms	Member, Transportation Task Force	Executive Director, Metropolitan Transportation Commission, Oakland, CA
Dick Hartman	Executive Director	
Janet Oakley	Manager, Government Affairs	
John Bosley	Legal Counsel	

NCSL

Walter Perry Jr.	Chair, Transporation and Communications Committee	State Representative, AL
William Pound	Executive Director	
Becky Brady	Committee Director	

NGA

Ray Scheppach	Executive Director	
Charilyn Cowan	Group Director, Capital Resources	

NLC

Jim Beall	Member, Transportation and Communications Steering Committee Chair, 2020 Task Force	Councilmember San Jose, CA
Verna Clayton	Member, Transportation and Communications Steering Committee	Mayor, Buffalo Grove, IL
Pete Mager	Member, Transportation and Communications Steering Committee Member, Small City Advisory Committee	Alderman, Annapolis, MD
Nick Yaksich	Policy Analyst	
Leslie Wollack	Legislative Counsel	

USCM

Peggy Rubach	Chair, Subcommittee on Public Transportation	Mayor, Mesa, AZ
Dave Karp	Chair, Subcommittee on Urban Highways	Mayor, San Leandro, CA
Judith Burrell	Assistant Executive Director	

TAG

Tom Bradshaw	Chairman	Vice President, The First Boston Corp.
Steve Lockwood	Executive Director (until 12/89)	
Don Knight	Communications Consultant	

APPENDIX B

BASIC DIRECTIONS

For a New National Surface Transportation Program

This TAG **Basic Directions** report has been organized with three related categories covering: the substantive goals and objectives of programs; the required investment levels and potential funding sources; and the implied roles of various levels of government. While there is an emphasis in redefining an appropriate federal role, **Basic Directions** is oriented to all participants in an intergovernmental process as well as the private sector.

The order of presentation is not meant to imply prioritization

GENERAL PROGRAM ORIENTATION

This category includes basic directions related to the objectives and functions of specific transportation programs and investments in response to current and emerging problems and opportunities.

Mobility

Subject to test of cost-effectiveness and environmental compatibility, improve overall mobility through:

- ☐ Provision of new highway capacity in congested and developing urban and suburban areas.
- ☐ Expansion of high capacity transit services in major urban, regional, and intercity corridors together with new high occupancy and shared-ride services in appropriate suburban and urban markets.
- ☐ Modifying the existing interstate transportation system as necessary to preserve and enhance service levels including such actions as traffic management measures and development of metropolitan by-passes based on a coordinated regional and inter-regional plan.
- ☐ Preservation of, and improvements in rural transportation for goods and people including the local roadway system, local public transportation services and linkages with intercity public transportation.

System Effectiveness and Modal Mix

- ☐ Protect the existing public investment in surface transportation assets through a commitment to retain the physical integrity of major elements of the surface transportation system – roads, bridges and public transportation and their essential components.
- ☐ Promote the more efficient use of urban and suburban transportation facilities through traffic operations improvements and incident management.
- ☐ Provide positive incentives to increase the use of high-occupancy, ride-sharing and transit services and non-motorized modes, in an effort to reduce peak period single occupant vehicle use.
- ☐ Consider effective approaches in highly congested urban and interregional corridors to supplement basic mobility with transportation options that offer premium, specialized or alternative mode services.

- ☐ Apply the test of cost-effectiveness to all major capital improvements and include design guidelines which will promote transportation productivity and reduce life cycle costs.

Freight and Passenger Intermodalism

- ☐ Address the increasingly intermodal aspects of international, interregional and urban transportation on an integrated basis including passenger and freight linkages to business/distribution hubs, railheads, ports, and airports.

- ☐ Enhance the productivity of freight transportation while preserving equitable cost-allocation among highway users and minimizing adverse safety and community impacts.

- ☐ Improve regulatory uniformity regarding freight operations through cooperative, coordinated efforts among federal, state and local governments under guidelines which provide the maximum feasible access to labor pools, markets, and areas of production consistent with safety.

Safety

- ☐ Increase capital investment in safety-related measures while giving greater consideration to safety in planning, design and rehabilitation including development of reasonable standards, and focus additional resources on education and enforcement at all levels of government.

Economic Development

- ☐ Emphasize highway and public transportation investments – urban and rural – with direct economic development benefits related to business services, industrial, agricultural and resource development, and international competitiveness.

- ☐ Encourage development of federal lands, metropolitan and rural facilities with potential to be parkways, scenic byways or provide connecting links to recreational resources.

- ☐ Encourage financing of transportation improvements by beneficiaries in relationship to their potential benefits.

- ☐ Recognize that a strong cooperative regional focus is essential to identify, maintain and develop the transportation systems required to attract and direct future economic development.

Community and Environmental Concerns

- ☐ Encourage coordinated land use development patterns and management policies at both the state and local levels that support cost-effective transportation investments and provide for more balanced, less disruptive growth.

- ☐ Develop long-term comprehensive transportation supply, demand and technology strategies that are compatible with the attainment of air quality goals and also meet mobility needs.

- ☐ Facilitate implementation of essential transportation networks in developing areas through advanced land use planning to identify and preserve local rights-of-way and new public/private mechanisms to facilitate early acquisition.

Defense

- ☐ Review highway and intermodal requirements for rapid national defense deployment and mobilization.

Technology Development and Research

- ☐ Focus and coordinate research and development efforts on a new generation of efficient vehicle and guideway technology – materials, design, operations, controls, and driver information systems.

- ☐ Develop incentives and training to support the widespread and consistent application of the best available technology to improve transportation systems efficiency and effectiveness.

INVESTMENT LEVEL AND SOURCES

This category includes basic directions related to investment level and sources implied by the program orientation. It addresses the overall financial requirements, the sources of funds and treatment of existing funding programs.

Investment Level

- ☐ Establish a long-term commitment to be shared by all levels of government and the private sector to an increased level of investment sufficient to maintain the value of the existing surface transportation assets, to meet essential future needs, and promote national economic growth and productivity.

Existing Funding Programs

- ☐ Maintain the capacity to fund surface transportation adequately by prohibiting the use of federal fuel tax revenues or other tax revenues funding the federal Highway Trust Fund for deficit reduction or other non-transportation purposes.

- ☐ Fully commit trust fund revenues to transportation up to their authorized levels and spend down trust fund balances in a responsible incremental fashion.

- ☐ Periodically review the taxes supporting the user-fee system to assure they remain sensitive to travel demand, and to ensure funding integrity in the face of inflation and changes in vehicle and fuel technology.

- ☐ Improve the predictability and stability of the federal-aid financing process through multiyear capital budgeting or other mechanisms.

- ☐ Support development of alternative fuels by means that do not negatively affect Highway Trust Fund revenues.

Sources of Funds

- ☐ Make provision at the federal, state and local level – both tax and programmatic – to permit utilization of a wider range of user and non-user funding sources and private sector involvement to support increased transportation investment.

- ☐ Recognize that specific furtherance of social and environmental benefits warrants continuation of general fund support for transportation investments at all levels of government.

INTERGOVERNMENTAL ROLES

The basic directions related to intergovernmental roles address the appropriate functions of each level of government, changes in intergovernmental program relationships, and resource distribution modifications.

Level of Government Focus

- ☐ Continue federal-aid program focus on specific areas of national interest including interstate mobility, metropolitan and rural regional mobility, safety, research, and technical support.
- ☐ Enhance the role of local government in the planning, financing, and decision-making process with regard to the expenditure of state and federal transportation funds.
- ☐ Rebuild the nation's technological leadership in surface transportation with a renewed emphasis on research, development and training through an expanded federal and state R & D program and new federal, state, local, private and institutional partnerships.
- ☐ Recognize that providing transportation to the nation requires a partnership between government and the private sector, and encourage intergovernmental and private sector cooperation on transportation programs.

Program Management Changes

- ☐ Increase the discretion of state and local partners through simplification and consolidation of selected categorical programs, increased transferability, and streamlined certification and audit procedures.
- ☐ Reduce federal non-transportation mandates, and develop more flexible and cost-effective means of meeting national priority goals.
- ☐ Equalize the tax treatment of employer-provided commute-to-work fringe benefits to minimize modal bias.
- ☐ Improve the effectiveness of the metropolitan and rural regional multimodal planning and programming process.
- ☐ Provide the increased program flexibility and discretion necessary to encourage institutional innovation at the state, regional and local level including new intermodal, interagency and public/private cooperation approaches to emerging urban and suburban mobility problems.

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Resource Distribution

- ☐ Provide for simplified distribution of federal-aid funds on a basis that is responsive to need, balances a recognition of system considerations, regional differences and equity concerns.

- ☐ Consider adjusting state and local matching requirements in proportion to the degree of state and local discretion and stringency of federal mandates and in response to local efforts and fiscal capacity.

TAG SUPPORT

Many firms and individuals contribute time, expertise and funds to the Transportation Alternatives Group (TAG). This support has given the TAG consensus process the essential direction, momentum and vitality over the program's first two years. Supporters include not only the twelve TAG members (see inside front cover) but all those others making financial contributions and those who serve on the 55-member Chairman's Advisory Council.

Financial Contributions (other than those from the TAG members) have been made by the following:

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TAG CHAIRMAN'S ADVISORY COUNCIL

The Council was organized to provide liaison with other disciplines and industries beyond the TAG membership. The Council represents various modal interests, professional transportation groups, user organizations and others. This document incorporates suggestions made during the CAC review process. The Council membership currently includes:

Deborah Lunn, Airport Operators Council International • Steve Stiles, American Association of Retired Persons • Eric Stromberg, American Association Of Port Authorities • Susan Perry, American Bus Association • Howard Messner, American Consulting Engineers Council • George Berg, American Farm Bureau Federation • George Marcou, American Planning Association • Peter Ruane, American Road & Transportation Builders Association • Albert Grant, American Society Of Civil Engineers • Robert M. Garrett, American Traffic Safety Services Association • H.M. Zachem, Ashland Oil, Inc. • Gerald S. Triplett, Asphalt Institute • Sandra Spence, Association For Commuter Transportation • Tony Obadal, Associated Equipment Distributors • Dave Lukens, Associated General Contractors • William Wilkinson III, Bicycle Federation of America • Ted Hackworth, City & County of Denver • William Peterson, Construction Industry Manufacturers Association • Calvin Grayson, Council of University Transportation Centers • Roland Ouellette, ENO Foundation • Bill Dickhart and Henry Schrader, High Speed Rail Association • Thomas Brahms, Institute Of Transportation Engineers • Neil D. Schuster, Intl. Bridge, Tunnel, & Turnpike Association • Jack Kinstlinger, Kidde Consultants, Inc. (representing the American Consulting Engineers Council) • Andy Clarke, League Of American Wheelmen • Steve Zelnak, Martin Marietta Aggregates • Robert Winick, Maryland National Capital Park/Planning Commission • Andrew Lampe, Minnesotta Mining and Manufacturing Company • Harriett Parcells, National Association of Railroad Passengers • John Gray, National Asphalt Paving Association • Milton L. Johnson P.E, National Association of County Engineers • Richard L. Lawson and Joseph Lema, National Coal Association • Crawley Parris, National Electrical Manufacturers Association • Robert E. Barrow, National Grange • James E. Bartley and Peter Gatti, National Industrial Transportation League • Eugene Bergoffen, National Private Truck Council • T.C. Gilchrest and Judie Stone, National Safety Council • Robert Bartlett, National Stone Association • David Hawkins, Natural Resources Defense Council • Ruth McWilliams, U.S. Department of Agriculture • Fred Armstrong, Portland Cement Association • Ray B. Chambers, Regional Railroads of America • Lou Gambaccini, Southeast Pennsylvania Transit Authority • Ken Hughes, Sierra Club • Alan Voorhees, Summit Enterprises of Virginia • Thomas B. Deen, Transportation Research Board • William D. Toohey, Travel Industry Association of America • George K. Withers Jr., U.S. Army Corps of Engineers • Wayne J. Smith, United Bus Owners of America • David E. Stahl, Urban Land Institute • Charles Machemehl, Vulcan Materials Company • Ted Lutz, The Washington Post

STATEMENT OF THE HONORABLE LAWRENCE DOUGLAS WILDER

GOVERNOR OF THE COMMONWEALTH OF VIRGINIA

before the
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
SURFACE TRANSPORTATION SUBCOMMITTEE
U. S. HOUSE OF REPRESENTATIVES

March 15, 1990

THE FUTURE FEDERAL SURFACE TRANSPORTATION ACT

Good morning, Chairman Mineta, Congressman Payne, Members of the Subcommittee. I'm Doug Wilder, Governor of the Commonwealth of Virginia.

I appreciate the opportunity to testify on one of the most important issues facing Virginia and the nation as a whole....the need to re-energize our partnership on transportation. The Commonwealth appreciates your consideration of our views and concerns.

During the 1980s, Virginia's population grew by 12 percent, but highway travel in the Commonwealth increased by 50 percent, to more than 57.5 billion miles travelled.

With 116,250 lane miles of state-maintained highways, Virginia has the third largest state highway system in the nation. Not surprisingly, we are hard at work maintaining and improving our transportation systems. We estimate that this year's transportation funding in the Commonwealth will total $1.8 billion. But, still, we are falling behind.

And yet, Virginia is prepared to meet its transportation responsibilities. But we expect the federal government to play its traditional part.

In my State of the Commonwealth address on January 15, of this year, I indicated that re-enactment of the Federal Surface Transportation Act would be one of my top priorities. Consequently, I come here, today, to offer to work with you as a partner to achieve that objective.

As you consider these issues over the next several months, Mr. Chairman, I ask you to help to renew a partnership that will meet those national transportation needs. I can assure you that Virginia will do her part in this joint effort.

As a foundation for that partnership, we believe that the federal government should give to the taxpayers the transportation improvements for which their federal gasoline tax dollars have already paid.

With that objective as a beginning, I ask you to join with us in developing a forward-looking national transportation policy that will:

...deal with the growing problem of congestion and its environmental consequences within our urban and suburban areas;

...reward efforts such as those in Virginia that make imaginative use of new financing techniques;

...push the private sector, as well as state and local governments, to continue research and development in the transportation field;

...focus on moving people, not just automobiles; and

...support our efforts to use transportation policy as a means to encourage economic development and progress in our rural areas.

We estimate that at the end of the fiscal year, Virginia will have a $179 million apportionment balance in the Trust Fund. These are monies that have been paid in motor fuel taxes intended for highway improvements in the Commonwealth, but are being held hostage in the Old Executive Office Building where they are not doing anyone any good.

The sum of $179 million is the equivalent of nearly one year of our current federal program. We have projects in our urban and suburban areas just waiting for that money which Virginia taxpayers rightly deserve.

I expect, Mr. Chairman, that this very morning you and other members of this subcommittee crawled through traffic in corridors that cried out for these funds.

Mr. Chairman, my request is simple: Let our money go.

I urge that this subcommittee use its considerable influence in this body to set the Highway Trust Fund obligation ceiling at least $15 billion for the coming fiscal year.

All of the studies show that this can be done safely, while maintaining the necessary reserves and funding the urgent needs.

For my state, raising the obligation ceiling in this manner would add an additional $24 million in this year alone.

Ours is a national transportation system---not simply fifty state systems linked together. The movement of goods and people in interstate commerce....as well as the requirements of national security....place this issue on your desk as well as on mine.

Secretary Skinner acknowledges that we have to deal with the urgent issue of congestion in our urban and suburban areas. But he has yet to back up that conclusion with flexible federal dollars to address these problems.

Moreover, he must acknowledge---as Virginia has done in its most recent initiative---that it costs more to build in congested areas; the formula should be weighted accordingly.

Furthermore, Secretary Skinner needs to consider a special program focusing on those areas---one which will back up that rhetoric with funding.

Likewise, the secretary should reward states like Virginia that have addressed the issue head-on through new initiatives and creative solutions.

Yes, we are flattered that reference was made in his report to the HOV lanes on I-95 and I-395; to partnerships with the private sector such as our special tax assessment districts on Route 28 near Dulles Airport---as well as the proposed private toll facility linking Dulles with Leesburg to the west.

And yet, it would be appreciated if he mixed his shower of praise with a sprinkling of dollars as well.

Yes we are heartened by his commitment to intensified federal interest in research and technology, such as our contemplated use of "smart" highway technology between Roanoke and Blacksburg.

But breakthroughs come only after effort and a lot of shared costs.

And only the federal government has both the resources and the national perspective to lead that research effort.

Yes, we know that he agrees with our view that transportation policy requires a balanced commitment to move people: by transit, by automobile, by bicycle, and by foot.

If he and you will join us, we will finish the 103-mile Metrorail system in this area;

...we will bring commuters north by rail from Fredericksburg and Manassas;

...we will provide the transportation links in the regions of Virginia critical to national security;

...we will open up some of the rural areas of our state to the economic progress which can be provided by essential transportation links such as Route 58 across Virginia's southern border.

Mr. Chairman, we are prepared to be a partner.

We are prepared to do our share.

We have significantly increased the resources of the Commonwealth devoted to this effort since the last time this Committee considered the Surface Transportation Act.

We ask only that you join us in this commitment.

I thank you for your time, and look forward to working together during the coming months.

APPENDIX A

HOV LANES ON I-95 AND I-395

The current Six Year Improvement Program of the Commonwealth Transportation Board envisions the extension of the high occupancy vehicle lanes in the I-395/I-95 Corridor from Springfield in Fairfax County to Route 619 (Triangle) in Prince William County a distance of 19.1 miles at an estimated cost of $345 million.

The project when complete would provide for at least six conventional lanes with two separated lanes for high occupancy vehicles.

One project near Springfield is under construction at a cost of approximately $30,000,000 with a second project extending the construction to Accotink Creek anticipated in July 1990 at an estimated cost of approximately $46,000,000.

The advertisement of the balance of the work in the corridor is dependent upon the I-4R apportionments to the Commonwealth under the 1991 Reauthorization Legislation.

ROUTE 28 PRIMARY HIGHWAY TRANSPORTATION IMPROVEMENT DISTRICT

The 1987 session of the General Assembly approved legislation granting authority for special tax districts to provide localities with an alternate means of financing critical transportation improvements.

In December 1987, Fairfax and Loudoun Counties, in cooperation with local property owners, formed the Route 28 Primary Transportation Improvement District to improve the Route 28 corridor in the Dulles Airport area.

Specifically, the proposal called for expanding Route 28 in two separate phases. Under Phase I, the existing two-lane roadway will be widened to six lanes with three interchanges. Phase II will expand the roadway to an eight-lane facility with ten additional interchanges. The 1988 General Assembly authorized the sale of $160.7 million.

The two counties enacted a special levy of 20 cents per $100 valuation on all commercial and industrial property located within the Transportation District effective calendar year 1988. The financial obligation for the payment of principal and interest on the 30 year bonds is 80% by the District special tax revenues and 20% by the State's Transportation Trust Fund.

Construction began and the entire Phase I construction should be completed by mid 1991.

DULLES TOLL ROAD EXTENSION - PRIVATE INITIATIVE

The Loudoun County Board of Supervisors in May 1983 identified the Dulles Toll Road Extension as a part of its Dulles North Area Management Plan. The Extension is 14 miles in length and connects to the existing Dulles Toll Road at Route 28 to the Route 15 Bypass at Leesburg.

The preliminary engineering for the project was initiated by the Commonwealth Transportation Board in February 1987 with the location adopted by the Board in November 1988.

In March 1988, the General Assembly enacted the Virginia Highway Corporation Act permitting privately constructed and owned toll facilities. A preliminary application was filed by the Toll Road Corporation of Virginia (TRCV) with the Commonwealth Transportation Board (CTB) in March 1989 with amendments in May 1989. The CTB approved the application in July 1989.

The TRCV filed its application with the State Corporation Commission (SCC) on February 2, 1990 and it is expected that the SCC will take action within the next 90 to 120 days.

ROANOKE TO BLACKSBURG "SMART" HIGHWAY

The Six Year Improvement Program of the Commonwealth Transportation Board provides finding for the preliminary engineering for the improvement to Route 460 between Blacksburg and I-81.

The preliminary engineering studies have identified a number of alternatives with two having the support of all of the local governing bodies.

This construction of the direct connection as a federal project to use as a laboratory to test the technology associated with "Smart Highways" has been supported by the local governments in the area and, in concept, by the CTB. The proximity of the corridor to the research facilities at Virginia Polytechnic Institute & State University and the desire by the local governments to attract the manufacturers of the technology to be used in future transportation systems lend credence to such a proposal.

U. S. ROUTE 58 CORRIDOR DEVELOPMENT PROGRAM

The U. S. Route 58 Corridor Development Program contemplates the development of a modern, safe and efficient highway system generally along the U. S. Route 58 Corridor. This corridor extends approximately 508 miles from Cumberland Gap in Lee County in the west along the southern border of Virginia to the ocean front in Virginia Beach.

The final location of all of the improvements has not been determined, but several alternatives are now under study. To the maximum extent possible, the U. S. Route 58 Corridor will conform to the existing arterial highway network and will utilize existing four-lane divided highways and available rights-of-way. The most expensive alternatives being considered would cost an estimated $1.2 billion, while the least expensive would cost an estimated $638 million, both in 1988 dollars. The final location of the highway system will depend on a number of factors, including engineering and environmental considerations, cost and economic development benefits.

The Program is funded from a $40 million annual appropriation from the State Recordation Tax. In addition, the 1989 Special Session of the General Assembly authorized the issuance of $600 million in 9(d) bonds. The Transportation Board issued $200 million in debt in November 1989 and plans to issue the remaining $400 million over the next 3 to 4 years.

ROUTE 64 - CITIES OF HAMPTON AND NORFOLK
PROPOSED THIRD HAMPTON ROADS TUNNEL

Although I-64 was recently improved to a six-lane roadway between I-664 and Mallory Street in the City of Hampton, it is already experiencing congestion during peak hours. The existing traffic, which is over 72,000 vehicles per day, is expected to reach 132,000 vehicles per day by the year 2010.

The volume of heavy trucks (six-tired vehicles or larger) ranges from 10 to 12 percent of the traffic volume. This heavy volume of trucks is an indicator of the vital role played by the Hampton Roads Bridge-Tunnel in the economy of Hampton Roads. However, this heavy truck traffic effectively uses up the capacity of the right lane of each tunnel and severely limits the total capacity of the tunnels during the week days. This causes the tunnels to operate at a level of service F during weekday peak periods. Also, on weekends during the tourist season, the heavy traffic demand causes the tunnels to operate at a level of service F (stop and go conditions).

In an effort to relieve some of the traffic congestion on this section, VDOT formed the Hampton Roads Tunnels Advisory Committee to explore ways of improving communications and advising motorists of alternate routings. The strategies of this committee have had a positive effect on this severe traffic congestion. Although this section of I-64 is expected to gain some relief with the opening of I-664, traffic is still expected to grow to the level of 147,000 vehicles per day by the year 2010.

Regional Transportation plans for the Peninsula and Southeastern Virginia, as well as VDOT's Statewide Transportation Plan, show the need for 8 lanes on I-64 from I-644 in the City of Hampton to I-564 in the City of Norfolk. This proposed widening which includes the Hampton Roads Bridge-Tunnel is estimated to cost $1.13 billion to construct.

COMMUTER RAIL FROM MANASSAS AND FREDERICKSBURG
TO WASHINGTON, D. C.

The Northern Virginia Transportation Commission and the Potomac and Rappahannock Transportation Commission are continuing their efforts to have commuter rail service

in operation by the fall of 1991. The service is proposed for operation on two existing rail lines. One line will originate near Manassas, Virginia and the second will originate near Fredericksburg, Virginia. Both lines will end at Union Station in Washington, D. C. Bonds in the amount of $79.35 million have been sold and the rail cars have been ordered. Bids for locomotives are expected to be received this month. Assistance is needed from Congress to ensure that this service has access to Union Station. The Amtrak Reauthorization bill contains an amendment which limits Conrail's liability. Conrail is requiring such a limitation on liability prior to allowing the commuter rail to operate over its tracks and into Union Station.

CONSTRUCTION OF METRO RAIL IN THE WASHINGTON, D. C. METROPOLITAN AREA

The Metrorail System for the Washington, D. C. area was planned as a coordinated 103 mile rail system. Legislation enacted in 1979 (Stark-Harris) authorized $1.7 billion in federal funds for the completion of the full 103 mile rail system. Including FY 89 funds, a total of $1.507 billion has been appropriated so far. Due to increases in construction costs, the original $1.7 billion will be sufficient to build only 89.5 miles of the planned system. Legislation pending in Congress H. R. 1463 and S. 612 would authorize federal funding to construct the remaining 13.5 miles at a cost of $2.6 billion.

Funding would start in 1991 and $200 million per year would be provided to complete the system by the year 2002. These funds would support 80% of the total cost of constructing the system.

APPENDIX B

SELECTED LEGISLATIVE INITIATIVES BY THE GENERAL ASSEMBLY SINCE 1986

Enactment of Senate Bill 79 provided about $60 million per year to posture the Department for substantial increase in funding for transportation purposes. Funding was used to initiate preliminary engineering on critically needed projects on all State systems.

Enactment of Senate Bill 10 which created the Commission on Transportation in the Twenty-First Century to verify needs, develop a funding package to address the needs, and examine the relationships between the Commonwealth and local governments and agencies in transportation matters.

Enactment of a transportation revenue package approximately $422 million per year with 85% dedicated to highways, 8.4% to public transportation, 4.2% to ports, and 2.4% to airports.

Enactment of Primary Highway District legislation which permits the owners of fifty-one percent of the industrially and commercially zoned properties to petition a local jurisdiction to create such a district and to impose a maximum of twenty cent per one hundred dollar assessed tax surcharge and to dedicate such proceeds for a specific transportation improvement.

Enactment of the Virginia Highway Corporation Act of 1988 which encourages the privatization of transportation projects and improvements and establishes the mechanism for such initiatives.

Enactment of the Route 58 Corridor Development Program which dedicates $40 million in general funds from the State Recordation Tax to support a debt issuance in the amount of $600 million for the development of a four-lane divided highway across the southern boundary of the State connecting ports and recreational areas of the Tidewater area with the most western parts of the Commonwealth.

Enactment of legislation which would permit municipalities with the approval of the Commonwealth Transportation Board to dedicate up to one-third of their urban highway construction allocation to the repayment of loans by the municipalities or debt issued by the municipalities for highway projects.

Enactment of legislation calling for a constitutional amendment to permit the issuance of pledge bonds supported by revenues from the Transportation Trust Fund and established the statutory mechanism for the issuance of the pledge bonds subject to the passage of the referendum in November 1990.

Enactment of numerous pieces of legislation which permit local governments through zoning and site plan activities to cope with major developments.

Enactment of legislation which would permit the local governments in Northern Virginia and the City of Norfolk, after referendum, to impose up to 1.0% income tax for transportation and education purposes.

Increased through the State Budget, the Rail Industrial Access Program which provides funding for rail access to industries seeking to locate in the Commonwealth.

REAUTHORIZATION OF THE POST-INTERSTATE SURFACE TRANSPORTATION PROGRAMS

TUESDAY, MARCH 20, 1990

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON SURFACE TRANSPORTATION,
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:10 a.m., in room 2167, Rayburn House Office Building, Hon. Norman Y. Mineta (chairman of the subcommittee) presiding.

Mr. MINETA. The Subcommittee on Surface Transportation will come to order.

Today we will continue our series of hearings on the reauthorization of the Surface Transportation Assistant Act, and today our focus will primarily be on proposals for reauthorization of urban mass transit programs.

I will insert into the record at this point the summary sheet relative to today's hearing.

[Summary of subject matter follows:]

SUMMARY OF SUBJECT MATTER

SUBCOMMITTEE ON SURFACE TRANSPORTATION

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

URBAN MASS TRANSPORTATION ADMINISTRATION

2167 RAYBURN HOUSE OFFICE BUILDING

TUESDAY, MARCH 20, 1990

10:00 A.M.

On Tuesday, March 20, the Subcommittee will receive testimony on proposals for reauthorization of the urban mass transportation programs.

Urban Mass Transportation Program

Title III of the Surface Transportation and Uniform Relocation Assistance Act of 1987 is designated the "Federal Mass Transportation Act of 1987". This Title amends the 1964 Urban Mass Transportation Act and provides funding for mass transit programs for Fiscal Years 1987 through 1991. Federal funding for mass transit is derived from appropriations from the General Fund and authorizations from the Mass Transit Account of the Highway Trust Fund. The Mass Transit Account is funded from one cent of the revenues assessed on motor fuels.

Section 3 of the Urban Mass Transportation Act provides discretionary capital grants for transit properties. Funding for Section 3 is supported by a one cent excise tax on motor fuels. The Section 3 discretionary funds are available for grants and/or loans in accordance with the following ratios:

- 40 percent for new starts
- 40 percent for rail modernization
- 40 percent for bus needs
- 10 percent for any of the above stated purposes

The Act also establishes criteria for making grants for new or expanded fixed guideway systems, and requires the Department of Transportation to issue guidelines on how the criteria will be evaluated.

The funds are also used for urbanized area planning, innovative technology, and university transportation centers.

The Act provides for a portion of the one cent excise motor fuels revenues to be apportioned under the formula grant program known as Section 9. These trust fund amounts are only available for construction and capital maintenance purposes.

The transit formula grant program authorizes funds from the General Fund for the Section 9 and 18 programs. Section 9 funds are available for urbanized areas above 50,000 in population and Section 18 funds are available for areas under 50,000 in population. The formula grant funds may be used for capital and operating assistance subject to certain limitations for operating assistance. The Federal share provides 80 percent for capital projects and 50 percent for operating projects.

AUTHORIZATIONS

FEDERAL MASS TRANSPORTATION ACT OF 1987

(covering Fiscal Years 1987-1991)
(millions of dollars)

HIGHWAY TRUST FUND	FY 1986[1]	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	Five-year Total
Mass Transit Account Discretionary		$1.097	$1.200	$1.250	$1.300	$1.400	$6.247
Planning		(45)	(45)	(45)	(45)	(45)	(225)
Innovative Technology			(35)	(35)	(35)	(35)	(140)
University Transp Centers			(5)	(5)	(5)	(5)	(20)
Bus Testing (MTA)		0.2	3				3.2
University Transp Centers (Hwy Acc t)			5	5	5	5	20
TOTAL—HTF	**$1.100**	**$1.097.2**	**$1.208**	**$1.255**	**$1.305**	**$1.405**	**$6.270.2**
GENERAL FUND							
Formula Grants		$2.000	$2.100	$2.100	$2.100	$2.100	$10.400
Interstate Substitutes—Transit		200	200	200	200	200	1.000
University R&D. Admin. & Misc		[2]	50	50	50	50	200
TOTAL—General Fund	**$3.550**	**$2.200**	**$2.350**	**$2.350**	**$2.350**	**$2.350**	**$11.600**
GRAND TOTAL—FISCAL YEAR AUTHORIZATIONS	**$4.650**	**$3.297.2**	**$3.558**	**$3.605**	**$3.655**	**$3.755**	**$17.870.2**

[1] As authorized in the Federal Public Transportation Act of 1982 (PL 97-424) prior to Gramm-Rudman-Hollings reductions
[2] Such sums as necessary

Mr. MINETA. Mr. Shuster, do you wish to be recognized?

Mr. SHUSTER. Mr. Chairman, I would just ask unanimous consent that the statement by the distinguished ranking member of this committee, Mr. Hammerschmidt, be inserted in the record at the beginning of this hearing today.

Mr. MINETA. Without objection, so ordered.

[Mr. Hammerschmidt's prepared statement follows:]

PREPARED STATEMENT OF THE HONORABLE JOHN PAUL HAMMERSCHMIDT

THANK YOU, MR. CHAIRMAN.

I WOULD LIKE TO COMMEND YOU, MR. CHAIRMAN, AND CONGRESSMAN SHUSTER FOR SCHEDULING THIS FOURTH HEARING ON REAUTHORIZATION OF OUR SURFACE TRANSPORTATION PROGRAMS. I LOOK FORWARD TO TODAY'S TESTIMONY FOCUSING ON AN IMPORTANT SECTOR OF THOSE PROGRAMS, MASS TRANSIT.

TRANSIT PLAYS AN INCREASINGLY IMPORTANT ROLE IN SOLVING THE NATION'S TRANSPORTATION PROBLEMS. PARTICULARLY IN OUR URBAN AREAS, TRAFFIC CONGESTION AND PROJECTIONS FOR INCREASED TRAFFIC GROWTH CAUSE GREAT CONCERN. IN A RECENT SURVEY OF PARTICIPANTS IN THE TRANSPORTATION 2020 EFFORTS, 80% OF THE 20,000 RESPONDENTS NOTED THAT TRAFFIC CONGESTION WAS A MAJOR PROBLEM IN THEIR COMMUNITIES.

EFFECTIVE MASS TRANSIT OPERATIONS CAN HELP TO SOLVE THIS INFRINGEMENT ON EVERYONE'S QUALITY OF LIFE AND THE ENVIRONMENT. WE MUST BE INNOVATIVE AND BOLD IN LOOKING BEYOND TRADITIONAL TRANSIT SOLUTIONS IN OUR ATTEMPTS TO ADDRESS THE PROBLEM.

I AM ANXIOUS TO HEAR IDEAS ON HOW WE MIGHT BEST STRUCTURE A NEW TRANSIT PROGRAM TO MEET OUR NATION'S BURGEONING GROWTH.

THANK YOU, MR. CHAIRMAN, AND A WARM WELCOME TO OUR CONGRESSIONAL COLLEAGUES PRESENT HERE TODAY AND OUR DISTINGUISHED PANEL OF WITNESSES.

Mr. MINETA. We have this morning starting off for us a very distinguished panel of our colleagues, all from Ohio, oddly enough. It is a distinguished panel from Ohio.

We have with us the Honorable James A Traficant, Jr.; the Honorable Paul E. Gillmor; and the Honorable Marcy Kaptur.

Let me start off with our fine colleague from the Public Works and Transportation Committee, Congressman Traficant.

TESTIMONY OF HON. JAMES A. TRAFICANT, JR., HON. MARCY KAPTUR, AND HON. PAUL E. GILLMOR, REPRESENTATIVES FROM THE STATE OF OHIO

Mr. TRAFICANT. Thank you, Chairman Mineta.

I would ask that the official testimony that I submitted to the committee be printed and accepted by the committee.

Mr. MINETA. Without objection, so ordered. Your prepared testimony will appear in the record.

Mr. TRAFICANT. Thank you.

Number one, as you know, in the last Surface Transportation Act I moved to have the minimum allocation of donor States made permanent and moved it out of the hands and protected it from Gramm-Rudman cuts.

Second, I was able to expand the safety section by getting guard rails, lights, signs, and bridge barriers made 100 percent fundable under the trust fund.

I would like to start out by saying first that I would like to see us increase the minimum allocation guaranteed return rate to donor States to 92 percent. I believe that 90 percent is not enough. The reason why I say that is almost 67 percent of all traffic is on the roads that have been cited as donor States. I think that is ridiculous. We have the traffic, we have the infrastructure needs. We have everything but the money.

I would also like to see it made free of and made permanent at that percentile level and removed from and protected from any sequestration or cuts under Gramm-Rudman or any other types of deficit control processes.

Second, I agree with the committee to move forward and try and remove the trust fund from the budget with its own board of directors and to use the trust fund that is financed by the American people through the purchase of fuel for what it is intended to do, not to offset the deficit but be put back into our infrastructure and maintain our roads and bridges which we clearly have a mandate here on this committee to do.

As far as my particular area is concerned I am just going to be brief. I was new at the time of the last bill. Jim Howard said, "You have pressing needs in your community." He said, "I will address those needs for you in future years." He passed away. I am here today with specific problems from my area whose infrastructure is falling apart.

Let me say this before I get started because everybody is pushing for their own programs—and I have standing legislation for several of these projects. They are very important to that corridor in Northeast Ohio and Western Pennsylvania, and they embrace both States in that regard.

My district is located exactly between Chicago and New York, Pittsburgh and Cleveland. At one time in the early 1960s the railroad traffic in my district had the greatest amounts of convergence by all railroads in the United States. Now, Mr. Chairman, my district's highways receive more traffic as a crossing point than any other interstate in any other interstate system of any district or State.

I want to repeat that because I am hoping that people will hear what I have to say. When Hands-Across-America was finally put together, it converged and had gone right through the 17th district of Ohio because it is right in the middle of the country with the interstate system never completed and falling apart.

There are three bills pending before this committee. The first one would connect the interstate system of the city of Youngstown, which has been decimated by the loss of the steel industry, with nearby Pennsylvania, opening up opportunity for Northeast Ohio and Western Pennsylvania travellers by opening that system up and connecting it to Route 80 in the State of Pennsylvania.

There is a bill in to that extent. It is called the Hubbard Expressway, and it seeks $27 million in discretionary funds.

Let me say one other thing. I also feel that minimum allocation donor States should not be penalized by specific appropriations for needy projects and it should not be computed in those factors.

The second project on the list is that all of that old steel mill property sits there abandoned without being used, and right in the middle of it is one of the most important bridges that we have in the general Youngstown, Campbell, Lowelville, and Strothers community near Pennsylvania. It would call for access ramps from the existing freeway system and a new bridge to be built across the Mahoney River that touches all four of those communities and nearby Pennsylvania.

That project is also a standing piece of legislation known as the 680 Access Ramp Project at $15 million. Included in that is the Center Street Bridge Project that would accompany those access ramps and provide that opportunity to both Ohio and those local communities in Pennsylvania.

Third is the connector from the airport system to the interstate out there where that particular Northeast Ohio and Western Pennsylvania community is being denied that access and utilization of that airport is under tremendous strain. That project is known as the Kings Graves Road Project, and it is listed by standing piece of legislation.

Finally, there is a bridge project on the interstate system known as crossing the drinking water reservoir in the part of the country known as Meandor Reservoir with a bridge project of approximately $12 million.

Now, you are saying I just didn't come in here today to talk about the State's needs, because, to be quite honest, the State has never really addressed our needs there. The infrastructure is falling apart. I have waited. I have listened to the chairman. Those three pieces of legislation are prudent not only to Northeast Ohio but to Western Pennsylvania. As a member of the committee and as a member of this subcommittee I want affirmative action in this particular regard.

Finally, I don't believe that 92 percent minimum allocation is enough. These 19 States that are being penalized are the 19 States that bear the brunt of the traffic in America. Their infrastructure is falling apart and we are continuing to penalize them on a formula system that can't be good for America because it is not good for the 19 biggest States that have the most travel.

So I am asking that that be addressed, the 92 percent minimum allocation be considered, that it be protected from any sequestration and/or cuts due to deficit reduction, and that any discretionary use of funds not be applied towards or taken from the computed allocations under that minimum allocation standard.

I would appreciate in advance your support for those projects whereby I did not have one demonstration or discretionary project in the last Surface Transportation Bill—I think the only member here. I was new. The only Democrat unseated Republican. The chairman asked me—he was worried about a veto to keep it out. I gave the chairman my word and I did. He passed away. My community got screwed, and I don't want to hear any more of it now. I want help. My community has been hurt the most. I played the game with the chairman, the President's veto, and I want the help now.

I am open for any questions.

Mr. MINETA. Very well. Thank you very much, Mr. Traficant.

As I take it, you have identified really four projects: the Center Street Bridge, the bridge crossing on the Meandor Reservoir, the Hubbard Expressway, and the Interstate 680 access ramp development.

Mr. TRAFICANT. And one more, Mr. Chairman: the Kings Graves Road connector from the airport to the interstate system to serve Northeast Ohio and Western Pennsylvania utilizing that airport—the municipal airport system.

Mr. MINETA. Let me concentrate on these last two—the Hubbard Expressway and the Interstate 680 access ramp development project. These are two meritorious projects and would really form the basis for a solid transportation infrastructure and network for redevelopment in that Youngstown/Warrenton area.

But I am wondering if you could explain to me why the State of Ohio, if it is that important, has not seized the initiative for the construction of these two projects in an effort to stimulate economic development in that area?

Mr. TRAFICANT. Mr. Chairman, one of the reasons is the lack of local leadership in this area. When I was elected to Congress I asked the Ohio Department of Transportation to visit with me down here and I asked them why these important projects were not on the priority list. They said the local politicians wanted to move a meat packing firm from the Market Street Bridge somewhere and they couldn't get the local politicians to agree on anything.

I brought the local politicians together and we got these items placed on a priority list. As a result, I am not asking for money for the 711 connection in the city of Youngstown; the State has announced that it would take care of 711. But because of that political malaise over a period of time, priorities were placed more on local political favoritism and agendas and not on the overall good.

I am here today saying that any priority list for the State of Ohio that does not include those projects is asinine for the following reason—if I could have the attention of the chairman.

The freeway system in Northeast Ohio is not completed. The system on the east side of Youngstown stops dead at Albert Street, and on the west side of Youngstown stops dead at the old steel mills and doesn't even connect with Interstate Route 11. These are the things that I am trying to now bring about.

Second, the Center Street Bridge project is very, very tentative at this point. It is a dangerous bridge and with age it is continuing to wear. I think it is prudent that Congress do something about it.

Finally, the State of Ohio only has so much money. To be quite honest, they have been putting it in places where they probably shouldn't be—on a political system that is probably out of date and more patronage than it is factual. I am not blaming the governor or anybody. But for anybody to deny these projects on the strength that the State may not have blessed it would be, in fact, a miscalculation of America's needs.

I am saying this today: my district, right in the middle of the country, that has more freeway traffic than any other Member's, that connects one area with another and one commercial area with another, we have let that area go without adequate funding, without adequate planning. So rather than complain and blame the State or the local, now is the time I think to put that together in conjunction with the State. The State is taking care of the 711 connector.

I have taken upon myself for the Hubbard Expressway, the Center Street Bridge, and that airport connector, and I am hoping that the committee, in lieu of the fact that I adhered to the counsel and respect the counsel of the former chairman, Jim Howard, would find favor with these recommendations I make today.

Mr. MINETA. Thank you very much.

Mr. Clinger, any questions?

Mr. CLINGER. No, sir.

Mr. MINETA. Mr. Clement?

Mr. CLEMENT. No questions.

Mr. MINETA. Mr. Hastert?

Mr. HASTERT. No, sir.

Mr. MINETA. Mr. Emerson?

Mr. EMERSON. No questions, Mr. Chairman. I would tell Mr. Traficant that I look forward to working with him on this. I have an understanding of these kinds of problems and look forward to cooperating with you.

Mr. TRAFICANT. I appreciate that, Mr. Emerson.

Mr. MINETA. Let me then call on our colleague from Ohio, Congresswoman Marcy Kaptur.

Ms. KAPTUR. I thank you, Chairman Mineta and members of the Surface Transportation Subcommittee, for this opportunity to testify.

I would like to ask unanimous consent to place my full statement in the record and I will try to summarize.

Mr. MINETA. Without objection, so ordered. Your written statement will appear in the record.

Ms. KAPTUR. I want to begin by saying that the major concern that I hear from local officials who are in charge of transportation, engineering, and planning in my area is that the current Federal laws converge in a way that make projects that receive Federal funds in my area end up costing too much, largely due to excessive Federal rules and regulations which end up causing lengthy project delays and costs plus lengthy construction phases.

If I have a major recommendation to you beyond the specific projects I will talk about, it is to try in some way in the next Transportation Act to make delivery of Federal highway dollars more efficient and more effective.

I want to give you two examples of what is happening in my own community in relationship to their dealings with the Federal Government, the first dealing with an ongoing project, which is detailed in the testimony called the Buckeye Basin Greenbelt Parkway. This project is now estimated to cost $45 million, of which almost 85 percent of those dollars will be Federal. When it was begun 15 years ago it was projected in those days to cost $25 million. The testimony details why this type of lengthy delay has occurred.

In addition to that, the testimony also has other examples of where cooperation with the Federal Government has meant cost overruns at every phase. Frankly, my community is at the point of being totally fed up, and I would beg the interest of the committee in trying to somehow speed the distribution of those Federal resources to States and localities.

I wanted to concentrate this morning on a new proposal that our community is putting forward for a new river crossing across the major tributary which divides our community called the Maumee River. Our long-range transportation plan has included several new crossings of the Maumee River in it.

Currently there are seven existing bridges which carry traffic in the area, and over the next 20 years all will be heavily congested. Many are already heavily congested.

All but one of these current bridges is a State or Federal route, and three of the current bridges are on the interstate system.

Now, the Maumee River crossing has been placed on the discretionary bridge candidate list by the Ohio delegation, and I am very grateful for that. But I wanted to give you a specific example of where we run into difficulty.

The Craig Memorial Bridge, which is one of these several bridges, is part of the I-280 system and was built during the 1950s before the interstate system was conceived.

In 1985, this particular artery carried about 51,000 vehicles per day—and it is a four-lane bridge—which is above a safe capacity. Now, projections are that the bridge traffic will double in the next 20 years.

What is unique about this particular artery and the bridge is that it is a major interstate link tying our part of Ohio to Michigan, and also to points east and west along I-80 and I-90 which run from coast to coast, because those are turnpike routes.

The current bridge not only serves interstate needs, but it also serves many local needs. In fact, it is unique in that it is a lift bridge on an interstate route. It is one of only two lift bridges in

the entire interstate system. It is a bottleneck of major proportion at rush hour or during the day when you have got truck traffic going over the bridge and car traffic, and, at the same time, the bridge is opening for ships to come in to go down to our grain elevators. With the rebirth of Lake Erie and pleasure craft and boating on the lake, as well, you have a number of bridge openings that occur and cause constant traffic snarls in the area.

By the turn of the century this particular bridge will be over 50 years old. It is the most important projected—this improvement project is the most important projected highway improvement project in our metropolitan area since the interstate system was designed in the 1960s and 1970s. But our local community has made a decision—which I think is unfortunate—to start this project using only State and local funds, even though this project eminently qualifies for Federal assistance.

The local community is investigating all types of non-Federal funding because they truly have had it in dealing with the Federal Government because of the endless regulation and strings that are attached to Federal money.

For me as a Federal representative, it ultimately means that our area would not avail itself of Federal funds to build the biggest and most important highway project in 30 years. I think it is absolutely wrong what they are doing because our citizens pay Federal taxes, as well. But looking at the history of involvement with Federal highway projects in the area, I can understand their concerns about how much it would end up costing if we deal with the current maze of Federal highway approvals and regulations and so forth.

So I guess my major plea to you is to please help us find a way to streamline the manner in which local communities and State governments deal with the Federal Highway Administration.

In terms of the distribution of Federal highway funds to States on the formula that I know you are all concerned about, as am I, I join with my Ohio colleagues, Mr. Gillmor and Mr. Traficant, and all of the others in requesting that changes be made in the formulas used to distribute both highway and Federal bridge funds.

I would suggest that since the original distribution formulas were developed back in the early 1900s, many of these formulas now bear no relationship to where people live and how they use our highway and bridge systems.

I would ask the committee to consider two possible alternatives. One would be to change the factors that you currently use to distribute 4R funds to the interstate system. Ohio is one of the most populous States in the country, and yet urban population is not a significant factor in any of the current formulas that are drawn. In fact, if one looks at the 4R formulas to date they would look at such items as lane miles of roadway, measurement of the extent or size of the network, vehicle miles of travel.

Bridge funds are similarly distributed.

I would ask the committee to consider proper distribution of highway and transit funds to reflect that our urban population is now the majority of our population in the country and that it is urban areas where many of our current transportation problems exist.

One of the other areas I would like to point out is that if you cannot do that, if you can't change the factors constituting the formula, perhaps we could gain support for a fall-back position whereby States like Ohio could gain an appropriate share of funds by creating a higher ceiling of the dollars sent back from Washington to our local communities. I think that the minimum of 85 percent needs to be raised to a minimum of at least 90 percent, and I think others might even support a higher figure.

I would also like to mention two other related items that are important in our community.

First, we have so many conflicts between inter-modal transportation. I represent one of the largest rail-switching areas in the United States. We also have the Great Lakes Saint Lawrence Seaway system with all the bridges that I have referenced, plus the highway traffic. We have had enormous difficulty in even getting planning funds from the Federal Government in order to help us try to deal with the conflicts that exist between these various modes of traffic.

As I mentioned, we have one of the few lift bridges where we have a conflict between sea traffic and highway traffic, also rail traffic. It is very difficult for us to get attention to these problems. For several years now I have tried to get planning funds to take a look at redesigning our rail system and to try to get rid of the many, many dangerous rail crossings that come across our highway systems in the greater Toledo area. We have not had too good a reception to deal with these great separation issues and the inter-modal conflicts that we do have.

But I would ask the committee to take a look at communities like my own and perhaps include some encouraging language where we could at least get some planning assistance where you do have this inter-modal conflict.

Finally, in terms of transit, if I could just end by putting in a plug for our local TARTA—our local transit system. Over the past several years real funds, as you know, have been cut by half. Without the operating funds of the Federal Government our local bus system, which includes pair transit for disabled individuals, would have to be shut down. If we look at the funding that existed back in the early 1980s, which was about $3.1 billion in those days for mass transit, if it could only have been kept at inflation the current funding level in the budget should be more like $6.5 billion. I would ask the committee to not only help communities like my own, but others around the country where so many thousands of citizens depend on transit in order to get to work and conduct their daily lives.

I would also finally ask you to take a look at the operating cap that has been placed on small urban systems. By removing that operating cap you would allow local communities that flexibility of using Federal funds that are available where the local community believes they should be used.

I thank the chairman and members of the committee for your attention to my testimony and those of the other members of the Ohio delegation. Thank you.

Mr. MINETA. Thank you very much, Congresswoman Kaptur.

Let me ask about that I-280 bridge, the Craig Memorial Bridge. The State of Ohio receives approximately $49 million currently under the bridge rehabilitation and replacement program. So this Craig Memorial Bridge is eligible for funding under the formula program and the discretionary bridge program. As you are probably very well aware, any distribution of funds that come under the discretionary pot received by a minimum allocation donor State will also result in the reduction of minimum allocation funds.

I am wondering: are you aware as to whether or not the State of Ohio has allocated any of its Federal aid, highway bridge funds, or minimum allocation funds for the replacement of this I-280 bridge?

Ms. KAPTUR. Mr. Chairman, that is a very good question. All I know at this point is that we have been placed on the discretionary bridge candidate list by our own delegation. But I do not have certification from the State that we are in line for those funds.

Mr. MINETA. Let me at this point—Mr. Shuster, do you have any questions?

Mr. SHUSTER. I don't have any questions. Thank you.

Mr. MINETA. Mr. Clement?

Mr. CLEMENT. No questions.

Mr. MINETA. Mr. Clinger?

Mr. CLINGER. I have no questions, Mr. Chairman.

Mr. MINETA. Mr. Hastert?

Mr. HASTERT. No questions.

Mr. MINETA. Mr. Packard?

Mr. PACKARD. No questions, sir.

Mr. MINETA. Mr. Emerson?

Mr. EMERSON. Mr. Chairman, I think Ms. Kaptur has made a very interesting statement. One of the complaints that she made—I suppose it is a complaint—the concerns of local officials about the labyrinth of Federal regulations and laws. I would hope that we would take the opportunity at this unique juncture as we review Federal highway and transportation policy to simplify. I really hope that we can do that as we consider the important legislation that lies ahead of us here in the next couple of years.

I think you make a very good point that we need to take note of the changed demographics in the country and respond to problems that have arisen because people have moved around in the course of the past number of years under which we have been operating under current law and building highways and bridges and trying to improve our infrastructure. So I think we need to take a very sensitive look.

Finally, I would urge you—let's not get into an urban/rural conflict. Let's see if we can try to work together. Please don't assume that rural areas don't have their fair share of the problems that you mentioned urban areas as having. I am aware certainly of the kinds of problems you face uniquely in some urban areas, and we have some unique problems in rural areas, as well.

Thank you for your very fine statement.

Ms. KAPTUR. I thank the gentleman for your attention. I noted you were listening very carefully as I spoke and I appreciate that—all the members on the committee. I would just ask—perhaps there is a way you could develop some very creative language on a statute of limitations or something to deal with this time problem

where the minute you start dealing with the Federal Government on these highway projects the costs just go off the wall and local communities are very fearful—at least mine is at this point—of dealing with the Federal Government any more. Though they want to get on the State list, their experience has been very negative over the last 15 years.

Mr. MINETA. At this time let me call on our fine colleague, Mr. Gillmor, a first-term member who took the place of a very fine and respected member, Congressman Del Latta.

Paul, go ahead. Your statement will be made a part of the record, so go ahead and proceed on your own.

Mr. GILLMOR. Thank you, Mr. Chairman.

Mr. Chairman and members of the Surface Transportation Subcommittee, I appreciate the time and the opportunity to appear before you this morning.

I join with my Ohio colleagues in requesting changes in the formulas which are used to distribute highway and bridge funds. Having served as president of the Ohio Senate for six years and having dealt with funding formulas, I understand that funding formula changes are extraordinarily difficult to enact—especially without new revenue. But I am convinced that the cost of continuing the current policy is so high that corrective action must be taken.

Revising formulas in this reauthorization bill may be a lot easier and a lot cheaper than the alternative, which is delay.

The U.S. Department of Transportation statistics indicate that serious deficiencies in our highway system are increasingly concentrated in donor States. Department of Commerce data confirms that the 19 donor States generate more than half of the industrial and agricultural production of this country and more than half of the service business in the United States.

This indicates that the majority of U.S. workers, as well as the majority of U.S. goods shipped by truck to foreign and domestic markets, must travel on increasingly inadequate highways and bridges. In short, we are not putting our Federal transportation dollars where they are needed most, nor are we investing our Federal transportation dollars where they will give us, as a nation, the greatest economic benefit.

If current funding distribution practices are allowed to continue, our surface transport problems will not only worsen, but they will do so at a faster rate.

The cost of postponed highway and bridge repairs accelerates exponentially. At the same time, unless we change the way Federal transportation funds are distributed, the States with the worst problems will continue to have the least money to solve the problems.

As you will see, this is the case for donor States which have substantially increased their State and local user fees. Ohio has raised its gas tax six times in the last ten years—from $0.07 a gallon to $0.18 a gallon in 1989. An additional increase of $0.02 a gallon goes into effect July 1 of this year.

The impact of these increases has been a tripling of the State gas tax while there has been a doubling of the Federal gas tax. But even with those huge increases, donor States like Ohio cannot

make up their shortfall in Federal funding fast enough to keep up with the problem, nor should they have to.

Why should Ohioans pay $0.20 a gallon in State gas tax in addition to the $0.09 Federal tax and still bear the burden of a disproportionate share of America's hazardous roads and bridges?

Current law directs discretionary funding to States which already receive the most back on their Federal gas taxes and highway user fees. The States that get the largest proportion of Federal aid by formula also get exclusive access to discretionary assistance.

Now, having seen in recent years these significant increases in the Ohio State gas tax, I am particularly distressed that States which enjoy this exclusive access to discretionary Federal highway and bridge aid often have far lower taxes than the State of Ohio. This means that donor State user fees become transfer payments to other States which use this transferred income in lieu of raising their own State and local taxes.

Clearly discretionary funds should go where there is the greatest need. Eliminating the requirement that donor States pay pack an equivalent amount of minimum allocation dollars for every dollar of discretionary funds will help ensure that this need is met. However, that action, alone, is not enough to correct the pervasive pattern of disinvestment in donor States.

Donor States account for more than 60 percent of interstate miles travelled annually in this country. Donor States account for more than 57 percent of the travel on the primary system and more than 59 percent of travel on the urban system and more than 62 percent of travel on the secondary system.

Now, I do not presume to suggest to the committee what factors to consider when examining the formulas, but any rational change which disburses funds in ways that are more closely related to the extent of use of Federal highways would certainly help to alleviate the problem. And if the formulas cannot be changed, I certainly agree with my colleagues, Ms. Kaptur and Mr. Traficant, that the minimum allocation should be increased from 85 percent to a minimum of 90 percent. That is not sufficient to correct the trend toward concentration of deficiencies in donor States, but it would at least help to slow down the rate of deterioration.

I thank you very much for your time and consideration, and I look forward to working with members of this subcommittee as the bill works through the House, and certainly any changes in the distribution formula as we have discussed would have my support.

Thank you very much, Mr. Chairman.

Mr. MINETA. Thank you very much, Mr. Gillmor.

Ms. Kaptur, I appreciate your coming back because there are a couple of general questions I wanted to direct to both of you.

Congressman Gillmor is also indicating support for the inclusion of the I-280 bridge as part of the program.

Mr. GILLMOR. Yes.

Mr. MINETA. Now, we have received testimony that the current Federal highway investment policy is having a cumulative detrimental effect on the highway system in Ohio. Therefore, the suggestion has been made that Federal highway funds should be allocated, of course, in a fair and equitable manner.

I am wondering what, in your view, is a fair share for donor States to receive under the Federal aid highway program?

Mr. GILLMOR. I think clearly it is a figure substantially higher than the current allocation. Ohio is a State which, as I indicated, is a donor State. It has the greatest need in terms of the use that is being made.

In addition, the way Federal formulas have changed over the years, some of the donor States now are some of the poorer States. The most recent national figures, for example, show that Ohio has a per capita income below the national average. So you have a State with that circumstance and you have a State that also has a greater need. You have a State that has raised its taxes for highways more than other States to the point where ours are now higher and we are, in essence, subsidizing those States.

I don't presume to tell you what specific formulas, but when you look at the end result I think it is clear that you have an injustice in the way the funds are being transferred. It is a case of the poor States taking care of the rich States.

Mr. MINETA. Ms. Kaptur, do you have any comments?

Ms. KAPTUR. I would agree with the gentleman about Ohio's willingness to tax itself, and I think that a States willingness to bear its own burden should play a larger role in the formula if you are going to change the factors in the formula. It seems to me you have two sets of choices: one choice is you can try to tinker with the factors that comprise the formula, or, if you feel you can't do that, then I think you have to raise the floor, as we have both suggested, to a minimum of 90 percent.

As a member of the committee, if I were a member of the committee I would like to tinker around with the factors that comprise the formula. That might be fun. But I don't know enough about all of the issues that you have to deal with with your membership to know if that is possible. But I do think that States that are willing to assume a larger share of their own tax burden, as Ohio has, is an extremely important item.

I mentioned urban population in my remarks. Ohio has more urban areas than any other area in the country, actually, if you look at the way the State is glued together. We do, therefore, have a great need for major transportation facilities. We also have a very large agricultural community. Food processing is Ohio's biggest business, so we have to move product from our rural areas into our urban areas into processing plants, etc., so we have a great need in the rural communities, as well.

But I think that if you look at the number of urbanized areas that exist in certain communities where you are moving product, etc., the number of trips that have to be taken, that is an issue. I think the income suggestion that Mr. Gillmor made is also a very good one.

But I have always been a believer in tax burden. If the State is willing to take that on, they ought to be given some credit for it.

Mr. MINETA. You are indicating, as well as the others, increasing the 85 percent to 90 percent. If we were to increase that percentage, should the discretionary funds that States do receive be considered in determining the minimum allocated in terms of entitlements?

Mr. GILLMOR. I think that States should not have a deduction from the minimum allocation when they do receive discretionary funds. The ideal thing would be to come up with a distribution formula that results in a more equitable result. That is extremely difficult to do.

I think very clearly, in terms of equity, if Congress determines that there is a project that qualifies for discretionary funds, we are really directing what the States do with their share. Therefore, I think we should not offset the minimum allocation by the amount of discretionary funds, and we should at least raise the level of minimum allocation.

Ms. KAPTUR. I would agree with that.

Mr. MINETA. Very well. Thank you.

Mr. Shuster?

Mr. SHUSTER. I thank you, Mr. Chairman.

I would point out to my colleagues that, as, in fact, has been indicated, I think it would be extremely difficult to change formulas unless we, along the way, find additional funds. One of the easiest ways, one of the first ways to find additional funding for our transportation programs, is to spend the money that already exists in the Highway, Transit, and Aviation Trust Fund where very large surpluses have built up.

We have had three votes over the past two years on taking those trust funds off budget. I would expect we are going to have further votes on that issue. I would urge you and anybody who is concerned about finding more funding for transportation to seriously consider supporting those votes when they occur because we are not going to get more funds until we solve this problem first.

Thank you.

Mr. MINETA. Mr. Clinger.

Mr. CLINGER. No questions.

Mr. MINETA. Mr. Hastert?

Mr. HASTERT. I would like to simply follow up what Mr. Shuster said.

First of all, I want to thank the two people up here for their testimony. It really went in depth and I think you made a good case for donor States. Being from a donor State, I understand what you are talking about.

But the real issue is what Mr. Shuster said. There are billions and billions and billions of dollars stacked up there ostensibly for roads and bridges and some mass transit that we have used to shade the deficit. Of course, sometimes you are speaking from the viewpoint of a committee, which when you sit on this committee you understand that those funds probably ought to be spent out for what they were taxed for. Every time somebody goes to the gas pump in your State, Mr. Gillmor, and puts a gallon of gas in the tank you are putting $0.18 in the coffers of Ohio and $0.09 in the coffers of the Federal Government that don't get spent out. That is a real issue.

I think if there is support there to start to spend those dollars there is more for everybody. Certainly then you can start to massage the formulas, as well.

Any comment?

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Mr. GILLMOR. Yes. Mr. Chairman, I would agree with what both Mr. Hastert and Mr. Shuster have said. The funds were collected, in my view, for a specific purpose. Very clearly the need is there. I don't think we are serving the economic wellbeing of the country by not utilizing those funds. I concur very definitely with your comments.

Mr. HASTERT. Thank you, Mr. Chairman. And thank you Mr. Gillmor and Ms. Kaptur.

Mr. MINETA. Mr. Emerson.

Mr. EMERSON. Mr. Chairman, I want to strongly associate myself with the remarks of the gentleman from Pennsylvania and the gentleman from Ohio. I think they have hit the nail on the head.

Mr. MINETA. All right.

Mr. Packard.

Mr. PACKARD. No questions.

Mr. MINETA. Mr. Boehlert.

Mr. BOEHLERT. No questions.

Mr. MINETA. Mr. Laughlin, it is nice to have you at the subcommittee.

Mr. LAUGHLIN. Thank you, Mr. Chairman.

Mr. MINETA. I assume you have no questions.

Mr. LAUGHLIN. I have no questions at this later hour.

Mr. MINETA. Very well.

Let me thank Congresswoman Kaptur and Congressman Gillmor for their presentation.

[Mr. Traficant's prepared statement follows:]

SUBCOMMITTEE ON SURFACE TRANSPORTATION

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

2167 RAYBURN HOUSE OFFICE BUILDING

TUESDAY MARCH 20, 1990

10:00 A.M.

By,

Congressman James A. Traficant, Jr. (17th District - OH)
312 Cannon House Office Building
United States House of Representatives

SURFACE TRANSPORTATION ACT - CONGRESSIONAL TESTIMONY:
MINIMUM ALLOCATION FUNDING VS. DISVRESTIONARY FUNDING

Mr. Chairman, I'd like to thank you for the opportunity to testify today on the subject of issues pertaining to the next Surface Highway Act. My topics today include one which affects many of our major states and one that addresses the funding of local highway projects in my district.

In 1982, as part of the development of the Surface Transportation Assistance Act (STAA), Congress and the Administration recognized that Federal-aid highway apportionments to certain states chronically lagged behind the Highway Trust contributions from these states. In a number of cases, the sum of the formula apportionments to select states amounted to only 65 to 80 percent of their percent of Trust Fund contributions.

Congress determined that these long-standing disparities should be addressed by guaranteeing each state, at least, an apportionment equal to 85% of the total percentage that each state contributed to the Trust Fund. This, then, became what is known as the "Minimum Allocation". It was not completely equitable, but it was better than the previous condition. Recall that the federal-aid highway program and formulas were, to a large extent, driven by completion of the Interstate Highway System. Realize, that now, we are beyond that phase.

In 1987, during the debate concerning the Surface Transportation and Uniform Relocation Assistance Act (STURAA), a significant change was added to the language. For the first time, the Minimum Allocation funding was to be decreased for any state's apportionment if that state received any discretionary funding. This created a situation where Minimum-Allocation states would lose, dollar-for-dollar, any benefit from discretionary funding for large bridge or Interstate highway completion projects. However, states that were apportioned, say, 140% of their contribution level to the Highway Trust Fund could secure discretionary funding with no loss or penalty. Thus, only states receiving more than an 85% return from the Trust Fund, based on their contributions, could benefit from discretionary funding. This is clearly illogical. It essentially creates a situation where those with less get less and those getting more will get more. This is backward. For example, if Ohio accepts discretionary funds then it must give up that same amount of Minimum Allocation. It turns into a zero sum game.

It has been brought to my attention that several Minimun-Allocation states chose not to fight against this new provision, because they did not wish to jeopardize the continuation of the Minimum Allocation funding they were already receiving. They believed that the loss of this program was a real possibility if they struggled against the new language. As indicated below, Minimum Allocation accounts for a great deal of relative funding.

Mr. Chairman, in Fiscal Year 1990, Minimum Allocation funding constituted 10% of the total Federal-aid highway apportionments. Nineteen states are now receiving minimum allocation funding. For states like Ohio, this source represents a full 24% of the federal-aid apportionment. In Fiscal Year 1990, Minimum Allocation funding accounted for 32% of Texas funding, 29% of Georgia's, Wisconsin's and Indiana's apportionment; 27% of Oklahoma's; 25% of South Carolina's; and 24% of Arizona's and Arkansas's.

Let's examine for a monent the relationship between Minimum Allocation funding and the critical issue of our "Deficient" bridges. These 19 states contain 55% of the nation's deficient bridges. But, they cannot benefit from discretionary funding to fix them because of the 1987 language. In my district I have two such bridges: 2

1>
Name: Center Street Bridge
Crosses: Industrial Land
Location: Youngstown, OH
System: FAUS
Work: Replacement with new structure just east of current bridge
Status: Preliminary Engineering: construction expected by 1996
Cost Est: $ 18.1 million (total) $ 11 million (bridge portion)
Proj. ID. (Mah-CH-313 - 0.43)

2>
Name: unamed
Crosses: Meander Reservior
Location: I.R.-80, 0.97 miles east of Ohio Turnpike (IR-76)
System: Interstate
Work : Replacement of two 120' bridges with a partial causeway and shorter structures.
Status: Preliminary Engineering: construction programmed for 1994.
Cost Est: $ 11.1 million
Proj. ID. (Mah-IR-80- 0.97)

These 19 states represent 60% of all highway travel, as measured in 1987. And, they contain 65% of all "Deficient Interstate Highway Mileage", as measured by the pavement conditions rating in 1987.

As we consider the next Surface Transportation Act, we must seriously attempt to eliminate the chronic inequities in distributions from the Highway Trust Fund via the present formula. In this regard we must:

1) Over the life of the next Act, phase-in an increased quaranteed return from the present 85% starting in Fiscal Year 1992 to 92% in 1995;

2) Retain the current method of calculating the amount of the Minimum Allocation funds to be distributed, (thereby excluding discretionary and emergency funding) but do not reduce any state's Minimum Allocation funding when such states receive either discretionary or emergency federal-aid highway apportionment, allocations, or appropriations.

3) Retain current provisions that make Minimum Allocation funds available to be converted into any other categorical funding.

I sincerely hope that these relativley modest changes be enacted in the Surface Transportation Act. As we move beyond the era of Interstate Highway construction, we must also take a fresh look at the issues of equity, need, and contibution.

These are serious issues, especially for the states that have been willing to put their interests aside in order to assist in the financing of the Interstate System completion over the past 10 years. Without a return to a considerably more equitable outlook in the new Act, I fear that support for a truly national transportation direction and role will not materialize. Our country's economic well-being and competitiveness depends upon our successful resolution of these matters.

I am concerned about our trade deficit, and budget deficit. I am concerned about America's ability to compete. Our highway infrastructure is without question, one of the most important components necessary for international competition. America's manufacturers rely on our roads to function. For example, there are 104,000 workers in Ohio alone employed at automobile manufacturing plants. Auto factories are seriously reliant on interstate and state-wide highways. Issues of productivity as related to time sensitive delivery are all a function of the quality of our roadways. 3

As the "Buy American" Congressman I would like to make this appeal for fair and equitable funding for the 19 states so closely tied to what manufacturing base America still has left and once again must cultivate. It is critical that these important states have an infrastructure that can meet the performance demands of the 21rst century. If we are to have products available to buy from American producers we must provide these producers with an infrastructure that meets their demands.

DEMONSTRATION PROJECTS

Mr. Chairman, I want to thank you and the Members of the Sub-Committee for granting me the opportunity to testify on behalf of the Hubbard Expressway Project and the Interstate 680 access ramp development project:

Over the last 10 years or so my district has lost well over 55,000 jobs. My district, as you know, is one of the most economically depressed areas in the United States. This however was not always the case. For many years the Youngstown-Warren metropolitan area maintained its stature as the 3rd largest steel producer in the world. In fact, at the tail end of World War II, Youngstown surpassed every steel producing source ever in existance before 1945.

As demonstrated in the past, the 17th district has historically been able to make great contributions to our nation. It was not simply the steel manufacturers that located in Youngstown that made it one of the number one industrial cities but the tenacity and the drive of the working population that made it a success. This tenacity still exists today except that it is very few places to be channeled. This is because the area is still trying to recover from the steel industry shut down. It is also because economic re-development is slow in evolving. This is because we are still lacking some of the ingredients that attract economic development. We have the population resource to attract the developers but we are lacking some of the infrastructural benefits that other areas can offer. I believe that these two projects listed above would serve to inspire such needed economic development.

PART I

The **HUBBARD EXPRESSWAY** project would connect interstate 680 which loops around Youngstown directly to interstate 80. This critical project would create a direct access into and out of Youngstown from the nation's # 1 traveled interstate, (I-80). It is intuitively clear that this 5.5 mile link would be a great spur for economic development in the region. This is especially critical because such a project would be the project that fully utilizes one of the strongest selling points the 17th district has to offer and that is simply its geography. Youngstown is situated directly between Chicago and New York City on I-80. In addition to this it is also situated between Cleveland & Pittsburgh. Cleveland is one of the nation's leading great lakes shipping ports and Pittsburgh is the nation's largest inland shipping port.

Planning for the Hubbard Expressway has been under consideration by the Ohio Department of Transportation and the City of Youngstown for many years. The original alignment within Mahoning County was proposed as part of a three-leg radial arterial highway system for the City of Youngstown in 1952. In 1957, a public information hearing held by the City of Youngstwon solicited public comments on the proposed arterial highway system. In 1959 an engineering report published, The City of Youngstown, Ohio, Arterial Highway System, included a proposed alignment of a "Hubbard Expressway/ Himrod-Albert Connector." (At that time the connector was a portion of the proposed Innerbelt; it is now the last leg remaining to be completed). In the early 1980's the Himrod Avenue to Albert Street connection was completed. Essentially, all that remains is the leg from interstate 680 to I-80.

Without question the **HUBBARD EXPRESSWAY PROJECT** would enhance the geographical strengths the city inherently possesses. It is a project that builds on an (already existing strength). When you build on strengths it almost always brings success. Success in economic development is what my area needs so desperately. The amount needed to be authorized for this great project is $ 27 million.

PART II

The second project in which I am seeking authorization is the **INTERSTATE 680 ACCESS RAMP DEVELOPMENT PROJECT**. This is another project that would function as an economic development catalyst.

This project was conceived to re-develop an area which was once the flat clearings in which the original steel plants once operated. This land in a sense has already been prepared for development by virtue of its original leveling for the steel mill sites. It has been suggested by development experts in Ohio and Western Pennsylvania that these areas are prime for re-development because so much of the land clearing and surfacing has already been completed.

The proposed project is to simply provide access ramps to the areas where the steel mills once operated from interstate 680. The conception suggests that given the combination of the access ramps and the connection they provide to the interstate along with the inherent desireability of the cleared flat lands adjacent to the city, economic development would be sure to follow. In short, incentives for development would be strong.

The strongest factor in favor of this project is the aspect of precedence. As it turns out, a successful precedent has already been set in Pennsylvania. In Fayette County located in western Pennsylvania, the Chadville Project followed through on the same rationale as I have described above in regard to access ramp construction. The Chadville Project entailed the successful construction of ramps to a local major roadway and consequently (keeping with theory) inspired development in the area that was once an industrialized steel manufacturing center.

This idea can work. It has been proven in an area much like my own and less than 100 miles away. The authorization amount I am requesting for this dynamic project is $ 15 million for study, design, & construction. I believe that this project would turn out to be the most successful of its kind because of the 17th district's prime geographical location and the proximity of the development area itself to the city and its major highways.

When evaluating my proposals please consider the economic state of my district but also consider the strengths that the Youngstown/Warren area have to offer in terms of its potential for achieving real economic development by indeed having the capacity to attract more business and industry settlement.

1) A population resource available and willing to work.

2) An exraordinary geographical position linked closely to the majority of America's population.

I want to thank-you Mr. Chairman and the Members of the Subcommittee for your strong consideration regarding this testimony. I will be happy to provide you with any further information you might request or answer any questions that you or your staff may have. Again, thank-you and I appreciate any help you can afford for my district.

[Ms. Kaptur's prepared statement follows:]

MARCY KAPTUR
MEMBER
9TH DISTRICT OHIO

COMMITTEES
BANKING, FINANCE AND URBAN AFFAIRS
BUDGET
STEERING AND POLICY

WASHINGTON OFFICE
1228 LONGWORTH BUILDING
WASHINGTON, DC 20515
(202) 225-4146

DISTRICT OFFICE
FEDERAL BUILDING
234 SUMMIT ST., ROOM 719
TOLEDO, OH 43604
(419) 259-7500

Congress of the United States
House of Representatives
Washington, DC 20515

TESTIMONY
The Honorable Marcy Kaptur
Subcommittee on Surface Transportation
Committee on Public Works and Transportation
March 20, 1990

Chairman Mineta, Members of the Surface Transportation Subcommittee, thank you for allowing me the opportunity to appear before you today to discuss the upcoming reauthorization of Surface Transportation Programs.

The major complaint which I hear from my local officials and the general public on federal highway funds is that projects end up costing too much largely due to excessive federal rules and regulations which result in overly lengthy planning periods and cost- plus lengthy construction phases. The federal system of collecting highway dollars is very efficient. Thus, the next Transportation Act should make delivery of federal highway dollars more efficient and effective.

Background

Whether it is simply resurfacing one mile of an existing city street or constructing a major new expressway, using federal highway funds guarantees that a project will take two to three times as long as it would using local or state funds. Costs of projects triple and quadruple when federal funds are involved. Why?

Some specific examples in the Toledo metropolitan area are as follows.

o The City of Toledo can build a new major five land roadway such as Front Street in East Toledo in five years; with federal

funds it is estimated to take ten.

o The $45 million Buckeye Basin Greenbelt Parkway in North Toledo's inner harbor neighborhoods aimed at economic development and revitalization has been underway now for over 15 years. Most of the delay has come from changing federal regulations and laws.

o Toledo can resurface a street using local funds in a year or two from design through completion; it takes three or four years with federal funds.

o A $70,000 bikeway project in the City of Oregon turned into a $1 million street improvement project.

What Are The Issues?

Specifically, our local officials must fight their way through:

1. a labyrinth of federal regulations and laws,

2. lengthy bureaucratic interpretations of those regulations and laws,

3. changing regulations and laws and/or changing and/or inconsistent interpretations of those laws and regulations,

4. inflexible highway standards that may not change in specific situations,

5. the multiplicity of our federal and state agencies which must be involved.

The end result is a seemingly endless process of meeting the

original requirements, then the changing requirements. A project often winnows its way through an uncharted course and then with the ever increasing inflation, results in each street and highway project costing too much, costing much more than anticipated, and taking too long to plan and construct.

I am not suggesting that we eliminate the laws and regulations-- although making them less complicated might help. Rather, we need to set up a system to manage a project through the quagmire which has been created.

Specific Examples in the Metropolitan Toledo Area

Buckeye Basin Greenbelt Parkway

The Buckeye Basin Greenbelt Parkway is now a $45 million project immediately north of downtown Toledo. When constructed, it will (1) take trucks and through traffic out of one of the most historic neighborhoods in Toledo 2) open up land for economic development adjacent to the inner harbor of Toledo; 3) eliminate many old dumps by opening reclaimed land for business development 4) eliminate three dangerous railroad grade crossings on the major route into downtown Toledo from the north. The Parkway is supported strongly by local citizens and businesses. In fact, neighborhood residents requested that something be done to eliminate through traffic generated by I-280 through this neighborhood that created the concept for the project. The idea was born as an idea in the early 70's. The EIS was completed several years ago and is incorporated into

the design. But the Parkway is not built yet (after 15 years!) except for the overpass on I-280. The original cost was $25 million! So you can see what delays and inflation have done to ratchet costs up to the $45 million dollar figure.

While preparing the Environmental Impact Statement (EIS), the laws and regulations concerning the EIS changed significantly at least two times. Much of the document had to be rewritten. New issues had to be considered. Those changes cost the project several years and millions more dollars. More recently, as the project was ready for construction, the law on wetlands was reinterpreted. This impacted heavily on the project. I support preserving wetlands, but the ridiculous delays we have found ourselves subject to are unwarranted. The city is committed to this project. The state is committed to this project. But the federal government has no expedited review to ease the local dilemmas federal delay has caused. No rational system exists to manage the federal issues which have been raised.

The New Maumee River Crossing

The long range transportation plan for the Toledo Metropolitan Area was adopted by the Toledo Metropolitan Area Council of Governments (TMACOG) after two years of concentrated study, with input from hundreds of people in ten public meetings and hearings. Included in the plan are two new crossings of the Maumee River which bisects the area. The forecast of traffic indicates that almost all of the seven existing bridges would be heavily congested in twenty years. All but one of the bridges is

a state or federal route and three are on the Interstate System. I am pleased that the Maumee River Crossing has been placed on the Discretionary Bridge Candidate List by the Ohio Delegation.

The Craig Memorial Bridge which is a part of I-280 was built in the 50's before the Interstate System was conceived. In 1985, about 51,000 vehicles per day used this four lane bridge which is above a safe capacity. Projections indicate that traffic will almost double in the next twenty years.

The bridge is on a major Interstate link tying Detroit and points north in Michigan to points east and west along I-80 and I-90 which run from coast to coast. The current bridge not only serves the Interstate needs, but also serves local needs with interchanges at both ends of the bridge. The Craig Memorial bridge is a lift bridge- one of only two on the entire Interstate System! It is a bottleneck of major proportion. It was designed before the St. Lawrence Seaway was opened. It now has to be opened regularly for both ships going to the Port of Toledo grain elevators upstream and for pleasure craft which have grown in numbers over the last few years. Further, it has been undergoing major maintenance which has been restricting the capacity to one lane in each direction for a number of years. By the turn of the century, this bridge will be 50 years old.

To make matters worse, it is currently carrying Michigan truckloads. Trucks in Michigan are allowed to be much heavier than those throughout the rest of the U.S. To be competitive, we in Ohio must accommodate those heavier loads on the Toledo area expressway system, including this lift bridge.

The long range plan calls for either a new Maumee River

Crossing downstream, from the Craig Memorial Bridge-- or replacing the existing bridge. The estimated cost is between $100 and $200 million which is beyond the projected available federal, state, and local funds available, given consideration of other transportation needs in the area.

This is the most important highway project in metropolitan Toledo since the Interstate System was designed and built in the sixties and seventies. It has been decided to start this project with state and local funds. Further, and unfortunately, one of the driving factors in this project is to investigate all types of non-federal funding for this project since using federal funds on this project would mean endless regulations and strings attached. This ultimately means that the Toledo area would not avail itself of federal funds to build the biggest and most important highway project in thirty years. This is absolutely wrong. Our citizens pay federal taxes too.

Through the Toledo Metropolitan Area Council of Governments-our state and federally designated Metropolitan Planning Organization (MPO)-- the City of Toledo, the City of Oregon, Lucas County, and the state of Ohio are providing $930,000 for a Feasibility Study. TMACOG is providing $176,000 of federal and state planning funds for a total of $1.1 million for the study. The study will include determining a location for the new facility, determining the type of financing such as public or private, toll or free.

TMACOG put together a local management team in April, 1989 made up of a cross section of local elected and appointed

officials, citizens, and bus[illegible]ersons. Working with this twenty person team, the consu[illegible]as hired in March 1990. If federal funds had been used a[illegible] year would have been lost before the consultant would b[illegible] contract. The current schedule calls for completion of the feasibility study by Mid-1991. Environmental and engineering documents can then be started in 1991, with completion possible in 1994. Everyone agrees that this is much faster than had the area used federal funds. How sad.

The feeling among Toledo area public officials is that we can do it faster without federal funds, and we need the project completed in a reasonable time frame. On the other hand, it is not fair to the Toledo area to have to build a major new interstate project on its own.

ENVIRONMENTAL IMPACT STATEMENTS

Environmental Impact Statements which are written for federally funded highway projects are quite voluminous and time-consuming. It is my understanding that the Department of Transportation has decided to prepare every EIS so that it can stand up in court. Yet, less than 5% of the highway projects end up in court. This policy needs to change to decrease regulation and paperwork. Each project EIS should be prepared to meet the requirements of existing laws and regulations. Then, when a project does go to court, the additional work will need to be funded. In the long run, this is cheaper and more efficient.

DISTRIBUTION OF FEDERAL AND HIGHWAY FUNDS TO STATES

Finally, I join with my Ohio colleagues in requesting that changes be made in the formulas used to distribute highway and federal bridge funds. The current distribution formulas for Federal Aid Highway funds, with some exceptions, were conceived and placed into law when federal aid to highways first became a federal issue in the early 1900s. Many of the formulas have no relationship to the current highway system and transportation needs. These formulas need to be changed to more fairly distribute the federal highway funds to states.

The formulas should be based upon travel, existing facilities, and need. Two formulas deserve reformulation. First is the formula which allocates 4R funds to our interstate system. It includes lane miles of roadway, a measurement of the extent or size of the network, and vehicle miles of travel, which measures highways used. Similarly, bridge funds are allocated to the states based on the number and cost to repair/replace deficient bridges.

Ohio is one of the most urbanized states in the country. Yet urban population is not a significant factor in any of our current formulas. If we survey our transportation systems today, many of the major problems are in our metropolitan regions such as Toledo where old county two lane roads are being destroyed by burgeoning traffic. People continue to leave the cities to move to the suburbs. Industry is moving to the suburbs. The end result is a major increase in cross region traffic, suburban traffic snarls, and the inability of our urban poor to get to

jobs in the suburbs. The proper distribution of highway and transit funds must reflect (1) that our urban population is now the majority of our population in the country and (2) that it is urban areas where many of our current transportation problems exist.

Another factor in the Toledo area is managing the interrelationships between the various transportation modes such as air, rail, water, and highway. The Port of Toledo is one of the largest ports in the United States and the second largest on the Great Lakes. Toledo is also one of the largest rail hubs in the U.S. The end result is countless conflicts between the various modes of traffic. Ships interfere with rail traffic. Rail traffic interferes with highway traffic. Toledo, and other port areas, needs funding for planning and development of intermodal facilities to eliminate the conflicts between modes which assist in international trade and interstate commerce.

The Toledo area needs to build several highway/rail grade separations. We also need a new grade separation into the Port of Toledo general cargo facility which is frequently blocked by the CSX mainline.

If we cannot change the formulas, then there is a fall back position. We in Ohio- in the Toledo area- deserve a larger share of the federal highway funds. Currently, Ohio receives back only 85 cents of every dollar it sends to Washington. It would be less if we did not have in existing law the requirement that, at the minimum, we receive this 85%. The limit needs to be raised at the very least. It should be 90% so that our urban populations receive their fair share, then our rural areas can

rebuild the farm to market roads, and we can manage our intermodal conflicts.

TRANSIT

Mr. Chairman, I would also like to briefly discuss the difficulty that my local transport officials are experiencing as they struggle to provide quality services with fewer and fewer resources.

Over the past several years, federal funding of mass transit has been cut to the point where public transit authorities can no longer continue present operations and needed bus replacements. We are seeing a deterioration in the bus fleets of our cities. The reason is evident. The American transit systems no longer have adequate resources necessary to properly maintain their fleets.

Over the past decade, federal funding for mass transit has been reduced by over 50% in real terms. Yet improvements are drastically needed. With the reauthorization of the surface transportation bill, the opportunity presents itself for us to lay out a foundation that will begin to solve many of these problems.

The current federal funding level for mass transit is $3.1 Billion. In 1981, this amount was $4.1 Billion. Just to bring us back to the 1981 level, the funding for mass transit would have to be $6.5 Billion.

Above all, there exists a need to continue the federal operating assistance within the program. If operating assistance were discontinued in Toledo, the Toledo Area Regional Transit

Authority would have to begin an immediate reduction in service to accommodate that loss. There would not be sufficient local funds to meet the transit demands of the community. However, beyond this, the operating cap should be removed for small urban systems, thus allowing them the flexibility of using the federal funds available where the local community believes they should be used.

Mr. Chairman, thank you again for the opportunity to testify this morning. I look forward to working with you and the Members of the Subcommittee in the coming year.

[Mr. Gillmor's prepared statement follows:]

PAUL E. GILLMOR
5TH DISTRICT, OHIO
1008 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
202-225-6405

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House of Representatives

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Statement

of

Representative Paul E. Gillmor

before the

Subcommittee on Surface Transportation
of
the Committee on Public Works and Transportation

March 20, 1990
10:00 a.m.
2167 Rayburn HOB

BOWLING GREEN
280 SOUTH MAIN STREET
FEDERAL BUILDING, #100
BOWLING GREEN, OH 43402
419-354-1988

DEFIANCE
908 NORTH CLINTON STREET
DEFIANCE, OH 43512
419-783-1990

PORT CLINTON
120 JEFFERSON STREET, 2D FLOOR
PORT CLINTON, OH 43452
419-734-1989

SANDUSKY
189 EAST WASHINGTON ROW
WASHINGTON BUILDING #202
SANDUSKY, OH 44870
419-627-1988

Chairman Mineta, Members of the Surface Transportation Subcommittee, it is an honor to appear before you today. Thank you for the time you have provided for me to speak before you this morning.

I join with my Ohio colleagues in requesting changes in the formulas used to distribute federal highway and bridge funds.

Having served as President of the Ohio Senate for six years, I understand formula changes are extraordinarily difficult to enact, especially without new revenue. I am convinced that the costs of continuing current policy are so high that corrective action must be taken. Revising formulas in this reauthorization bill may be a lot easier -- and cheaper -- than delay.

U.S. DOT statistics indicate that serious deficiencies in our highway system are increasingly concentrated in donor states. Department of Commerce data confirms that the 19 donor states generate more than half of the industrial and agricultural production, and more than half of the service business, in the United States.

This indicates that the majority of U.S. workers, as well as the majority of U.S. goods shipped by truck to foreign and domestic markets, must travel on increasingly inadequate

highways and bridges. In short, we are not putting our federal transportation dollars where they are needed most. Nor are we investing our federal transportation dollars where they will give us, as a nation, the greatest economic benefit.

If current funding distribution practices are allowed to continue, our surface transport problems will not only worsen, but may do so at a much faster rate. The cost of postponed highway and bridge repair accelerates almost exponentially. At the same time, unless we change the way federal transportation funds are distributed, the states with the worst problems will continue to have the least money available to solve those problems.

As you will see, this is the case for donor states which have substantially increased their state and local user fees. Ohio has raised its state gas tax 6 times in the last ten years, from 7 cents a gallon in 1980 to 18 cents a gallon in 1989. An additional increase of 2 cents a gallon goes into effect July 1 of this year. The impact of these increases is a tripling of the state gas tax, and a doubling of the federal gas tax.

Even with such huge increases, donor states like Ohio cannot make up their shortfall in federal funding fast enough to keep up with the problem. Nor should they have to.

Why should Ohioans pay 20 cents a gallon in state gas tax, in

addition to the 9 cents in federal gas tax -- and still bear the burden of a disproportionate share of America's hazardous roads and bridges ?

Current law directs discretionary funding to states which already receive the most back on their federal gas taxes and highway user fees. The states that get the largest proportion of federal aid by formula also get exclusive access to discretionary assistance.

Having seen in recent years significant increases in the Ohio state gas tax, I am particularly distressed that states which enjoy this exclusive access to discretionary federal highway and bridge aid often have far lower state and local user fees than Ohio. This means that donor state user fees become transfer payments to other states which use this transferred income in lieu of raising their own state and local taxes.

Clearly discretionary funds should go where there is the greatest need. Eliminating the requirement that donor states pay back an equivalent amount of Minimum Allocation dollars for every dollar of discretionary funds would help ensure that this need is met.

However, this action alone is not enough to correct the pervasive pattern of disinvestment in donor states. Donor states account for more than 60% of the interstate miles travelled annually in this country. As well, donor states

account for more than 57% of the travel on the Primary system, more than 59% of travel on the Urban system, and more than 62% of travel on the Secondary system.

I would not presume to suggest to this committee what factors to consider when examining the formulas, but any rational change which disburses funds in ways more closely related to the extent of use of federal highways will help to alleviate this problem.

If formulas cannot be changed, we are asking that Minimum Allocation be increased from 85% to 90%. This is not sufficient to correct the trend toward concentration of deficiencies in donor states, but it is enough to slow down the rate of deterioration.

I am pleased that the Ohio delegation has seen fit to include replacement of the lift bridge on I-280 in Toledo on its list of structures put forward for discretionary funds. This structure is one of only two lift bridges on the entire interstate system. It carries more than 18.2 million vehicles per year, and with only four lanes, is a direct link for Michigan industries to Interstate 80 and Interstate 90.

I recognize that inclusion of the I-280 bridge on the national bridge list does not automatically ensure award of discretionary funds. Given the large amounts of both intra-state and out-of-state traffic carried on this link, together with the very high cost of the project, it seems an

excellent candidate for federal discretionary investment.

Thank you for your time and consideration this morning. I look forward to working with the Members of the Subcommittee as this bill moves through the House. Any appropriate changes you elect to make in distribution formulas will have my support.

Mr. MINETA. The chair has been given a statement from Representative Michael G. Oxley of Ohio for inclusion in the record. If there is no objection, I will insert that statement in the record at this point.

[Mr. Oxley's prepared statement follows:]

TESTIMONY OF CONGRESSMAN MICHAEL G. OXLEY

SUBMITTED TO THE

SUBCOMMITTEE ON SURFACE TRANSPORTATION

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

CONCERNING

REAUTHORIZATION OF THE SURFACE TRANSPORTATION AND UNIFORM RELOCATION ASSISTANCE ACT

CHAIRMAN MINETA, MEMBERS OF THE SUBCOMMITTEE, IT IS A PRIVILEGE TO SHARE WITH YOU MY CONCERNS IN REGARD TO REAUTHORIZATION OF THE SURFACE TRANSPORTATION AND UNIFORM RELOCATION ASSISTANCE ACT.

WITH THE INTERSTATE SYSTEM ESSENTIALLY COMPLETE, WE IN CONGRESS HAVE AN OBLIGATION TO REEXAMINE THE FEDERAL TRANSPORTATION PROGRAM. WE ARE IN AN ERA MARKED BY RAPID AND DRAMATIC CHANGE, INCREASING PRESSURE TO PERFORM AND SUCCEED IN INTERNATIONAL MARKETS, AND THE NEED TO EXERCISE FISCAL RESTRAINT. THIS IS A VERY DIFFERENT FRAMEWORK THAN EXISTED WHEN WE UNDERTOOK TO BUILD THE INTERSTATE SYSTEM IN 1956.

SINCE 1956 THE NATION'S ECONOMY, DEMOGRAPHICS, INSTITUTIONS, TRAVEL PATTERNS, AND INTERNATIONAL AGENDA HAVE CHANGED IN FUNDAMENTAL WAYS. BUT, ALTHOUGH WE INCREASED THE SIZE OF THE FEDERAL HIGHWAY PROGRAM BY DOUBLING THE FEDERAL GAS TAX IN 1982, THE GOALS, POLICIES, AND PRACTICES WHICH SHAPE THIS PROGRAM HAVE REMAINED BASICALLY UNCHANGED FOR 36 YEARS.

IT IS TIME WE REDIRECTED THE IMMENSE RESOURCES OF THE HIGHWAY TRUST FUND TOWARD ACHIEVEMENT OF THE GOALS OF A MODERN GENERATION. TO FAIL IN THIS MISSION IS TO MAKE THE SAME MISTAKE THE U.S. AUTO INDUSTRY MADE IN THE 1960S. THEY KEPT ON DOING THE SAME OLD THINGS IN THE SAME OLD WAY, BECAUSE THE OLD WAYS HAD MADE AMERICA THE BEST IN THE WORLD.

SOME VERY SMART AMERICANS MISSED THE IMMENSE CHALLENGE POSED BY EFFECTIVE AND PERSISTENT FOREIGN COMPETITION. AS A NATION, WE PAID A TREMENDOUS PRICE FOR THIS MISTAKE. FOR SOME PARTS OF THIS COUNTRY, INCLUDING THE 4TH DISTRICT OF OHIO, IT IS A LESSON WE'LL NEVER FORGET.

TODAY, WE FACE A SIMILAR CHALLENGE ON A SCALE WHICH THREATENS OUR ENTIRE ECONOMY. WE CAN'T AFFORD TO MAKE THE SAME MISTAKE THAT WAS MADE IN THE 1960S. WE AS A NATION MUST RECOGNIZE THE COMPETENCE AND EARNESTNESS OF OUR COMPETITION. WE MUST ACKNOWLEDGE THE RISKS AND COSTS OF DELAY.

AND WE IN CONGRESS MUST DO A VERY DIFFICULT THING - WE MUST CHANGE DIRECTION. WE MUST USE THE IMMENSE POWER OF AMERICAN RESOURCES TO DO NEW THINGS QUICKLY AND WELL, TO DO OLD THINGS BETTER, AND TO DO IT ALL WITHOUT RAISING TAXES.

FOR THESE REASONS, I AM PLEASED TO HAVE THE OPPORTUNITY TO DISCUSS WITH YOU THE SPECIFIC TRANSPORTATION ISSUES OF GREATEST CONCERN TO THE 4TH DISTRICT OF OHIO. I AM OFFERING ALSO A SET OF SPECIFIC PROPOSALS FOR YOUR CONSIDERATION. THESE SUGGESTIONS REPRESENT THE SHARED VIEW OF BOTH LOCAL ELECTED OFFICIALS AND THE BUSINESS COMMUNITY.

FIRST, I JOIN WITH MY OHIO COLLEAGUES IN REQUESTING CHANGES IN THE FORMULAS USED TO DISTRIBUTE FEDERAL HIGHWAY FUNDS. THE INEQUITIES IN THE EXISTING PROGRAM ARE SO GREAT THAT ALMOST ANY MEANINGFUL CHANGE IN FORMULAS BASED ON UP-TO-DATE MEASURES OF NEED WILL HELP OHIO AND MOST OF THE OTHER DONOR STATES.

U.S. DOT STATISTICS CONFIRM THAT STATES SUCH AS OHIO, WHICH HAVE ENDURED YEARS OF FEDERAL DISINVESTMENT AND WHICH CARRY HEAVY VOLUMES OF TRAFFIC, HAVE AN INCREASINGLY LARGER PROPORTION OF THE NATION'S DEFICIENT BRIDGES AND HIGHWAYS.

UNLESS FORMULAS ARE CHANGED, THE CONCENTRATION OF DEFICIENCIES IN DONOR STATES WILL ACCELERATE. BECAUSE THE COSTS OF REPAIR ESCALATE RAPIDLY, THE CONDITION OF THE NATION'S HIGHWAY NETWORK WILL DETERIORATE UNLESS THESE DEFICIENCIES ARE CORRECTED.

WITH THE COST OF TRANSPORTATION CONTRIBUTING UP TO 25% OF THE COST OF OUR EXPORT GOODS, WE CAN'T COMPETE IN WORLD MARKETS UNLESS HIGHWAY DISTRIBUTION FORMULAS ARE CHANGED.

SPECIFICALLY, FORMULAS SHOULD BE AMENDED TO REFLECT:

- PROPORTIONATE SHARE OF TOTAL U.S. VEHICLE MILES OF TRAVEL;
- PROPORTIONATE SHARE OF TOTAL U.S. DEFICIENT MILES OF FEDERAL-AID HIGHWAYS;
- PROPORTIONATE SHARE OF THE VALUE OF U.S. EXPORTS; AND
- PROPORTIONATE SHARE OF U.S. POPULATION.

IF UPDATED FORMULAS CANNOT BE AGREED UPON, THEN THE MINIMUM ALLOCATION PROGRAM SHOULD BE INCREASED FROM 85% TO 90% OF THE VALUE OF ANY GIVEN STATE'S CONTRIBUTION TO THE TRUST FUND. BY VALUE OF A STATE'S CONTRIBUTION, I MEAN THE AMOUNT IT FORWARDS TO WASHINGTON IN USER FEES PLUS A PROPORTIONATE SHARE OF THE INTEREST EARNED EACH YEAR BY THE HIGHWAY TRUST FUND.

SECOND, I JOIN CONGRESSMAN GILMOR IN PROPOSING THAT A BONUS PROGRAM BE ESTABLISHED AS AN INCENTIVE REWARD FOR STATES AND LOCALITIES WHICH HAVE INCREASED STATE AND LOCAL USER FEES AND TAXES DEDICATED TO TRANSPORTATION. IT IS REMARKABLE THAT OHIO, WHICH HAS CONTRIBUTED BILLIONS MORE TO BUILDING U.S. HIGHWAYS THAN IT HAS RECEIVED IN RETURN OF FEDERAL HIGHWAY AID, GETS NO RECOGNITION OR REWARD FOR HAVING ONE OF THE LARGEST STATE AND LOCAL INFRASTRUCTURE EFFORTS OF ANY STATE.

INSTEAD WE ARE ASKED TO INCREASE THE STATE AND LOCAL SHARE SO THAT FEDERAL PARTICIPATION IN HIGHWAY, BRIDGE, AND TRANSIT PROJECTS CAN BE REDUCED. I DO NOT THINK REDUCING FEDERAL PARTICIPATION TO 50% IS A WORKABLE SOLUTION.

SMALL COMMUNITIES AND RURAL AREAS SUCH AS THOSE IN OHIO'S 4TH DISTRICT SIMPLE DO NOT HAVE THE FINANCIAL RESOURCES TO ABSORB SUCH A DRAMATIC REDUCTION IN FEDERAL AID. THIS IS ESPECIALLY TRUE IN VIEW OF THE FACT THAT OHIOANS ALREADY BEAR THE COSTS OF A 20 CENT PER GALLON STATE GAS TAX, MILLIONS OF DOLLARS IN BOND ISSUES FOR ROAD AND BRIDGE REPAIR, AND HIGHWAY COUNTY VEHICLE REGISTRATION FEES TO SUPPORT TRANSPORTATION.

EVEN THIS REMARKABLE LEVEL OF STATE AND LOCAL EFFORT LEAVES OHIO FAR SHORT OF THE AMOUNTS NEEDED TO PROVIDE NECESSARY HIGHWAY AND BRIDGE CAPACITY.

IN MY OWN DISTRICT, WE HAVE BEEN WORKING WITH THE OHIO DEPARTMENT OF TRANSPORTATION AND FHWA FOR YEARS TO WIDEN SR 30. THIS IS A CRITICAL CONNECTING ROUTE FOR A LARGE NUMBER OF AUTO PARTS SUPPLIERS WHO MANUFACTURE AND DELIVER PARTS FOR MAJOR AUTOMOTIVE AND TRUCK PLANTS IN OHIO AND MICHIGAN.

INCREASINGLY, THESE PLANTS ARE USING INNOVATIVE TECHNOLOGIES WHICH REQUIRE "JUST IN TIME" DELIVERY OF PARTS FOR ASSEMBLY LINES. THIS PUTS INCREDIBLE PRESSURE ON PARTS MANUFACTURERS AND SUPPLIERS FOR ON-TIME DELIVERY. THIS, IN TURN, PUTS INCREDIBLE PRESSURE ON OUR TRANSPORTATION SYSTEM, ESPECIALLY SR 30.

THESE AUTO SUPPLIERS ARE A MAJOR SOURCE OF EMPLOYMENT IN MY DISTRICT. MARCH 20 GOVERNOR CELESTE COMMITTED STATE FUNDS TO THE PROJECT, BUT WE ARE STILL FAR SHORT OF WHAT IS NEEDED TO ACCOMMODATE EVEN CURRENT TRAFFIC.

MANY OF THE BUSINESSES IN MY DISTRICT ARE WORKING HARD TO INCREASE BUSINESS. WE SHOULD HELP THEM IN EVERY WAY WE CAN, PARTICULARLY NOW THAT THE EXPORT MARKET FOR U.S.-MADE CARS AND TRUCKS IS INCREASING. YET, ONE OF THE MAJOR OBSTACLES TO ACHIEVING THIS GOAL REMAINS THE LIMITED CAPACITY OF SR 30.

UNFORTUNATELY, THIS SITUATION IS NOT UNIQUE. THERE ARE HUNDREDS OF SIMILAR PROBLEMS THROUGHOUT THE NINETEEN DONOR STATES. IN THE NEXT REAUTHORIZATION BILL, WE MUST PUT OUR TRANSPORTATION RESOURCES WHERE THEY ARE NEEDED MOST - SO THERE ARE SUFFICIENT FUNDS FOR PROJECTS LIKE THE WIDENING OF SR 30. OTHERWISE, OUT EFFORTS TO IMPROVE THE BALANCE OF TRADE WILL BE WASTED, AND JOBS WILL BE LOST.

THIRDLY, I AGREE WITH MANY EXPERTS IN THE FIELD OF TRANSPORTATION THAT THE PENALTY LEVIED ON MINIMUM ALLOCATION STATES WHICH PURSUE DISCRETIONARY FUNDING SHOULD BE ABOLISHED.

DISCRETIONARY FUNDS, AS A MATTER OF NATIONAL INTEREST, ARE SUPPOSED TO BE DIRECTED TO CORRECTING THE MOST SEVERE TRANSPORTATION SYSTEM PROBLEMS IN THE COUNTRY. BY THAT CRITERION, DONOR STATES ARE LIKELY TO BE VERY DESERVING RECIPIENTS, BECAUSE DONOR STATES HAVE MORE THAN HALF OF THE MOST HAZARDOUS AND DEFICIENT FACILITIES IN THE U.S. YET DONOR STATES, BY LAW, ARE UNABLE TO ENJOY THE BENEFITS OF DISCRETIONARY ASSISTANCE. THIS NEEDS TO BE CORRECTED.

AS A COROLLARY TO THIS POINT, I ADD MY SUPPORT FOR ADDITION OF THE TEN BRIDGES IN OHIO TO THE NATIONAL BR DISCRETIONARY LIST. THIS IS NOT A REQUEST FOR "DEMO PROJECTS." RATHER, IT IS OHIO'S LIST OF ELIGIBLE CANDIDATES FOR A PROGRAM OF NATIONAL INTEREST OPEN TO ALL STATES.

I WOULD ALSO NOTE THAT, AS THE LAW NOW STANDS, STATES WHICH RECEIVE EMERGENCY FUNDS HAVE THESE FUNDS COUNTED AGAINST RECEIPT OF FUTURE MINIMUM ALLOCATION DOLLARS. WHY MUST A STATE WHICH HAS SUFFERED THE CONSEQUENCES OF SOME EVENT NECESSITATING EMERGENCY RELIEF BY FURTHER PENALIZED BY HAVING ITS MINIMUM ALLOCATION FOR THE NEXT YEAR REDUCED? ALTHOUGH OHIO HAS BEEN FORTUNATE ENOUGH NOT TO NEED EMERGENCY HIGHWAY FUNDING IN RECENT YEARS, WE HAVE BEEN KNOWN TO HAVE TORNADOES.

IT HAS BEEN BROUGHT TO MY ATTENTION THAT ABOUT 22% OF THE EXPENDITURES OF THE HIGHWAY TRUST FUND ARE ALLOCATED TO NEW INTERSTATE CONSTRUCTION, WHILE ONLY ABOUT 11% OF THE EXPENDITURES ARE DIRECTED TOWARD THE FORMULA BRIDGE PROGRAM. THE AMOUNT OF FUNDING DIRECTED TO BRIDGE REPAIR SEEMS DISPROPORTIONATELY SMALL COMPARED TO WHAT IS EXPENDED TO FINISH THAT LAST FEW MILES OF INTERSTATE.

U.S. DOT STATISTICS, TOGETHER WITH VARIOUS REPORTS OF THE HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE, CONFIRM THE VERY LARGE NUMBER OF BRIDGES IN THE NATIONAL FEDERAL-AID SYSTEM, THE FACT THAT MANY OF THESE STRUCTURES ARE NEAR THE END OF THEIR DESIGN LIFE, AND THAT THESE BRIDGES PROVIDE CRITICAL LINKS IN COMMERCIAL AND PERSONAL TRAVEL. IN VIEW OF THIS, IT MAY BE APPROPRIATE IN TERMS OF SAFETY AND U.S. COMPETITIVENESS TO DIRECT MORE FUNDS TO BRIDGE REPAIR, AND LESS TO COMPLETION OF THOSE LAST FEW LINKS OF INTERSTATE HIGHWAY. PERHAPS THE FEDERAL SHARE OF THESE LAST FEW INTEREST LINKS COULD BE REDUCED SO THAT OVERALL INVESTMENT OF THE HIGHWAY TRUST FUND CAN BE BETTER FOCUSED ON MEETING NATIONAL NEEDS.

FINALLY, MY WORK ON THE CLEAN AIR ACT AMENDMENTS HAS CONVINCED ME THAT ENVIRONMENTAL CLEANUP CAN AND MUST BE ACHIEVED AT REASONABLE COSTS. THERE ARE SEVERAL ACTIONS OUTSIDE THE PURVIEW OF THE CLEAN AIR ACT WHICH COULD CONTRIBUTE TO REDUCING AIR POLLUTION WITHOUT INCREASING FEDERAL EXPENDITURES, ADDING FEES, OR RAISING TAXES. IF A PORTION OF FEDERAL HIGHWAY AID WERE DIRECTED TO PROJECTS SPECIFICALLY DESIGNED TO REDUCE TRAFFIC CONGESTION, MOBILE SOURCE POLLUTION COULD BE REDUCED DRAMATICALLY. OTHER MEMBERS OF THE OHIO DELEGATION HAVE FORWARDED TO YOU DATA CONFIRMING THE COST-EFFECTIVENESS OF VARIOUS MEANS OF REDUCING TRAFFIC CONGESTION. SUCH ACTIONS COULD PROVIDE SUBSTANTIAL ENVIRONMENTAL BENEFIT WITHOUT ADDING ONE EXTRA DOLLAR TO THE DEFICIT OR INCREASING ANY FEDERAL FEES OR TAXES.

IN CLOSING, IT MAY BE APPROPRIATE TO ALLOW STATES WITH AIR POLLUTION PROBLEMS TO USE MORE THAN ONE-HALF OF ONE PERCENT OF THEIR FEDERAL HIGHWAY FUNDING ALLOTMENTS FOR PLANNING. THE COORDINATED PROCESS IN WHICH TRANSPORTATION SYSTEM REPAIR, IMPROVEMENT, AND FINANCING IS PLANNED, (23 U.S.C. 134), WILL BE MUCH MORE COMPLEX AS TRANSPORTATION CONTROL MEASURES AND HIGHER AIR QUALITY STANDARDS ARE IMPLEMENTED IN COMPLIANCE WITH THE NEXT CLEAN AIR ACT AMENDMENTS.

THANK YOU FOR YOUR TIME AND CONSIDERATION.

Mr. MINETA. At this point I would like to call forward a panel from the American Public Transit Association. We have Daniel T. Scannell, the Chair of APTA and First Vice Chairman of the Metropolitan Transportation Authority of New York City; Richard F. Davis, Chairman of the Legislative Committee of the American Public Transit Association and General Manager of the Kansas City Area Transportation Authority; Rod Diridon, Chairman of the Coalition Building and Advocacy Legislative Subcommittee of APTA and Chairman of the Santa Clara County Board of Supervisors, my representative on the County Board of Supervisors in my area; Irving Smith, Association Member of the Board of Governors of the American Public Transit Association and President of Smith and Howard Associates of McLean, Virginia; Dennis D. Louwerse, Chairman, Small Operations Steering Committee of APTA and Executive Director of the Berks Area Reading Transportation Authority, Reading, Pennsylvania; and Hershel Payne, who I believe is not going to be here. Is that correct, Mr. Gilstrap?

Mr. GILSTRAP. Yes, sir.

Mr. MINETA. And Jack Gilstrap, of course, the head of the American Public Transit Association.

Mr. MINETA. At this point I turn to the chairman of the American Public Transit Association, Mr. Scannell.

Sir, you proceed in your own fashion.

TESTIMONY OF DANIEL T. SCANNELL, CHAIRMAN, AMERICAN PUBLIC TRANSIT ASSOCIATION, [APTA], ACCOMPANIED BY RICHARD F. DAVIS, CHAIRMAN, LEGISLATIVE COMMITTEE, APTA, ROD DIRIDON, CHAIRMAN, COALITION BUILDING AND ADVOCACY LEGISLATIVE SUBCOMMITTEE, APTA; IRVING SMITH, MEMBER, ASSOCIATE MEMBER BOARD OF GOVERNORS, APTA; DENNIS D. LOUWERSE, CHAIRMAN, SMALL OPERATIONS STEERING COMMITTEE, APTA; AND JACK R. GILSTRAP, EXECUTIVE VICE PRESIDENT, APTA

Mr. SCANNELL. Chairman Mineta and members of the committee, the American Public Transit Association, commonly known as APTA, is pleased to have this opportunity to testify on reauthorization of the Federal transit and highway program.

I next have the litany of saints, but fortunately you listed all of the people who are sitting here with me and who are going to be ready to answer any questions.

If it pleases the committee, I would like to summarize APTA's written statement which, along with its two appendices, we would like to submit for the record.

Mr. MINETA. Without objection, the full testimony will be made a part of the record.

Mr. SCANNELL. Thank you, Mr. Chairman.

Mr. Chairman and members of the committee, our message today is a simple one: public transportation must become a key component of the nation's infrastructure and transportation system.

We, as representatives of the public transit industry, have sounded this theme repeatedly. Unfortunately, we have had to do in a budgetary and political environment that repeatedly threatens the wholesale demise of public transit in America.

To a very considerable degree, Congress—and particularly you, Mr. Chairman, and members of this subcommittee—has persisted in the view that the Federal Government must remain a full and responsive partner in supporting public transit.

On behalf of the riders and communities we serve, we thank you again.

Today, Mr. Chairman, the environment in which we find ourselves has changed. The focus of national interest is on our competitiveness as a world economic force and on the quality of our environment. What we have come to realize is that outdated and deteriorating infrastructure and our increasing inability to move with ease across town and across the country is doing dangerous and serious damage to both.

The centerpiece of our Transit 2000 work revolves around seven key points.

First, the concept and definition of transit must be broadened to include all forms of high-occupancy shared-ride services.

Second, we must set clear and explicit goals, beginning at the Federal level, to increase substantially the availability and use of all transit services.

Third, greater transit availability and use must be underwritten by major increases in transit investment led by the Federal Government through an increase of $0.07 in Federal motor fuels taxes to be invested in transit, half of which increase is needed to restore the program to its 1980 level.

Fourth, the delivery of Federal transportation funds must be channelled more directly to our nation's metropolitan and rural areas and local officials given more authority in their use.

Fifth, greater flexibility in the use of funds must be provided to facilitate rational and thoughtful local decisions.

Sixth, in addition to direct investment, Federal policy in a host of areas—tax, energy, economic development, air quality—must reinforce and support our transit and transportation investments rather than diminish their effectiveness.

Seventh, the promise of planning, service, and technological innovations is only as bright as the strength of the commitment to research and development.

If we review the transportation policies and programs in place today, it is clear that we are advocating major changes. Our written statement describes in greater detail why we believe these changes are vitally needed and what direction should be taken in restructuring the nation's transit and highway programs.

I would like to establish briefly the background for our recommendations.

The detailed conclusions of the task force are contained in a report entitled "Managing Mobility: a New Generation of National Policies for the 21st Century" which was issued last November and which we have included as an appendix in our written statement.

In offering our conclusions, it is our intention to outline bold, aggressive, and innovative policies that will allow our nation's public transportation systems and services to meet fully the challenges and opportunities that lie ahead.

I should also point out that APTA has participated extensively in the deliberations of the Transportation Alternatives Group—TAG.

The TAG process involved over two years of wide-ranging discussion among 12 public interest groups having major interest in the nation's future transportation policy and Federal programs affecting primarily mass transit and highways.

We generally support the policy positions endorsed by the TAG but believe additional direction and action at the Federal level is needed beyond the limited consensus that was reached in the TAG process to ensure expansion of transit's role in meeting national goals.

We have also reviewed carefully the Administration's recently released national transportation policy. While we are encouraged that the Administration recognizes the need for a national transportation strategy for the 1990s and beyond, but put it bluntly they are offering us long on advice and short on help.

We are very disappointed with the view that the Federal Government should reduce its promotion and funding of mass transit service and turn over to cities and States the main responsibility for dealing with this critical national issue.

We had high expectations during the last year's nationwide series of public hearings when dozens of individuals and groups called on the Federal Government to take a higher profile on mass transit.

More and better bus, subway, carpool, and other ride-sharing services were identified as important solutions to those problems, but not worthy of even continued levels of Federal support.

The Administration's policy projects Uncle Sam as a very junior partner in the traditional inter-governmental alliance that has underwritten mass transit for more than 25 years. It also falls short by not establishing a national goal of more transit use as an alternative to the private automobile by not proposing increased Federal investment in mass transit and ride-sharing services, by not offering to cover the expense of costly Federal mandates affecting transit such as the provision of the accessible service and tailpipe emission improvements, and, lastly, by not proposing specific tax code changes which would encourage private investment in transit and give equal treatment to transit and auto parking employment benefits.

Even in the face of a proposed reduction in the Federal role, however, the policy is clear on one point with which we agree, and that is the recognition of the inadequacy of the current trust fund balances as a sufficient long-term funding for meeting either transit or highway needs.

The policy report states clearly that "the total uncommitted balances represent significantly less than one year of Federal spending on highways, aviation, and transit."

APTA has prepared an analysis of the trust fund balances and has submitted it as an additional appendix to our written statement.

Despite the inadequacy of trust fund balances, however, we agree that in future years, beginning with the reauthorization of the Federal surface transportation program, all—and we underscore all—available revenues in the trust fund, including annual receipts, accumulating interest, and current balances, must be committed fully

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for the uses they were intended, including transit, and not be diverted to deficit reductions or other purposes.

Finally, in considering the reauthorization of the UMTA program, Congress must ensure that existing regulatory requirements are reviewed and that any new requirements are fully evaluated so that it can be confident that transit operators throughout the United States are not overburdened by regulation to such an extent that they cannot provide essential transit services to their customers.

In issuing regulations, all Federal agencies—and especially UMTA—must carefully provide the affected industry with a real opportunity to shape proposed regulations, and the Federal agencies must give stronger consideration to the views of the affected industry when final rules are issued. This is particularly important in the face of often-competing and sometimes conflicting regulations that increase cost, limit revenues, and restrain ridership growth.

APTA will be reviewing the existing regulatory arena affecting transit and make specific regulations to this committee concerning revisions to the statutory framework behind these regulations and to ensure that transit can serve its customers fully in the most effective means possible.

In conclusion, Mr. Chairman, we have an unprecedented opportunity to shape a new, comprehensive, Federal transportation policy and program to serve this great nation of ours as we approach the 21st Century. We commend to you the Transit 2000 concept outlined in our written statement and we welcome the opportunity to work with you and your distinguished committee, as well as others within the transportation community to accomplish this exciting and challenging task.

I and my colleagues welcome any questions you or your committee may wish to ask of us.

Again, thank you for the opportunity to appear before you to offer the views of the transit industry. Thank you very much.

Mr. MINETA. Thank you very much Mr. Scannell, for your very comprehensive testimony.

Your reference to the Highway Trust Fund surplus will also be made a part of the record.

Let me again welcome the total panel.

Mr. Chairman, if I might, I will be directing questions to the Chair, to you as the Chair of the American Public Transit Association. I assume you will have members of your own panel responding to these because I will probably not be directing them to any specific member of the panel. So I want members of the panel to feel free to join in the discussion.

Now, I assume that you are emphasizing the inadequacy of increasing highway and transit spending only up to the level that drawing down the Highway Trust Fund surplus would allow in order to underscore the need for a greater Federal commitment to transit programs, including the $0.07 gasoline tax increase which APTA is proposing.

However, in light of the President's pledge of no new taxes, isn't spending down the trust fund surplus better than nothing?

Mr. SCANNELL. I will ask Mr. Diridon to respond to that, please.

Mr. MINETA. Mr. Diridon?

Mr. DIRIDON. Mr. Chairman, it is nice to be here with you again, my Congressman.

First, let us stress that it would take a substantial increase in current spending just to bring transit back to its 1980 level. In 1980 there was about $4 billion a year spent on mass transportation funding; we are down to $3 billion now, which is an effective 50 percent cut in buying power. If we were to be just back at that $4 billion in buying power of 1980 we would have to be at $6.5 billion now. That is an increase which, if maintained even over a few years, would exhaust the Transit Trust Fund.

We know that, and yet we realize that $6.5 billion is inadequate because of the deferred maintenance and lack of construction that has occurred over the last decade. As a consequence we have no choice but to come to you and ask for an increase over and above the trust fund as quickly as the President's lip reading passes into memory.

I would like to add one quick point, and that is that we are not by any means exhausting the potential of the gas tax in America. APTA did a survey a couple of years ago of the gas tax being paid on an average in the other industrial countries in the world and found that the average, when normalized to $1 and a gallon was $1.82 cents per gallon of gas tax in the other industrialized countries. That is $1.82 average, with many of the more aggressive industrialized countries well above that. In America it is $0.22. In other words, the other industrialized countries are charging seven times the American gas tax for their gas taxes.

The result, of course, is that when you go to West Germany you ride on beautiful roads, modern mass transportation—and they are exporting the next generation of mass transportation to the rest of the world, and it is because they are paying for it. We are not. As a result, we are falling further and further behind in our ability to not only compete with new surface transportation technology because there is no effective governmental subsidy, but also we are choking on our exhaust because we are using excessively the single-passenger vehicle and we are creating a serious deficit balance of trade because of the importation of foreign oil to fuel that single-passenger vehicle.

We have treated this issue in great depth in the Transit 2000 package which you have received under separate cover and you and I have discussed in detail. We have no choice but to come to you and indicate that certainly we are strongly in favor of your policy of spending down the trust fund as quickly as possible, but we are under no illusions as to the ability of the trust fund to handle the needs of the nation's badly dilapidated and incomplete mass transportation system for more than a few years.

Mr. MINETA. This whole issue of commitment to transit is something that, of course, I strongly believe in, including support for operating assistance to cities of all sizes. I feel that this must continue. However, your association has also said, Mr. Chairman, that it might consider ways to limit the Federal Government's exposure to local transit operating costs. I wonder if you could expand on that and cite some specific examples?

Mr. SCANNELL. We have a problem. I am not entirely clear as to your question. Would you mind restating it, please?

Mr. MINETA. Well, in terms of your association's position, you have been—it advocates, from what I understand, limiting the Federal Government's exposure to local transit operating costs. So I am just wondering what that is referenced to. Is there an example that you might cite on this?

Mr. SCANNELL. Well, I might ask Jack to respond to that.

Mr. GILSTRAP. Mr. Chairman, I am not actually sure just what reference.

Mr. MINETA. Let me go to page 20 of the submitted testimony and read the portion dealing with operating assistance.

The transit reinvestment element includes the continuation of Federal support for transit operations for systems and communities of all sizes. There are a variety of strategies that might be considered to reexamine the eligible elements of operating cost and/or limit the Federal exposure or responsibility for operating costs. Nonetheless, some form of Federal operation support will remain a critical component of a Federal program for all transit systems, be they large or small.

Again, looking at that portion of it, I am wondering if you have any examples of how the Federal Government's exposure to local transit operating costs might be enumerated?

Mr. GILSTRAP. Thank you, Mr. Chairman. We have a very active study group taking this issue on at this moment and we anticipate that we will have some ideas for you in a very few weeks.

I think one of the directions that our group is going in is to look hard at the idea of maintenance of the capital investment. We have seen that work effectively on the highway side. Certainly there has been a sizeable investment of the Federal Government, not to mention State and local, in the capital infrastructure of the mass transit industry, and we must maintain that. We should not follow a practice of deferred maintenance. We have seen the effect of that in many of our cities.

I think one of the approaches here is to look at the portion of the operating assistance program which is now going to maintenance and preservation of that capital program and begin to look at the operating assistance from the angle that much of it—and it varies by size of city—is, in fact, not operating assistance, per se, but rather maintenance of the capital investment. I believe that is one of the very active reviews we have underway. We expect to give you more thoughts on that very soon.

Mr. MINETA. Many observers of transportation services and Federal transportation assistance programs have expressed concerns regarding the ability of these services and programs to adequately address the large increases and highly-scattered trips occurring in this country's suburban areas. Can you give us some specific examples of how APTA's members expect to convert more of these scattered single-occupant suburban trips to transit trips, as well as ways that Federal programs could better help in this conversion?

Mr. SCANNELL. Mr. Chairman, I would like to refer this to Richard Davis from Kansas City, Missouri.

Mr. MINETA. Mr. Davis?

Mr. DAVIS. Mr. Chairman, I think that the transit industry, in general, feels that for the last ten years—I think that we feel suburban service is probably the area that has been hurt the most by

the cuts in Federal funding for the last ten years; nevertheless, many transit properties have made improvements in suburban service by, in some cases, expanding bus service to the more rapidly-developing suburban areas. Several transit properties, including the one in Kansas City, have introduced a new small bus service using existing operators and using private operators to do a better job of providing that lower-density service.

We have also worked with private firms in the provision of shared-ride services to suburban employment centers. I don't think any transit property feels it has done a good job of providing for the suburban growth of the last ten years. Suburbia has been where most of the growth has been. We have been faced with declining revenues and we have responded, in a general manner, less than adequately. It is where we need to improve our response, and I think it would be one of the places that we would direct any new resources that became available to the transit industry.

Mr. MINETA. Thank you very much.

Mr. Shuster.

Mr. SHUSTER. Thank you very much.

We certainly appreciate your testimony today.

One of the things you recommend is that land-use decisions be made on the Federal level. Isn't that an encroachment of traditional authority of local governments in planning and zoning and development decisions?

Mr. SCANNELL. Well, Congressman Shuster, I think it is a question of opening up large areas where the Federal Government has a control or concern. I don't think we ever intended that we would preempt the right of the local States and cities to handle their own planning, clearly for which they are best suited. I know that when I wear my other hat, which is a member of the City Planning Commission of the City of New York, we do try to give zoning variances and permissions as to the heights of buildings, etc., to other parts of the city that we wish to have developed. That is sort of an example of how zoning can be used in conjunction with transit.

In addition, of course, we also provide that the developer should take account and be responsible for some financial arrangements where you are going to build larger buildings and overload the existing facilities.

Mr. SHUSTER. Of course.

Mr. SCANNELL. They take some responsibility.

Mr. SHUSTER. I think it is very find and proper for you to be doing that at a local planning level, but I get nervous when I read that Federal transportation policies and programs should require closer integration of transportation investments and land-use decisions. But apparently you are sensitive to that, so I hope you haven't over spoken yourself nor have I read too much into what you said.

I have one other question. The Administration has proposed that the discretionary grant program of a little over $1 billion provide the funding for, among other things, air quality and accessibility for the disabled. Do you believe that is where this funding should come from? Will this funding be sufficient for the transit properties to meet those Federal mandates on clean air and access for the disabled?

Mr. SCANNELL. If I may, Mr. Congressman, I would like to refer that question to Dennis Louwerse from Reading Pennsylvania.

Mr. LOUWERSE. Okay. First I will deal with the issue of accessability to the disabled. I will begin by saying that deteriorating infrastructure or lack of mobility, as you well know, is not just an urban problem. It is a rural problem and a problem of small-town America. That is why we strongly support increased funding under the section nine formula program and also the section 18 program for rural programs that those funds can be used to help provide needed services to the frail elderly, to the handicapped, and, quite honestly, to people in the rural and small-town America who have severe mobility problems.

I think in one regard that the small operators can teach a lesson to the big operators in response to Mr. Mineta's question, for example. Small-town transit systems use vans, station wagons, buses—a variety of vehicles—in order to respond to a real diversity of needs and an opportunity to provide this vital transportation. If you provide increased formula funding under section 18, those funds would help us provide that type of service and accessibility.

Mr. SHUSTER. But, of course, that is not what the Administration is proposing. My question is: based on what they propose, using the discretionary funds for both clean air and access for the disabled, will those funds be adequate for you to do your job?

Mr. LOUWERSE. No. Absolutely not.

Mr. SHUSTER. Thank you very much.

Mr. MINETA. Mr. Borski?

Mr. BORSKI. Yes. Thank you, Mr. Chairman.

Mr. Diridon, can I follow up on an earlier point of discussion you had with the chairman about how much money other industrialized nations—how high the gas tax is? Did you say it was seven times as much as what we pay?

Mr. DIRIDON. The survey indicated that the average for the other industrialized countries was $1.82 in taxes on a gallon of gas. This was normalized to a dollar and a gallon as the volume and value. Our average across the nation, including the States' taxes, is $0.22.

Mr. BORSKI. I guess that is my follow-up question. Do you know how that is divided? Is it all by the national government?

Mr. DIRIDON. I think it varies by country, certainly, but the majority—certainly in my experience with France and West Germany, which are two very strong examples of good transportation systems, it goes directly to the Federal Government and is administered by the Federal Government.

Mr. BORSKI. And is it dedicated completely to transportation?

Mr. DIRIDON. No, I don't believe it is. Although our policy is to request that you do dedicate it to transportation and we don't want to step away from that policy—neither are we asking you for $1.82, by the way. We are only asking for $0.07.

Mr. BORSKI. And the $0.07 that you are asking for is for public transit?

Mr. DIRIDON. That is accurate, sir.

Mr. BORSKI. And to increase the gasoline tax by $0.07 and give that all to public transit? Do you think that is practical and possible?

Mr. DIRIDON. That is the policy of the American Public Transit Association and that is what we would like to see. Obviously, we are not going to get back to the $6.5 million, which would be our 1980 levels—which were inadequate—and then add something to recoup for ten years of gross neglect, and then something to complete our incomplete systems—especially in the sun belt areas, which are now experiencing dramatic growth—with no ability to complete our systems. We are not going to do that with spending down trust funds.

Mr. BORSKI. I would tend to agree with you and be in favor of increasing the transit part. I just don't think it is practical that it will happen to ask for $0.07 completely dedicated to public transportation.

Mr. SCANNELL. We try to analyze what is needed in order to accomplish the goals, and the gasoline tax did seem to be a ready means of solution and we did not believe the $0.07 was an inordinate amount. Now, it is true that one other time we did get that flow of funds. It was on the basis of a $0.01 tax. But it is really a shifting of the means whereby the money would be secured to go for the $0.07.

Mr. BORSKI. Do you think it is practical, as the Secretary of Transportation is suggesting in his new policy, for the States to do this job by themselves?

Mr. SCANNELL. Well, that question has been asked a number of times and there have been a number of answers. One answer was that many of the States across the country have been paying or the citizens in the States have been paying for the use of the Federal funds for development in other parts of the country. And then when you come to the time when their area is in need of transit support, you should then cut that source of supply off from them and not have them have their opportunity to participate.

Mr. BORSKI. Thank you, sir. I couldn't agree with you more.

Thank you, Mr. Chairman.

Mr. MINETA. Mr. Packard.

Mr. PACKARD. Than you, Mr. Chairman.

While I am at it, I would like to ask unanimous consent from the chairman to enter a short statement that I have for the record.

Mr. MINETA. Without objection, so ordered.

[Mr. Packard's prepared statement follows:]

Statement of

THE HONORABLE RONALD C. PACKARD

Representing the 43rd District of California

before the Subcommittee on

SURFACE TRANSPORTATION

MARCH 20, 1990

MR. CHAIRMAN. I AM INDEED PLEASED TO PARTICIPATE IN THE CONTINUATION OF OUR MOST IMPORTANT HIGHWAY REAUTHORIZATION HEARINGS AND AM ANXIOUS TO HEAR TESTIMONY FROM TODAY'S WITNESSES. MASS TRANSIT IS MOST CERTAINLY AN AVENUE THAT WE ON THIS COMMITTEE MUST EXPLORE FULLY AS WE PIECE TOGETHER A HIGHWAY BILL THAT WILL MEET OUR CURRENT AND FUTURE TRANSPORTATION NEEDS.

MASS TRANSIT CAN BE AN INTEGRAL COMPONENT IN OUR QUEST TO ALLEVIATE CONGESTION AND PROVIDE ADEQUATE AND SAFE TRANSPORTATION IN THE FUTURE. MASS TRANSIT SYSTEMS ACROSS THIS NATION MOVE MILLIONS OF COMMUTERS EACH YEAR. WHILE SOME TRANSIT SYSTEMS HAVE BEEN VERY SUCCESSFUL, WE ON THIS COMMITTEE MUST BE AWARE OF THE SYSTEMS THAT HAVE NOT BEEN SUCCESSFUL IN HOPES OF NOT MAKING THE SAME MISTAKES IN THE FUTURE.

OUR TRANSPORTATION NEEDS MUST BE MET WITH A MULTI-MODAL

APPROACH. IN THIS APPROACH, HOWEVER, WE MUST KEEP IN MIND THAT CERTAIN MODES OF TRANSPORTATION ARE MORE EXPENSIVE THAN OTHERS POSSIBLY TO THE EXTENT OF BEING COST PROHIBITIVE. IT IS IMPORTANT THAT WE ON THIS COMMITTEE CONSIDER ALL MODES OF TRANSPORTATION TO MEET OUR TRANSPORTATION NEEDS AS WELL AS THEIR RELATIVE COST-BENEFIT.

I LOOK FORWARD TO HEARING THE TESTIMONY OF TODAY'S WITNESSES. THANK YOU MR. CHAIRMAN.

Mr. PACKARD. I want to remain on what the chairman and Mr. Borski just addressed, and that is the gasoline tax. I may direct it first to Mr. Diridon.

You are from California. I am from California. The chairman is from California. We are all aware that they are proposing a rather hefty gasoline tax for the State of California for transportation purposes. If we imposed a major gas tax at the Federal level is it not possible that we would eliminate that taxing base or that opportunity for the States to go to the people for revenues for transportation purposes by virtue of imposing a State gasoline tax?

Mr. DIRIDON. Mr. Packard, thank you for the question. I bring greetings, by the way, from Ann Kulchin, your very fine Transit Board Chair from your area. She asked me specifically to tell you hello for her.

Mr. PACKARD. Thank you very much.

Mr. DIRIDON. My understanding is that you are beginning your deliberations now on reauthorization, that debate to continue through the year receiving testimony, and taking action some time next year. That would certainly give California and any other State that would choose to solve part of the problem locally the opportunity of doing so before you entered into final debate on a revenue increase at the Federal level.

If the States across the nation were in mass to all of the sudden see the light and adopt substantial revenue increases at the State level, then it may be that APTA's position would change on this matter. But that hasn't been the case in the past. With rare exception—Washington State being one of those rare exceptions—the States have not addressed this issue effectively. We certainly hope that will change in June in California. I am fighting for that and you are fighting for that. We hope to be successful.

If it were not, though, this matter would become even more urgent at the Federal level.

Mr. PACKARD. My general position has been that it is better to impose a tax locally than it is to do it nationally. But, in fact, San Diego County—and, in fact, Ann Kulchin's North County Transit District, itself—is proposing a rather significant mass transit system by virtue of light rail 100 percent funded at local levels, none of it funded at the Federal level. San Diego has done relatively well with their transit system, with much of it funded—about 70 percent of it funded at local level with only about 30 percent matching at the Federal level.

Of course, part of the reason is that with congestion in California and with the need and the monies not coming forward, I think the people finally reached the point where they were willing to impose upon themselves an additional tax—one-half cent sales tax in the case of five of the six Southern California counties, and Orange County is the only one that hasn't and they will probably be passing a sales tax later this year—to fund transit needs.

When it reaches a point that the local needs exceed the ability to pay, is it fair then to impose a 75 percent Federal matching for other parts of the country when there are other places that are willing to go up to 70 percent of their own local monies with only 30 percent funding at the Federal level?

Mr. DIRIDON. Mr. Packard, I am very sensitive to what you are saying because I represent the Bay Area and the northern part of the State. The seven largest counties have all adopted the extra half cent. In fact, in some cases it has been a fully penny. We are doing all we can possibly do.

As you know, it is not fair to ask us to go up further because we would then be above sales taxes any other place in the nation and——

Mr. PACKARD. Well, we would be subsidizing other parts of the country.

Mr. DIRIDON. Certainly. And we are already doing that because we are a donor State——

Mr. PACKARD. That's right.

Mr. DIRIDON [continuing]. In terms of the gas tax. So we can't do it all locally. We can do a great portion of it locally, but we do need it. Funding for mass transportation is like a three-legged stool. You need the local, State, and Federal legs. If one of those legs is gone, then it does not matter how strong the other two legs are. The stool won't stand up. Right now the local leg in California is very strong. In fact, across the nation local agencies are stepping up to the responsibility and giving you a good, strong local leg. The State legs are being strengthened by actions like pending now in California. The Federal leg is almost missing. It is barely hanging on, and if it continues the way it has been over the last ten years we can safely say that there is no Federal leg. As a consequence, we are asking you to buy in as a full partner and become that strong third leg that we have relied on in past decades.

Mr. PACKARD. I totally agree with those comments. I question, however, whether 70 percent or 75 percent recommendation in terms of Federal match is the way to go. It appears to me that if you want a strong third leg, the Federals, and you already have or are getting the other two legs strong, that the balance ought to be then a lot different than 75/25.

Mr. DIRIDON. Mr. Packard, I agree. APTA has not contested the Secretary's statement that he is not going to offer more than 50 percent match. We are all scrambling now to try to find that local 50 percent—local and State 50 percent.

Mr. PACKARD. Thank you very much.

Mr. MINETA. Mr. Laughlin?

Mr. LAUGHLIN. I have no questions, Mr. Chairman. Thank you.

Mr. MINETA. Mr. Bosco.

Mr. BOSCO. Thank you, Mr. Chairman. I appreciate seeing Mr. Diridon here. I am sorry I missed your testimony. I had to testify, myself, at a different hearing.

You represent an area of California that is under focus in part of the State that I represent only because we want to try to prevent the type of traffic congestion that is endemic in the San Jose/San Francisco area.

But I notice that almost all the environmental groups support mass transit—particularly up our way they want railroads or high-speed rail or something like this—and they don't support any highway expansion to speak of. Almost none of the environmental groups will sign off on any expansion whatsoever, even one more lane on the freeway. Yet, it seems to me that there is a dichotomy

that mass transit seems to require far more growth and urbanization than do the highways. Can you speak to that?

Mr. DIRIDON. I do understand, Mr. Bosco, very clearly. It is an issue that we are fighting every day in the Bay Area through the Metropolitan Transportation Commission and the Bay Area Air Quality Management District, which is now under suit by the Sierra Club, as you know, and the Sierra Club has won that suit very clearly and we are now being ordered to consider reducing our highway expansion.

I think the reason why—and I would have to guess, because I don't represent the environmental organizations. I think the reason they stress mass transportation—and the reason why we do, also, in terms of a land use device—is because it focuses growth. Even though you may have a rail line that goes through a rural area, if you don't have stops it doesn't create growth in that rural area. It does encourage growth, though, around the stations. As a consequence, rail transit can be used as a growth-control device by guiding growth around the stations and encouraging density around those stations with the cooperation of the local planning authorities.

That is a policy that has been adopted now as something to be encouraged by all three of the Bay Area's regional agencies and by many of the local governments.

Mr. BOSCO. Is there any evidence of that, though? I would think that you could say that a highway wouldn't cause densities if you didn't have an off ramp somewhere. But what actually happens in both rail and highways is that people will be able to settle in the outlying regions and drive to the railroad station or benefit from the highway.

It seems to me that each route encourages growth. I guess I am just asking why the environmental community is so stuck on mass transit when just for the cost of it, alone, it requires enormous growth in an area to sustain it.

Mr. SCANNELL. I would say that I think the environmentalists recognize that things just grow and they grow and they grow and the roads are not adequate to handle the traffic back and forth—so much so that the trip from work to home and back and forth can add maybe 20 to 25 minutes, depending on the area of the country, and it also adds to the pollution in the air with the tie-up on the highways. Of course, there can be isolated situations where the roads flow freely.

But the way the country is growing and the way it is grouping it is quite apparent that if we are going to protect the atmosphere we do need to do something about the automobile with 1.1 average occupants. I think that is why we have allies in the form of the environmentalist. And I think that is one of the reasons why transit should be part of the national policy, because the Bush Administration has announced that one of their primary goals is to improve the quality of air in the nation. Clearly, one of the shortcuts to achieve that is to reduce the pollution from the gasoline engine or the diesel engine, as the case may be.

Mr. BOSCO. Well, I understand those overriding questions. I was just speaking more to the question of what causes more growth—highways or mass transit?

Mr. SCANNELL. My experience has been, in travelling to Europe and places, especially in Sweden, that when they open up a new area the first thing they set out in their planning is a public transportation facility in order to provide the transportation for, as they call it, the "new town." It is one form of foresighted planning. I think that it has some good points to recommend it.

Mr. BOSCO. Thank you.

Mr. Diridon, it is very nice to have you here, too. You have done some very fine work for our State. Thank you for that.

Mr. MINETA. Mr. Hancock?

Mr. HANCOCK. I have no questions, Mr. Chairman.

Mr. MINETA. Mr. Laughlin?

Mr. LAUGHLIN. I have no questions.

Mr. MINETA. If I might, let me go over some additional questions that I have.

We have heard both from highway and transit groups that greater flexibility is needed in the delivery of Federal assistance for highway and transit projects. As I have always maintained, flexibility is in the eye of the beholder. If you are the director of public works for a community, that is one factor. If you are the State transit or transportation chief, your idea of flexibility is another. If you are the operating chief of a local transit district, flexibility is another.

How does APTA define flexibility in the context of transit programs?

Mr. SCANNELL. As I remember, when you addressed us, Mr. Chairman, you said the term "flexibility" is really another term for saying "we are not going to give you any money." [Laughter.]

But, narrowing the focus to the question as presented, Mr. Davis?

Mr. DAVIS. Mr. Chairman, I think our position is that we think we need to preserve the basic capability that the public transit receives.

I represent the Kansas City area and, quite frankly, if our metropolitan area had the chance to use all of our money any way we could I'm afraid we would build more highways and have less transit. So I think, generally speaking, we recognize that we are the smaller component in any discussion regarding sharing highway and transit money, and we'd like to make sure that the base amount that we have available is preserved.

Our program recommends that we reestablish the basic funding at $6.5 billion per year, and we would like to see that preserved for transit. We would like to see any additional funds that were made available for transit in a flexible pot that could be used for transit or highways. We would also like to make sure, if that occurred, that there were additional highway dollars there, too.

Earlier a question was raised about seven full cents for transit. It should be clear that APTA does not oppose additional gas tax increase for highways. In fact, we would probably support it if the highway leaders took that position. We have not taken a position. We do not think that is the position we should be taking.

But I think that what we have been saying is that we need to build a stronger transportation system, and that includes both highways and public transit. We say that if additional dollars are made available for transit, a substantial portion of that addition

should be flexible money. And if, in fact, transit has to give some of that additional money up for a reserved lane, we would be delighted to consider that opportunity.

Mr. MINETA. You have testified that the concept and definition of transit must be expanded to include all forms of high occupancy shared ride services. I would like to ask: what is it that your association is hoping to gain by taking this approach? It seems to me that the potential exists for shared ride highway improvements, diverting funds from badly-needed improvements to existing bus or rail transit facilities.

Mr. SCANNELL. I would ask Mr. Louwerse to respond to that.

Mr. LOUWERSE. I think our position is that some of the traditional things we have done need to be changed. We hope this is a bold approach.

We need to realize our basic goal, which is to move our society in the most economical, best-for-the-environment, and hopefully best mobility opportunities possible. That can be done, in our judgment, by a variety of types of service, some of which are very highly unusual in our current concept of public transit. It is more than a bus running down the street or more than a rail.

For example, in the rural area we do what is called "deviated fixed routes," where you are actually trying to meet the needs of the community in which you serve.

If we broaden our approach we must look at transportation as a whole rather than as a vacuum—transit over here, taxis over here, shared ride and rail over here, even highways. We have to put that whole picture together. By having that broad—that is a give up for some of us. We all have our own little world. But we all are willing to have a new approach and new methodologies. We feel that we can better to transportation at a cheaper cost and also for the betterment of our environment and our community. That is the approach. It is a broad-brush approach rather than a very narrow, individual, pigeon-hole approach.

Mr. MINETA. And if flexibility is built into the program with some of the safeguards that Mr. Davis is talking about you don't feel that it will be tiled towards high-occupancy lanes on roads and take away from your transit operations?

Mr. LOUWERSE. Let's say that there are honestly some fears. Change brings fear to everyone. But we feel that if we fund the basics of the program and we look at the expansion type things and the growth and those things that are needed to enhance mobility in our community, we can work with the highway people and other transportation interests. At the local level we should best be able to determine how those needs are best met. In some cases it will be a high-occupancy vehicle lane. In some places it will be a rail system. In some places it may be vans. We are willing to take that chance.

Mr. MINETA. Let me ask the panel: flxibility requires a strong MPO—a regional planning organization of some nature. Do we have that in place across the country to really be able to afford flexibility?

Mr. DAVIS. We certainly have it in Kansas City. We are a bi-State metropolitan area. The Mid-America Regional Council is, I think, a superb metropolitan planning organization. It doing its job

very well, working with suburban and urban local governments and the two State highway departments and the transit authority. It works well.

Mr. MINETA. And once the MPO has spoken on an issue the local transit operating agencies don't go off on their own, thumbing their nose at the MPO and saying, "Well, I sure as heck don't like what they said. I'm going to do something else on my own."

I will cite you some examples.

Mr. DAVIS. We are a participant in the process and we are pleased with the voting opportunity we have at the MPO level.

Mr. DIRIDON. Mr. Chairman, I would like to add my comments on that.

If you give authority to an MPO, even areas that don't have strong ones would have to create strong ones in order to exercise the authority. For example, if it became policy that Federal assistance would not be given to a local area without the MPO's approval, then the MPO would have a tendency then to become more powerful.

Right now the MPOs that have become effective have done so typically because they have received State authority or because they have welded coalitions within a region that have made them effective. The missing ingredient is real authority delegated from the Federal Government to the MPO level, which is what APTA is requesting.

Mr. SCANNELL. I would say, Mr. Chairman, generally speaking there is, across the country, a good overall control. Obviously there are going to be aberrations and time and circumstance are probably going to correct those. But in the main I would say that each locality or each State functions reasonably well in defining controls and exercising controls.

Mr. MINETA. Now, with regard to rural transit activities, does APTA have any specific recommendations on how we can improve the section 18 program?

Mr. SCANNELL. Dennis, do you want to handle that?

Mr. LOUWERSE. Okay. I guess our first recommendation is that the resources currently available to provide rural public transportation are woefully inadequate. The growth in the number of rural transportation providers has been astronomical in just the past few years. For example, in Pennsylvania we now have public transit in every county in our State. We would say that we need greater resources and—I hate to use this word, but I guess I have to—flexibility. There is a lot of "social service transportation." You get into the problem of this person who has to go 60 miles to go to the doctor. Should that ride be paid for under some social service program? Is it a transportation need? The bottom line is that the person needs to get to the doctor and we ought to have an overall flexible approach with adequate funding so that that transportation need can be met. I think that is the key. Resources and flexibility I think are the two key words in rural transportation.

Mr. MINETA. And in your case in the Berks Area, is that a multicounty regional planning agency?

Mr. LOUWERSE. We are a small, urbanized area. We are 172,000 people. We think we are a good example of flexibility, if we could get it. We have a key urbanized area of 172,000, in which we

mainly used fixed-route buses to provide that service. We have a much broader area in terms of distance—in some cases it is 50 miles in one direction—where we use van service. Some of our van——

Mr. MINETA. Is that still within the Berks County area?

Mr. LOUWERSE. That is still within Berks County. It is all in the same county. We go 50 miles in one direction to get the person to bring them to the small urban center where the hospital is. We use van service.

Also in that van service is the general public, not just persons who are elderly or who have handicaps. This is the type of flexibility that rural and small urban systems need—a variety of types of services, a way to look at your situation from a local point of view. But, again, our State funding has increased dramatically. But, unfortunately, at the same time, our Federal funds have decreased by 50 percent. So, in reality, we haven't even been able to keep pace.

I think you'll also find that in the rural areas the people are demanding, because they have felt they haven't gotten their fair share of public transportation. The economically disadvantaged people want to get to town to have a job and they are saying, "Where has our public transportation been?" We really need an influx of public dollars to public transportation in the rural areas.

I think that the rural legislators will support and know the need for public transportation as long as they know it is finally going to come home and their people in rural areas are finally going to have an opportunity to use public transit. I think that is the most important thing.

Mr. MINETA. Mr. Smith, you are not an operating district, you are not big or small; you are an associate member of the Board of Governors. As I understand it, you are representing manufacturers and suppliers to the transit industry.

With all this talk about Federal transit policy, what are the implications of all of this on suppliers and manufacturers to the transit industry?

Mr. SMITH. I thank the Chair for the question. Let me, before directly answering it, point out to the committee that the supplier industry is more than just those who build buses and rail cars, of course. As you know, it extends to the architects, the engineers, the other consultants, the land use planners, and so forth. So it is not just entirely a manufacturing process; it also includes services.

Our future in the transit industry is inextricably tied to the future of the funding for our operating systems. If our colleagues on the operating side of the house receive the funding levels that they need to operate, maintain, and improve the services on their systems, then we, too, because they are our customers, shall succeed.

I might add, Mr. Chairman, that the associate members of APTA are highly participative in the process—the testimony that you heard today, the answers to your questions. We take active part in the committees, and through the committee structure we provide the input.

So while we, on the one hand, are viewed as private industry and they are viewed as public entities, it is not a "we and them" situation. We are in this together. We cannot survive without them at

the proper funding levels, nor can they survive without the equipment and services that we provide to them.

Mr. MINETA. Mr. Laughlin.

Mr. LAUGHLIN. Pardon me if I mispronounce your name, Mr. Louwerse.

Mr. LOUWERSE. Louwerse.

Mr. LAUGHLIN. Thank you. I come from a large rural district, and you said something that pricked my ears. You said you expected rural legislators to support mass transit when they saw that that transit is going to go to rural areas. I am really curious how you are going to do that.

Mr. LOUWERSE. I should point out first that we need to once again get past our attitude of mass transit in the traditional sense. For example, in our State we have a major shared ride program. In my system we have 20 vans that go out to all the various parts of our county, into the rural and less-populated areas, because those people also have needs, whether it is to go to work, whether it is to go to the doctor, or, in some cases, to go to congregate meal sites.

One of the problems is the isolation of the rural areas. We have made a special effort in our areas and in other areas of the country to provide this nontraditional public transportation. I am sure there are individuals in your district who have needs to go for medical care, who have needs to go for other—even to go to talk to somebody maybe. We need to broaden our definition of public transit.

Those services can be provided. In my area they are being provided. We provide 1,400 rides a day. We have a total county-wide population of about 200,000. Many are off 40 miles in some direction and 40 miles home. But those people need those services.

If your people would get those services—and they probably are clamoring. If you would talk to your social service agencies they are probably saying they have programs but can't get the people to go to the programs because there is no way to go.

Mr. LAUGHLIN. You are right. There are people that need those services. And you are also right that somehow you have to change the attitude. That is what I was trying to figure out. How do you change the attitude and how do you provide the service?

When you talk about a population of 200,000, I do not represent any county that has got that kind of population, nor any area that has got that kind of concentration within this district.

Mr. LOUWERSE. I can give you another example. In Northern Pennsylvania there is a five-county region where the population density per mile is astronomically low, where people have to go 100 miles to get to a hospital. They have put together a variety of services.

For example, the driver takes the vehicle home at night because if you have to go to a garage you have to travel 60 miles and then go in the other direction.

Those people still need to get to a medical center or some other type of service, and I would submit to you that the need is there, the ability is there. All people have to do is learn about it. It can be done. It has been done other places, and I am sure it can be done in your district. There are probably many people who would like to

have that job done. It is not a traditional bus running down the highway, but it can be done.

Mr. LAUGHLIN. I understand now what you are talking about. Earlier I thought you were talking about in the traditional transit systems. I didn't know how that was going to work. Thank you very much.

Mr. LOUWERSE. Thank you.

Mr. LAUGHLIN. Thank you, Mr. Chairman.

Mr. MINETA. Let me ask a final question of the panel. The Secretary has proposed a transit investment overmatch policy which some have indicated would skew Federal transit investment to wealthier communities to the exclusion of localities who have fewer financial resources. I am wondering here if APTA supports an overmatch policy. If so, how do you structure the policy so that it doesn't discriminate against poorer communities?

Mr. SCANNELL. Mr. Davis.

Mr. DAVIS. Mr. Chairman, the last time our Legislative Committee addressed that issue we did oppose it for that very reason. We felt that what that would do would be to concentrate programs in the wealthier transit properties to the detriment of the poorer ones. But we are concerned that the existing match programs be retained.

Mr. MINETA. So it is a straight opposition to the program, I take it?

Mr. DAVIS. I think our industry is somewhat divided on that, but our most recent position was one that supported the previous position and opposed the change.

Mr. MINETA. Is there some kind of a factor that might be included on the ability to pay?

Mr. SCANNELL. Perhaps Jack Gilstrap would comment on that?

Mr. GILSTRAP. I was going to comment on the previous question about that—when you really get down to it, Mr. Chairman, to say that we are only going to spend and send our discretionary funds to those areas that can outbid the other areas based on their riches denies the whole thrust of that discretionary program, which is to meet needs with those Federal dollars as opposed to putting them out for bid. I don't think we like that idea.

Now, we are certainly anxious to pursue other ideas which may help deal with the problem. Your second question as to what we might consider as some kind of a factor based on ability to pay, the best that we have come up with so far is a fixed matching program, to be very honest with you.

I would like to, if I may, add one more thought on this discretionary program, and it goes back to a question asked by Congressman Shuster about the land use planning issue. I may be the only one here at the table who feels this way, and I probably ought not say it, from the looks of the chairman here, but I personally believe——

Mr. SCANNELL. All I said is that fools rush in where angels fear to tread. Go right ahead, Jack.

Mr. GILSTRAP. Well, I don't operate a transit system, so maybe I can say this—although I did at one time and I wish I had had this Federal—you know, you can do a lot with incentives. I would agree

there is no way that the Federal Government should dictate land use planning to the local community.

But, on the other hand, when you look at what they do north of the border where the province says to the local community, "If you want us to participate in the funding of a project, then show us a land use program that will develop density around that facility that we are investing in and maximize its use and maximize its benefit to the community." And they do that there. The community will say, "All right. We will channel some development around that facility that will maximize its use and benefit."

I think that is another part of the total consideration of what the Federal projects ought to be based on—a clear match, a set match, and some kind of inducement and incentive to have that facility be part of the community's local planning so that it will actually be used and maximized.

Mr. MINETA. That sort of brings up an interesting point. All this talk about land use planning may be a very moot issue because it is not going to be transportation that is going to be impacting on local decisions any more. I think it is going to be clean air. We might as well all pack up our bags, frankly. We used to always—wearing my mayor's hat — I used to be fearful about Federal land use planning from a national perspective. I think it was thought of as a transportation issue. But I think that is yesterday's game. Today it is clean air. We are going to lose it.

In fact, if I look at that Clean Air Act that is coming through the House right now, I think it really is a very big thing. We see it already with the South Coast Air Quality Control District down in Southern California.

When I think about what is going on there, you have a local air pollution control district that says, "In 1997 we are not going to have any more diesel trucks in our area." And yet, if I were to call Cummings or Detroit Diesel or Caterpillar and ask them what they are doing on alternative energy engines for our trucks they will say, "We are not doing too much. We are working on cleaning up the diesel, but we are not doing that much on alternative fuels engines."

To me this transportation/land use planning kind of thing we used to always go through of whether we need seven dwelling units to the acre or thirty-five or whatever to make transit viable is going out the window because now it is going to be the Clean Air Act that is going to be determining all this.

Mr. SCANNELL. May I ask a question?

Mr. MINETA. Absolutely.

Mr. SCANNELL. Of course, the Federal Government attempts to do it by setting standards. The standards may indirectly affect the planning. Do you think the Federal Government should go beyond that?

Mr. MINETA. Well, standards setting is the very thing that makes it dangerous, I think. If I were to get away from the Clean Air Act and talk about clean water, our technical ability to analyze is outstripping our ability to regulate in the sense that we used to have machines that detected in the water one part per million. Now we have got machines that detect one part per billion. It is going to be one part per trillion.

But the problem is that becomes the standard. It doesn't make any sense. I see that happening now in terms of clean air. Our ability to analyze then becomes regulatory, but that then makes it impossible at the local level to do certain things.

I see this thing escalating. I am not sure, as we are trying to be competitive in an international, global marketplace—I see ourselves at a disadvantage in terms of the kinds of imposition on some of these burdens that are being placed on local and State governments.

I think I am one who is considered very—I like to consider myself sensitive about environmental issues, about human factors. But sometimes I think maybe we may start digressing a little too far off the track.

Mr. DIRIDON. Mr. Chairman, if I might comment on that?

Mr. MINETA. Mr. Diridon.

Mr. DIRIDON. I share your concern about the environment. I have enjoyed watching you and helping you on environmental issues through the years, so I know your statement is not intended to be in any way anti-environmental.

My sense is that your comment that the major driving forces will no longer be land use and transportation is a factual one. But I think in order to meet air pollution criteria, mass transportation is going to become more important in the future rather than less important. The difference will be that instead of meeting our mobility requirements by adding another lane to the freeway we are going to be really pressured now to meet future mobility requirements by adding a mass transportation capacity because we can, therefore, transport people cleanly and efficiently, even to population centers that may be some distance away from an employment opportunity.

That seems to me to be the salvation of our competitiveness with the rest of the world. We can then move people more quickly and in a more humane way using less fuel, creating less pollution, and reducing our deficit balance of trade, and causing, therefore, a more competitive America in the future rather than a less competitive.

Mr. MINETA. Thank you.

We have a vote here. Let me just mention to all of you at APTA how much all of us do appreciate your work and your leadership. At this point let me just thank all of you.

We will recess at this point and come back and reconvene at 1:00.

Mr. SCANNELL. Mr. Chairman, thank you for your gracious hospitality and your time. You were very gracious, as were your colleagues.

Mr. MINETA. I know that in the next 18 months or so we are going to be seeing a lot of each other and working together because we do have a very vital piece of legislation which we have to have in place by the 30th of September, 1991, as you are so very well aware. And I look forward to working with you to that end.

Thank you very much.

Mr. SCANNELL. Thank you.

[The joint prepared statement of Daniel T. Scannell, Richard F. Davis, Rod Diridon, Irving P. Smith, Dennis D. Louwerse, and Hershel R. Payne for APTA appears on p. 1183.]

[Recess.]

Mr. MINETA. The subcommittee will please come to order.

I want to make sure that we have Mr. Molofsky and Mr. Luby here giving the testimony in time for the five o'clock news. [Laughter.]

Again, I really appreciate your being here for the presentation. Let me go ahead and indicate that the full statement will be made a part of the record. Mr. Molofsky, please go ahead and start off.

TESTIMONY OF ROBERT A. MOLOFSKY, LEGISLATIVE DIRECTOR, AMALGAMATED TRANSIT UNION, ACCOMPANIED BY ARTHUR M. LUBY, LEGISLATIVE DIRECTOR, TRANSPORTATION WORKERS UNION OF AMERICA

Mr. MOLOFSKY. Thank you, Mr. Chairman.

I will try to summarize the highlights of our statement.

It is a pleasure to appear before you, Mr. Chairman, your distinguished staff, and other members of the committee.

I serve as Legislative Director of the ATU, and I appear here today on behalf of our international president, Jim La Sala, who expresses his regrets at his inability to appear today.

We are here to reaffirm our commitment to a strong Federal mass transit program and to outline our policy recommendations for inclusion in a new Federal highway/transit reauthorization bill designed to transport us into the 21st century.

We represent, of course, 160,000 transit workers throughout the United States and Canada. We are here today with the full support of the AFL–CIO and its affiliated organizations in the rail, bus, and transit field. We certainly concur in the views to be expressed by Art Luby on behalf of the Transport Workers Union.

In support of our statement we have attached a series of resolutions recently adopted at our 49th convention held in California in September of 1989.

I would like to premise our more specific views by adding our support to the growing national consensus that a reinvigorated Federal transportation program funded in partnership with Federal, State, and local governments is essential to ensuring America's economic competitiveness in the 21st century, solving our congestion and energy conservation problems, improving our quality of life, and, of course, responding to our growing and changing mobility needs for all citizens.

I would like to specifically take this opportunity to acknowledge and support the committee's recent deliberations to report out the pending Americans with Disabilities Act, which will provide much-needed guarantees and improve transit access opportunities for our nation's disabled citizens.

As this committee has heard, we know we are coming off a decade of transportation neglect highlighted by an unfortunate decline in Federal support for mass transit assistance. Reductions exceeding 50 percent in Federal aid were allegedly justified since 1980 by a rising Federal deficit and a desire to substitute State and local support for the reduced Federal funds.

We have been particularly concerned as the Reagan and now Bush Administrations have sought to undermine the collective bar-

gaining and job rights and to take away employee protection guarantees to transit workers and to impose privatization on the transit industry through skewed competitive standards and threats of reduced funding. The impact of these failed policies has been to leave the transit industry and its workers in confrontation and our State and local communities financially burdened as they have been striving to meet their mobility needs.

Unfortunately, while the new national transportation policy released this month by Secretary Skinner recognizes the need to improve our mass transit network and infrastructure, it seeks to perpetuate the failed policies of the 1980s by opposing any increase in the level of Federal capital funding, by proposing steep reductions in Federal transit operating assistance subsidies, and by imposing competitive bid privatization of public transit services as a means of forcing labor cost reductions.

The increase of these adverse transit and transit labor policies has been to place again serious financial burdens on our State and local governments—in particular, the development and implementation of the Administration's privatization policies since 1984 have served to effectively dictate to cities the methods by which local public transit should be provided.

These policies, as implemented, require grant applicants to employ unbalanced competitive bidding standards to contract our an ever-increasing percentage of their public transit service to private operators as a condition for the receipt of otherwise diminished Federal funds. Such policies have clearly been counterproductive to effective mass transit operations.

This view has been recently supported by the results of a new study released in September, 1989, which I understand has been presented to the committee by the Economic Policy Institute, an independent Washington research center. This study, entitled The Emperor's New Clothes: Transit Privatization and Public Policy, was undertaken by a group of recognized transit experts based upon a year-long review of the Reagan and Bush privatization program.

They found that using Federal transit funds to compel communities to privatize their transit systems, while producing profits for private contractors, has caused the deterioration of urban transit services. Although the stated goals of these privatization policies is to reduce the public cost of providing transit services, they found no evidence that it has actually saved money either for the communities affected or for the Federal Government. In fact, they found it has probably increased the cost of mass transit by implementing a less efficient use of public resources.

Overall, the policy recommendations in the new national transportation report offer no new solutions and simply mirror program initiatives which did not work in the 1980s and for which there is no evidence to expect that they will work in the 1990s.

The nation's transit operational and infrastructure needs are too great to expect State and local governments to dig deeper while the Federal Government refuses to increase its own funding commitments.

Rather than confine our comments to a continued criticism of the Administration's initiatives, we would like to briefly outline

those major policy recommendations and provisions the ATU believes must be included in any new Federal national transportation program.

First, we reiterate our call for a strong, dynamic, and well-funded transit program in partnership with State and local governments established to reverse the radical and destructive policies implemented over the last eight years.

We call upon the Congress to design a new policy for the 1990s which emphasizes increased Federal financial support for our national mass transit program.

We share the industry's views, as expressed by APTA and others, that a minimum of $6 billion annually in Federal transit aid is required to enable communities to respond more effectively to their capital and operating needs.

Second, in designing legislation to carry out this enhanced Federal effort we believe this committee should continue to use a framework derived from the Surface Transportation and Uniform Relocation Assistance Act of 1987. In this regard, a renewed Federal mass transit program must contain an enlarged formula program with enhanced discretionary funding. Money for this effort must be derived from general revenues as well as from significant increases in the transit dedicated portion of the Federal motor fuels tax and available for both operating and capital assistance.

Indeed, maintenance of Federal operating assistance for all recipients is one of our top priorities.

As stated, we support proposals to increase the existing Federal highway user gasoline taxes earmarked for public transportation on condition that such revenue is used to supplement and not substitute for the general revenue funding portions of the Federal transportation program. Increases approaching $0.07 per gallon would provide the necessary revenue to maintain an effective public transit program.

Fourth, we recognize that in designing a new formula and discretionary program some consideration should be given to increasing the recipient's flexibility in the use of such funds.

Our view of such flexibility, incidentally, has more to do with the types of mass transit alternatives that the funding should be used for and the opportunity to use such funds at the recipient's option for both capital and/or operating expenses.

In all cases, however, such flexibility should not be allowed to detract from servicing our mass transit needs nor otherwise permit any avoidance of planning, environmental, labor protection, and other requirements now part of the program.

Fifth, we support revisions to the Federal tax code to eliminate the taxation of employer transit subsidies and other disincentives to transit use.

I would like to spend the remaining portion of our testimony amplifying our discussion of two principal issues which we believe require careful attention by the committee, and they are the Department's privatization policies and retention of the section 13(c) employee protection guarantees which, for over 25 years, have enabled transit labor to work with grant recipients as they have provided expanded services, adapted to technological change, and afforded a wide range of transit alternatives to our nation's citizens.

Preservation of this basic labor protection and affirming its original intent to guarantee the collective bargaining and job rights of workers in the industry to protect them by equitable arrangements from any unavoidable impacts arising from the grant program is an essential component of our support for new legislation.

We have repeatedly stated before this committee that decisions about private sector participation should be made—including decisions to employee competitive bidding and to contract out—at the State and local level, free from any Federally-imposed standards, guidelines, or policies, and that private sector involvement in public transportation remain a local option which should be examined only when such services can be complementary to the existing public transit network and only when there can be a partnership of public and private providers protective of employee interests.

Recent experiences in New Orleans and Miami, Florida, where portions of the city's transit services were contracted out have borne out that privatization is no panacea. In early February, the New Orleans Transit Authority voted to terminate its contract with Greyhound Lines, Inc., for the provision of five bus routes after only one year of its expected three-year operation because of sharply rising costs, ridership losses, revenue decreases, increased accidents, maintenance, and other service problems.

In our view, the policies of the 1964 Act in favor of a neutral position should be reaffirmed by this Congress. Only a vigorous restatement of this neutrality principle incorporated in a policy directive to the Department of Transportation will be adequate to restore community-based decision making on this issue.

In this regard, we note more specifically the current UMTA privatization guidelines with respect to the use of fully allocated costs by public transit agencies when comparing their services to the big costs of private operators biases the decision making and continues to produce erroneous cost comparisons, which, as in New Orleans, ends up costing the public more rather than producing real savings.

Finally, we would like to turn to an area of special concern to transit labor—and to ATU and TWU, in particular: the retention of the collective bargaining and job right guarantees contained under section 13(c) which, since 1964, have served as a key component and condition of the Federal transit program.

The history of the section 13(c) employee protection program demonstrates that transit labor, working in partnership with our nation's transit providers, can respond to our nation's changing transit needs in a manner which provides necessary protection to those workers, while servicing the riding public's demand for high-quality, safe, efficient, and responsive transit service. It is essential, in the ATU's view, that any new Federal legislation ensure the continuation of these labor protections and their application to the entire transit grant program.

As the debate unfolds on new specific legislative proposals, we are prepared to respond to specific issues and concerns in this area.

At this time we wish to note that over the last 15 months the ATU was involved in over 458 transit grant applications involving the processing of 13(c) protective arrangements. In over 86 percent of these, 397 of those cases were processed within one month of our

receipt of the grant applications. These projects involve both capital and operating assistance, special transit technology, privatization components, alternative fuel arrangements, entrepreneurial and suburban mobility initiatives. Indeed, their average processing time was only 13 days.

We emphasize this at this time because some of our critics have repeatedly asserted that transit labor has served to delay the distribution of Federal transit funds. This is not so. It has never been so. Clearly, this is a record. Our processing of 13(c) protective arrangements is a record of which we are proud. It demonstrates our commitment to achieving a fair measure of equitable protection for our members, while ensuring a timely distribution of much-needed grant assistance. In our view, the administration of the 13(c) program has worked well and should remain within the Department of Labor.

Recently we met with Department of Labor officials to discuss ways of improving their administration of the program, and we are prepared to carry on those discussions. We do not believe, however, that it is wise or necessary to modify in any way the current statutory framework which has allowed this program to respond to changing transportation needs while protecting the collective bargaining and job rights of the industry's employees.

Proposals to limit the scope of negotiations or the party's choice of response to privatization issues raised by specific grants are not needed nor justified. When Congress first initiated these protections it emphasized that the arrangements were to be the products of negotiations among the affected parties. Nothing in the history of the program justifies a change in this procedure or a narrowing of the grants to which they are applied.

In conclusion, we wish to emphasize our willingness to work with the committee as it seeks to reach a broad-based and bipartisan consensus on a new national mass transportation program. Transit labor works at the heart of our mass transit services. We take our responsibilities seriously.

We are pleased to work with the committee, this Congress, the Administration, and others throughout the country to improve our existing transit program and provide the best and safest form of public transportation for our country's citizens.

Thank you, again, for the opportunity to appear here on behalf of myself and President La Sala. We are prepared to answer any questions you may have.

As an aside to our discussion on the national transit program I wish to recognize the concern expressed by you and other members of the committee to the Department of Transportation regarding the safety issues raised by the current Greyhound strike and the need to be assured that the company is using well-qualified personnel who are properly trained. We continue to believe that that is an ongoing problem at this point in time.

Thank you. That concludes my statement.

Mr. MINETA. Thank you very much, Mr. Molofsky.

Let me go ahead and have Mr. Luby give his testimony and then we will open it up to questions.

Mr. LUBY. Thank you. It is good to see you, Mr. Chairman. You are, of course, held in the highest of esteem by our 40,000 airline

members, and we are delighted now that you are chairman of this committee where we have 60,000 members.

First, I have submitted my statement for the record. I would just like to amplify four points made in the statement.

Two weeks ago, when I was watching Secretary Skinner make his presentation before you on C-Span, it struck me that I could have predicted what was going to be in it. There was nothing that I or Robert or anyone else didn't predict. And the incantations in relation to mass transit about more privatization, less Federal assistance, and eliminations of labor protections were probably more preordained than the required reading at my Bar Mitzvah.

I honestly think that it is a subject of sufficient importance to the public that it really deserves a better and more creative treatment, and we hope that in this process that is what it will receive.

Now, the first point that I want to make clear is that we now have had several years' worth of experience with the Reagan Administration's and now the Bush Administration's forced privatization program. A lot of that is outlined in my discussion about Miami.

I would add that in Miami, former Administrator Stanley put seven profitable routes into the hands of the private sector. There was no additional service. There was no competition on the route. You had one major difference: the employees were less well paid. I would like somebody to explain to me exactly what we accomplished by doing this.

That has essentially been the story of privatization. There have been more complaints about the performance of the private operator along this route than the public operator. I think that the guiding assumption that somehow the public gains when you simply substitute a private monopoly for a public monopoly has got to be jettisoned by this committee.

I think, as a practical and an ideological matter, the privatization program of the Administration is a complete failure and makes no sense. I would hope that would be recognized in the reauthorization process.

Second, I would like to concur with Robert's remarks about the importance of 13(c). We hear a lot about the burdens of 13(c). We at TWU have been involved in 20 to 25 grants. I can remember one where we went to the Department of Labor and said, "Hold up this grant because we have a problem." The guy from the Department of Labor looked at me and said, "So you have a problem. So what?" And then the grant went through.

The one thing that 13(c) does do is that, as a matter of law, it forces the company to go ask you and to deal with you concerning the potential impact of Federal transit assistance. In my judgment that is a good thing because it gives the employee the opportunity for input and an opportunity to protect themselves and to make accommodations for whatever the impact is going to be.

I think the collective bargaining process which 13(c) protects is a very creative process. I doubt that the Houston Transit Authority would be in operation now if some of the innovations that we made in our collective bargaining agreement in Houston had not been adopted.

The second point I would make is that, again, I am distressed. Just like the spring prayers every year for the spring sowing, every year the Administration comes back with elimination of operating assistance. If you want increased transit productivity, the only way to do so is through a strong operating program because upon analysis you will find that the most recurring reasons for productivity failure are maintenance problems, and maintenance problems are operating problems.

Keeping rolling stock in repair, keeping adequate spare parts inventories—those are the keys to improving transit service. Putting private operators on well-serviced routes has nothing to do with productivity. It is repairing buses, having enough tools to do the work, and properly training your people. All of those are operational problems.

Finally, as was discussed by the panel this morning and as Robert addressed, transit is really going to be a key aspect of our efforts to deal with the growing environmental and pollution problems in our major cities. Without a major initiative mass transit we will simply have more pollution from automobiles and we will be forced to develop more Federal highway construction which far outstrips any reasonable assessment of this country's capabilities.

So for those reasons we hope that this committee will reexamine the program put to it by the Administration and come up with a better and a less ideological scheme for servicing the public.

Thank you.

Mr. MINETA. Thank you very much, Mr. Luby.

Let me ask Mr. Molofsky a question first regarding the 13(c) labor issues. From your testimony you talk about the 86 percent of the 450 grants that were submitted for review last year, and that those sign-offs came within one month. This percentage is a very high one and is very admirable to see that it is up there at 86 percent. I guess my question is: why isn't it 100 percent? I am wondering what it is that—could you share some examples of why you weren't able to get that 13(c) sign-off within one month?

Mr. MOLOFSKY. Mr. Chairman, I would make several points about that.

First of all, Congress has said repeatedly since 1964 that the 13(c) arrangements are to be the product of local negotiations among the grant recipients and the union representing its workers if there is one. That process, by the way, is administered by the Department of Labor, which receives the grants from the Department of Transportation, sends them to our office, and we then contact the recipients and begin the process of evaluating the grants to determine what unique issues, if any, we need to address.

The first question we always ask ourselves is whether or not we can simply re-use the pre-existing 13(c) agreement. I dare say in most cases that is the case, allowing for a fast turn around—often in two or three days.

In other cases we need clarification from the recipients explaining what the purpose of the grant is. Ofttimes they are not specifically clear as to what the purposes the money they are seeking is going to be put for. In other cases we have situations where there has been no prior 13(c) agreement to build upon, modify, or reuse, and we have had to negotiate new ones. You can understand that

takes some time. People's schedules sometimes require adjustment. We have to have usually a series of meetings with the recipients.

Once we reach agreement it is sent over to the Department of Labor, and then they go through a review process there before notifying ourselves or DOT of either agreement and approval or questions to be revised. I think we had in the last cycle that I referred to maybe 9 to 12 brand new agreements.

I would say more recently, however, the bulk of the problems—the handful of problems—have arisen because the recipients involved have sought basically to revise and to seek to take away protective provisions that have been in those arrangements for 10 or 15 years or more. We have been experiencing difficult negotiations by transit recipients seeking to remove protections which have created a stability within the work force and a stability within the labor relations structure in those cities—notably, the loss of interest arbitration.

At the same time, we have also struggled with different recipients on resolving certain privatization issues.

I would characterize the longest delays as those resulting from efforts by certain recipients to engage in take-aways of protective arrangements which the Department of Labor has previously certified and which they are seeking to perhaps now take advantage of a new Department of Labor less inclined to retain protections which have worked well in the past.

But throughout this whole process our effort is to reach an equitable agreement as fast as possible, to notify the DOL of that, and get the funding flowing.

Mr. MINETA. The recently-released national transportation strategy suggests that free market principles be brought to bear on urban transportation problems. It seems to me that is sort of a euphemism for forced privatization that we heard during the Reagan years.

I am wondering if you would amplify on the New Orleans experience regarding the cancellation of that private operator's contract that you referenced in your testimony and explain what implications that has as it relates to the national policy of privatization.

I would make four points on that. First, what happened in New Orleans I think reflects all too often what is happening around the country, which is an effort that may not be reduced in writing but is often heard on the phone or in other fashion by our grant recipients that if they don't demonstrate a renewed commitment to privatizing transit services something is going to happen with the timely flow of their grant funds. It has been experienced and commented on in Miami.

In New Orleans I think an aspect of that took place. UMTA basically tried to compel the city—and the city agreed—to privatize five bus routes at a time when UMTA was having its national privatization conference in the city. Although reluctant to undertake the contract, the transit authority decided to do so based upon an analysis which UMTA directed that they apply and compare the city's "fully allocated costs" of providing the five routes versus a bid proposal submitted by Greyhound.

When that analysis was done, it appeared to indicate that there would be some potential savings. At no time, I must tell you, was it

explored by the city with the understanding that any savings would translate into different or new service in the community. And, as Art said, that was not the case in Miami and, as I will comment in a minute, it was certainly not the case in New Orleans. Whatever savings were expected weren't designed to produce new service.

After a year or more of operation, the city transit authority decided and voted to cancel Greyhound's contract after only one year of its expected three years in operation. They looked at statistics which demonstrated that while the vehicle miles operated remained basically the same, traffic accidents doubled, the passenger accidents doubled, the percent of vehicle air conditioning and heating maintenance problems increased, on-time performance decreased slightly, revenue generated on the line decreased substantially, and the revenue generated per hour decreased. In fact, the cost per hour was higher.

So in almost all accountable areas the performance was not notable and, in fact, ended up costing the city anywhere from $500,000 to almost $1 million more in revenue to make up for the losses. It was on that basis that the regional transit authority voted to cancel Greyhound's contract.

I think what this case points out most clearly is two things: one, if UMTA is going to continue to insist that cities use the fully-allocated cost accounting method to compare the cost of operating service between the public and the bid operator, you are going to experience false cost savings on paper and, in reality, it may cost the city less to keep the service rather than contract it out. It is for that reason that we have been arguing and transit experts have uniformly said that the true comparison should be between a public agency's marginal cost of putting service out and a bid proposal and compare those costs to see what kind of real savings, if any, might be produced.

Secondly, I think it should be clear that any and all decisions on contracting out—New Orleans or elsewhere—shouldn't be imposed from the top from the Federal department or from UMTA. It should be a decision the local agencies choose to undertake with their own procedures and for their own purposes.

Thank you very much.

Mr. Luby, I strongly agree with your support for a continuation of the Federal operating assistance program. However, I am wondering if there are ways to improve the structure of this program to gain more widespread support for operating assistance funds, including possibly support from the Administration?

I am wondering, for instance, if you would support the removal of bus operator labor costs from the Federal operating assistance program if bus mechanic labor costs remained in the program.

Mr. LUBY. I would have to think about the ramifications of that. Generally we have not sought and don't believe that operating assistance should be used to pay wages. We feel that it should be used to cover the cost of operation of the actual transit authority.

And if there were principles written in there to assure that it was used for that purpose, I think that we—obviously, I have to examine the language and the format, but that is something that we generally are supportive of.

Mr. MINETA. Very well.

Mr. Rahall?

Mr. RAHALL. Thank you, Mr. Chairman.

Mr. Luby and Mr. Molofsky, we thank you for your testimony here today.

I would like to refer to the portion of your testimony in which you speak of the Houston settlement and the negotiated series of contracts there.

You have mentioned productivity incentives. Could you provide some specific examples of those productivity incentives included in TWU labor agreements which would further demonstrate your support for increases in transit productivity?

Mr. LUBY. Yes. They were bonuses based on the amount of safe mileage and the drivers' performances. Later on, those bonuses were converted into base wage increases.

That contract was entered into at first back in 1983 when, by all accounts, that system was falling apart. It was really the key factor in pulling the system back together again. Later on, of course, as with any group of people, you want the money in base wages instead of in bonuses. But, on the other hand, it was those incentives that improved driver performance and morale.

Mr. RAHALL. I have no further questions, Mr. Chairman. Thank you.

Mr. MINETA. Mr. Molofsky and Mr. Luby, let me thank you very, very much for your presentation. As we develop this legislation in the next 18 months, I am really going to need all of your help. I appreciate your input in this testimony.

Mr. MOLOFSKY. Mr. Chairman?

Mr. MINETA. Mr. Molofsky?

Mr. MOLOFSKY. Just one, quick closing remark. I want to express our appreciation to Mr. Rahall for his concern also expressed regarding the Greyhound strike situation. We remain deeply concerned about the service disruption in West Virginia and elsewhere around the country. Our union has been committed from the very beginning to seeking a negotiated settlement in this dispute. We attempted some mediation over the weekend and the company walked out. We have serious doubts as to whether they, indeed, want a negotiated agreement. We do. We are prepared to resume those negotiations at any time. I think you ought to know that.

We also remain very concerned with reports that the drivers continuing to be hired by the company are not receiving proper training. They are going through a very short, week-long program as opposed to the month or more that is normal under the company's requirement.

We think the committee ought to continue to monitor that situation and look into it. In the long run, it could seriously jeopardize the riding public's service.

Thank you.

Mr. RAHALL. Mr. Chairman.

Mr. MINETA. Mr. Rahall.

Mr. RAHALL. I would like to respond to what Bob has just said.

I certainly commend you and your people for the position that you have taken. I think it is a responsible one and it shows a con-

cern for the safety of the individuals involved. I appreciate that position.

Mr. MOLOFSKY. Thank you.

Mr. RAHALL. Thank you, Mr. Chairman.

Mr. MINETA. Thank you very much.

[Mr. Molofsky's prepared statement presented on behalf of Jim LaSala appears on page 1159.]

[Mr Luby's prepared statement appears on page 1144.]

Mr. MINETA. I would now like to call forward Patricia Flinchbaugh, Secretary of the Community Transportation Association of America and Executive Director of Community Transit, Inc., in York, Pennsylvania.

Ms. Flinchbaugh, we are pleased to have you here. Your full statement will be made a part of the record. Please go ahead and proceed in your own fashion.

TESTIMONY OF PATRICIA FLINCHBAUGH, SECRETARY, COMMUNITY TRANSPORTATION ASSOCIATION OF AMERICA, AND EXECUTIVE DIRECTOR, COMMUNITY TRANSIT INC., YORK, PA, ACCOMPANIED BY DAVID RAPHAEL, EXECUTIVE DIRECTOR, COMMUNITY TRANSPORTATION ASSOCIATION OF AMERICA

Ms. FLINCHBAUGH. Thank you, Chairman Mineta and members of the subcommittee, for inviting me here today.

You are right. I would like to have the full testimony submitted in record. I will simply summarize my statement.

My name is Patricia Flinchbaugh, and I am Executive Director of Community Transit, Inc., a private, nonprofit agency providing conventional and specialized public transportation services to citizens of the city and the county of York, Pennsylvania. I am appearing today on behalf of the Community Transportation Association of America—CTAA—a national association that represents rural, small urban, and para-transit providers.

The agency that I head in Pennsylvania was formed earlier this year as a result of the merger of the York Area Transit Authority—YATA—a publicly-operated authority serving the city of York, and the York Transportation Club—YTC—a 16-year-old private, nonprofit agency serving our area's transit dependents through special para-transit services to the elderly and people with disabilities and providing needed transport to the rural areas of York County.

The merger of these two agencies reflects the growing awareness in our community of the importance of developing a balanced public transportation system—one that can serve all of our citizens effectively, efficiently, and safely.

CTAA is also a new organization, growing out of the merger last summer of the National Association for Transportation Alternatives—NASTA—and rural America. Its creation also reflects the coming of age of community transportation, that innovative and dynamic sector of our industry that supplements conventional public transit by providing a range of essential para-transit services in both urban and rural communities.

In barely nine months, CTAA has established itself as a major national voice for the more than 1,500 public transit agencies oper-

ating in rural areas and smaller cities and more than 5,000 human service agencies that provide basic mobility services to the nation's elderly, disabled, and others recognized as being transportation disadvantaged.

Each year community transportation systems such as mine provide more than half a billion rides to over 15 million Americans. I am happy to say that I was also a founder of CTAA and currently serve on its national board of directors.

Mr. Chairman, the transit reauthorization process that you are initiating provides an important opportunity to reassess the transportation needs of all American citizens and their communities, to review the effectiveness of current programs and policies intended to address those needs, and to outline a plan and budget for meeting those needs in the future.

These hearings and the inquiries that we hope will take place throughout the country over the next year also provide you with the opportunity to establish priorities and to put forward a view and even a vision as to the importance and role of transportation in our society.

The majority of Americans today enjoy an extraordinary freedom of movement because they have access to private automobiles and because the national transportation system works relatively well for them. However, as many as 84 million people, roughly one-third of our population, do not have access to personal transportation due to physical or mental disabilities, age, or because they are not licensed to drive or are unable to afford a car of their own.

This transit-dependent group includes 14 million older Americans and 12 million individuals with disabilities. It is the segment of our population that is most dependent upon adequate and affordable public transportation and the group that is the primary focus of CTAA's concern.

We within the community transportation movement believe that there is an urgent need to take a fresh look at national transportation policies to determine their adequacy and assuring full mobility for all members of our society. As a nation, we should commit ourselves to specific and measurable goals of eliminating individual and community isolation by the year 2000.

It should be the objective of such a ten-year campaign to assure opportunities and access to jobs, needed education and training, and to meet life's most basic needs without regard to place of residence, age, economic status, or disability.

In our statement today CTAA is recommending a number of specific proposals regarding the reauthorization next year of Federal transit legislation which, along with the passage of the Americans with Disabilities Act—ADA—we see as a major step toward our ten-year full mobility goal. Our recommendations are based on a set of principles that have been adopted by CTAA's board of directors.

National transit policy we believe should be guided by the following:

One, recognition that as many as one-third of all Americans are transit dependent. That means they lack access to a personal vehicle to meet their most basic mobility needs. In a time of limited

resources, it is our view that a first priority of transit policy must be to meet the needs of the transit dependent.

Two, recognition that almost half the nation's rural counties do not receive any public transit assistance from UMTA.

Three, recognition that as much as one-quarter of the Federal transit budget, $1 billion, is currently administered by the Department of Health and Human Resources and not by the Department of Transportation.

Furthermore, CTAA believes its specific proposals to reauthorize transit programs should accomplish the following:

One, to restore the Federal investment in public transit to a level commensurate with its human, social, economic, and environmental importance.

Two, designate a stable, dedicated source of funding such as an increased Federal gas tax to support all Federal transit assistance.

Three, to create a community transportation assistance program to assist rural and small urban communities to maintain existing and new operations.

And, finally, to create a national mobility trust fund to help finance the nation's renewed commitment to accessibility and individual mobility and to promote effective integration of all human service and public transit resources.

Mr. Chairman, in summary, we commend the subcommittee for its plans to undertake extensive reauthorization hearings, including field hearings, so that all sectors of the public can be heard. For the most part, the people that we represent, both those who operate and use community transit services, have not been recognized as part of the public transit community, but they have a lot to say and we hope you will listen.

In approaching next year's reauthorization, we urge you to take bold and imaginative leadership in assuring that mobility becomes a right for all. To accomplish this, CTAA believes we need to restore, stabilize, and restructure Federal transit assistance in order to establish a more balanced national transportation system.

That concludes my testimony. I would be happy to respond to any questions that you may have.

In addition, CTAA would welcome the opportunity to work with the subcommittee and its staff in the months ahead as you consider legislative proposals.

For your consideration, I have also brought with me today copies of a series of newspaper articles on rural transportation issues that was recently prepared by the Toledo Blade. Because of their educational value, I would hope that you would make them a part of the record of these proceedings.

Again, thank you for the opportunity to share our views with you.

Mr. MINETA. Thank you very much. That reference to those articles will be made a part of the record.

Ms. FLINCHBAUGH. Thank you.

Mr. MINETA. Regarding the issue of the required percentage of local share or the non-Federal match of transit projects, it is my understanding that your association supports a local share requirement which reflects a community's ability to pay the required share. I am wondering how that kind of a requirement would be

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structured. The reason I ask that question is that I am wondering whether or not a local match requirement based on ability to pay doesn't discriminate against those communities which have dedicated local funding sources for transportation purposes unless you first required every community to dedicate the same percentage of its budget for transportation purposes or pass some kind of a dedicated funding tax if the community doesn't already have one.

I understand what I think the association is saying, but I am just wondering how that would be structured so it doesn't tilt against some of the communities that may not have the resources available.

Ms. FLINCHBAUGH. I understand, Mr. Chairman. I would like to introduce David Raphael, who is the executive director of our association. I would appreciate it if he could assist me with a response.

Mr. MINETA. Mr. Raphael?

Mr. RAPHAEL. Thank you, Mr. Chairman.

First of all, we are in favor and do support the notion of local match. We think it is an important measure of a community's commitment. I think that position and our concern grows out of evidence of the last year or so with the promotion, particularly in the discretionary grants program, of the overmatch concept.

This seems to us to reward in an environment in which many of the rural, smaller communities have really not fared very well in the competition for discretionary funds. This tends to reward, in our opinion, communities with greater resources and, in effect, those that have get and those that don't suffer.

We have tried, without working on details and without dealing with the full implications of your question, to think that income and ability to pay and ability and willingness of a community to tax itself and make a commitment toward transit is an important measure, and that would vary very considerably from a small both well-off and not-so-well-off rural county, for example. And they should neither, we think, be required to come up with the same match, nor should the advantages that one community has allow it to, in effect, get a leg up in the competition for the resources. We would attempt to look to income and not let people hide behind a refusal or an unwillingness to commit but, in effect, assume a measure of ability.

Mr. MINETA. Have you also found that by providing these kinds of services that there is definitely a switch from a person driving themselves with one person in a car to community transportation services that people are willing to make that move?

Ms. FLINCHBAUGH. Yes, if there is adequate transit available.

Mr. MINETA. What is that adequacy? Is it——

Ms. FLINCHBAUGH. It may——

Mr. MINETA. In terms of time and cost, are they willing to pay 50 percent more, 100 percent more in terms of how much it costs? Are they willing to sacrifice maybe 20 percent more time, 50 percent more time to get out of their car to go to an alternative transportation source?

Ms. FLINCHBAUGH. In my community—I can only talk about my community.

Mr. MINETA. Sure.

Ms. FLINCHBAUGH. I can tell you that the people who require the transportation as it relates to employment, for instance, probably have one car in the family. We have found it very difficult to transport those individuals to second and third shifts. In other words, they can obtain employment if, for instance, work began at 3:00 in the afternoon. Through a public system they are able and are willing to pay maybe up to $2 for a one-way trip to their place of employment. However, the return trip home is impossible to receive because that is at 11:00. The same is true of anyone that is going to work at 11:00 if they were to return home at 7:00 in the morning. They can do one half of the trip, but not the other.

We find that element of need is very high in our community. These are quite possibly entry-level jobs; nevertheless, these are individuals who are either the second employee or individuals who are trying to make it on their own and become independent.

In our community also, because of the area—we have about 1,200 square miles—many people who are employed at Caterpillar and industries such as that probably would not use the public system as we know it, but that is only in our county.

Mr. RAPHAEL. Mr. Chairman, nationally, for the most part, community transportation services really distinguish themselves from the more conventional public transit services. They are not really attempting to compete or serve as an alternative to a private auto. We are talking, for the most part, of very basic services, basic mobility. These are trips that would not be taken. This is access to medical care in many cases and/or jobs for people whose private alternatives are very limited.

So in this area, particularly in smaller communities and rural areas, we are not dealing with an alternative to congestion and a reduction of the use of private autos. We are really talking about providing people opportunity to move and the freedom of movement in their community that they do not have without that kind of public support, whether that is a private agency or a publicly-operated agency.

Mr. MINETA. Thank you very much.

Mr. Rahall?

Mr. RAHALL. Thank you, Mr. Chairman.

What do you believe is the proper funding balance to strike between Federal transit assistance to urban and rural areas? What would lead you to that conclusion?

Mr. RAPHAEL. That is a difficult question. Let me explain how we see the world right now and talk to you about what we have been arguing for.

At the current time we see a very inequitable situation with the distribution of Federal transit assistance. Rural areas and non-urbanized areas contain roughly 39 percent of the nation's population as the Surface Transportation Act defines areas, and is allocated 2.93 percent of the funding.

Smaller communities, small cities, and rural areas have virtually no access currently to the mass transit account, with the exception of modest funding out of this 16(b)(2), the elderly and handicapped vehicle program.

What we have, consequently, is a situation where on a per capita basis the Federal Government expends in the neighborhood of in

excess of $24 per capita in urbanized areas and more. The larger the community, the higher the per capita allocation of UMTA funds.

In contrast, in rural areas UMTA assistance amounts to roughly $1 per capita.

Now, it is difficult to talk about equity in these last several years with either a static or a declining funding balance. We have urged that, at a minimum, that rural share be doubled, but we really have tried and are trying in our testimony and in our work with the committee through these reauthorization hearings to get recognition that rural areas have, in many cases, some very similar needs. We are not talking dollar-for-dollar equity, but I think there was a long period of time when it was assumed that transportation services were not necessary in rural areas where everyone had a car or at least a pick-up truck and they could get by.

We think we are far beyond that. We think systems such as Pat Flinchbaugh's in York and throughout the country demonstrate that there are professionals in community-based systems throughout the country that are starving for resources. We are operating at a considerable loss today than in 1979 when the program began.

We have supported modest legislative proposals that have come in over the last couple of years aiming at a doubling of the rural share. We think that is a minimum step in the direction of equity.

Mr. RAHALL. Thank you.

Mr. MINETA. I have no further questions. I would like to thank you very much Ms. Flinchbaugh for coming here and making this very fine presentation.

Ms. FLINCHBAUGH. Thank you.

Mr. MINETA. And to you, Mr. Raphael, and to your association, thank you very much for your continued help.

Ms. FLINCHBAUGH. Thank you so much for having us.

[Ms. Flinchbaugh's prepared statement appears on p. 1111.]

[Ms. Flinchbaugh's newspaper articles on rural transportation issues appear on p. 1224.]

Mr. MINETA. At this time we now have a call of the House for a series of votes. There will be one vote lasting 15 minutes and then there will be five votes on suspensions, five minutes each. It will be at least an hour before we are able to reconvene and so I will recess at this point.

[Recess.]

Mr. MINETA. The subcommittee will please come to order.

We are pleased to have with us this afternoon a very good friend, Harriet Parcells, Transportation Association, National Association of Railroad Passengers; and Sara Nichols, Staff Attorney for the Delaware Valley Citizens Council for Clean Air and Environmentalists for Public Transit.

We are pleased to have both of you here on this panel together. Your statements will be made a part of the record.

Harriet, please proceed in your own fashion.

TESTIMONY OF HARRIET PARCELLS, TRANSPORTATION ASSOCIATE, NATIONAL ASSOCIATION OF RAILROAD PASSENGERS, ACCOMPANIED BY SARA NICHOLS, STAFF ATTORNEY, DELAWARE VALLEY CITIZENS' COUNCIL FOR CLEAN AIR, AND ENVIRONMENTALISTS FOR PUBLIC TRANSIT

Ms. PARCELLS. Mr. Chairman and members of the committee, I want to thank you for the opportunity to testify before this subcommittee this afternoon on the future of our nation's surface transportation system.

My name is Harriet Parcells, and I am a transportation associate with the National Association of Railroad Passengers, a consumer organization working for a more balanced national transportation system.

This testimony is offered on behalf of our association, as well as the following national environmental organizations: Friends of the Earth, the League of American Wheelmen, the Natural Resources Defense Council, Environmental Action, and the Rails to Trails Conservancy.

We are living in times of spectacular worldwide change. Events are taking place at a dizzying pace in Eastern Europe—events not believed possible several years ago. In Western Europe, nations are joining together to create by 1992 a formidable trading partnership, linked together by efficient, high-speed trains.

If the United States is to remain competitive and meet the challenges facing the country and the planet, fundamental changes in transportation priorities and investments must take place.

U.S. transportation stands at a critical crossroads. Construction of the interstate highway system is virtually complete. Major cities across the country are now connected by a high-quality road network. It is time for a new transportation vision.

Investment in mass transit, intercity passenger rail, HOV, bicycle, and other alternatives to our flying and driving alone habit must become a national priority, with strong Federal leadership backed by strong Federal funding. The economy, the environment, safety, and the quality of life in our cities will all be enhanced. Continued over-reliance on highway building solutions is neither desirable nor helpful in the long run. Current policies and fundings result in costly inefficiencies wherein:

Cities choke under growing auto and truck traffic and the accompanying air pollution, yet Federal investment in mass transit that would help alleviate these problems is inadequate and declining.

Peak hour auto travel strains urban road capacity, yet the Federal tax structure encourages people to drive alone to work rather than use mass transit or carpool or vanpool.

A growing number of big, heavy trucks is accelerating deterioration of our highways and bridges, while rail freight capacity, which could move goods with less pollution, greater energy efficiency, and reduced road damage costs, is under-utilized.

And airports and airways suffer from growing congestion, while investment in expanded and improved intercity passenger rail service that could ease airway congestion is neglected.

Twenty years after enactment of the Clean Air Act of 1970, air pollution remains a pervasive national problem. More than one out

of two Americans live in areas that fail to meet the healthy air standards mandated by Congress. The leading cause of nonattainment is auto and truck emissions.

Stemming the growth in vehicle miles of travel is essential to attaining clean air. Stricter auto tailpipe controls, which we support, will not do the job alone. Until now, removal of the dirtier, pre-1981 cars served as an offset to growth in vehicle miles of travel; however, the Environmental Protection Agency estimates that after 1995 these cars will be off the road and no longer available as a VMT offset, and thus after 1995 it is projected that the major mobile source emissions will begin to increase for the first time in 20 years.

Clearly, we must not only make cars cleaner, but we must provide good alternatives to auto use and we must get serious about making regional transportation planning and investments conform with air quality plans for the region.

President Bush has staked out environmental protection as an area of concern, and he called for a policy of no net loss of wetlands. A shift from road-building solutions to greater reliance on auto alternatives is key to meeting these commitments.

While we support the priority the Administration has given to development of a national transportation strategy, we oppose its policies that back the Federal Government away from leadership in transit, rail, and other areas at a time when such Federal leadership is absolutely essential.

The section of the national transportation strategy dealing with national security talks about an improved sea-lift program and other areas, but not a word is mentioned about the real threat a rising dependence on foreign oil poses to national security.

Use of petroleum for transportation now exceeds total U.S. petroleum production. Per capita gas use in U.S. cities is 4.5 times that of European cities and 1.5 times greater than neighboring Toronto. Investment in transit and good land-use planning can play a key role in reducing our oil gluttony.

Within the United States, spread out auto-oriented cities like Houston and Phoenix use 40 percent more gas per capita than transit-oriented, more compact cities like New York and Chicago. Cities where the proportion of work trips by transit is greatest are those with the lowest gas use per capita.

Americans use good transit when it is provided. Surveys and experience in cities where Americans are provided with efficient, reliable alternatives to driving or flying demonstrate that Americans will leave their cars at home. Those who suggest otherwise use such rhetoric as a means of justifying cutbacks in Federal funding of these vital modes.

Light rail systems that have opened in cities such as Portland, Oregon and San Diego, California have proven cost effective, exceeded ridership projections, and help promote energy efficient land use patterns. These are the kinds of cities where opponents say rail transit can't work. Well, it is working and citizens are calling for expansion.

In Portland, commercial development that has occurred along the light rail line exceeds public construction investment, and

weekend ridership is far higher than projected, indicating that citizens are using the system for shopping and non-work trips.

The year 1989 was the seventh consecutive year that passenger miles on Amtrak rose over the previous year, and all indicators are that 1990 will be the eighth year.

There were 21.5 million Americans that chose to use the train rather than fly or drive. Many more would use rail service if Amtrak had sufficient funds to invest in needed capital and expansion of service.

Federal tax policy concerning commuter tax benefits is backwards and counterproductive. It essentially pays people to drive alone. Under current tax law, employers can provide free parking, a tax-free benefit worth $200 to $400 a month in major cities, but only $15 a month can be provided for employees who use more environmentally-sound mass transit. And if an employer wants to provide more than $15 a month, the entire benefit becomes taxable. We think this is absolutely the wrong kind of policy.

Federal tax law could offer, instead, a monthly tax-free commuter benefit—say $60 a month—which employees could apply to the mode of their choice—purchase of a transit pass, toward parking costs, or pocket it if they walk or bike to work.

We support legislation introduced by Representative Matsui to increase the mass transit tax-free benefit as a step toward creating a more level playing field.

We believe it is time to begin charging highway users for a greater share of the costs they impose. We support implementation of congestion pricing to charge those who travel at the peak hour and impose the greatest cost a higher price than those who travel in the non-peak hours. Americans accept this practice without question in other areas such as telephone rates. Carbon taxes or smog fees should also be examined.

We also support an increase in the Federal gasoline tax, with revenues directed to investment in mass transit, Amtrak, HOV, bicycle and pedestrian facilities, and for State purchase or preservation of railroad lines that are being abandoned that can serve as vital transportation or recreational corridors. A portion of the revenues should be used to offset any negative impacts that might have impacts on low-income families.

This gas tax recommendation was a key recommendation of the Blueprint for the Environment that was presented by 30 national environmental groups to President Bush.

Finally, the growing number of heavy trucks travelling U.S. highways accelerates highway and bridge deterioration, yet State and Federal studies show that heavy trucks are significantly underpaying in taxes compared to the damage they cause.

We recommend enactment of a national weight distance tax on heavy trucks and oppose further increases in truck size and weight. These were also recommendations of the Blueprint for the Environment.

The National Association of Railroad Passengers, joined by the Sierra Club, the National Taxpayers Union, and Friends of the Earth, will shortly issue a booklet on the subject of trucks and road damage which we will provide to the committee.

Thank you, Mr. Chairman and members of the committee, for the opportunity to appear here.

Mr. MINETA. Very well. Thank you very much, Ms. Parcells.

Sara Nichols, Staff Attorney, Delaware Valley Citizens Council for Clean Air and Environmentalists for Public Transit. Please proceed.

Ms. NICHOLS. Mr. Chairman, thank you for this opportunity to share my concerns about transit and how it relates to air quality.

I am the staff attorney with the Delaware Valley Citizens Council for Clean Air. The Council is a nonprofit citizens environmental organization devoted to protecting the public health and welfare through a cleaner environment.

Founded in 1967 on the belief that everyone is entitled to breathe clean air, the Council's primary goals are to inform citizens about the adverse effects of air pollution, to organize citizens to act on their own behalf, and to oversee the activities of government environmental agencies. That oversight includes suing government agencies for failure to implement the law.

The two organizations I represent, the Clean Air Council and Environmentalists for Public Transit, believe that an understanding of what we are doing to our environment will make mass transit one of the key environmental issues of the 1990s.

We all are engaged in an experiment, the potential consequences of which may be of catastrophic proportions, second only to nuclear war. Global warming is, indeed, here. The only debate concerns the gravity of the consequences.

Whatever those consequences are, they will be worse than what we are experiencing now. Put simply, we are currently sustaining billions of dollars annually in health costs and environmental damages. We simply cannot afford the status quo. Whatever we can do to counter its effects we must do as expeditiously as possible.

Excess carbon dioxide is the principal greenhouse gas. Although the United States represents only 6 percent of the world's population, it produces 25 percent of the world's total excess CO_2. According to the Department of Energy, about one-third of that amount comes from mobile sources.

As vehicle miles traveled increase—and all projections show that it surely will—transportation will continue to be the sector from which CO_2 emissions grow most rapidly.

Global warming is not the only air pollution consequence with which we must concern ourselves. Tropospheric ozone is a greenhouse gas but poses its own set of unique hazards. Depending on the amount of heat and sunlight on a given day, motor vehicle emissions contribute anywhere from 40 to 60 percent of the gases that are precursors to the formation of ozone.

In a recent EPA study, Unfinished Business, ozone was characterized as the environmental problem which poses the greatest risk to human health and the environment. It certainly is one of the most insidious, as well. Over half of our population lives in unhealthful ozone areas. We who are among the millions of people living in ozone nonattainment areas cannot step out of the way to avoid breathing in ozone, as we could step out of the way to avoid being hit by an oncoming train. It is there. We have no choice but to breathe it.

Studies show that prolonged residence in high ozone areas is associated with accelerated deterioration in pulmonary function. Ozone scars the lungs and epithelial cells which line the trachea, increasing the incidence of infection.

The Federally-established national ambient air quality standard—NAAQS—for ozone is 0.12 parts per million. While at this level or above, the elderly, people with pre-existing respiratory impairment, and pre-adolescents are the most vulnerable to ozone's effects, recent studies show serious effects on young children who are exposed over long periods of time to levels below the Federal standard. In fact, healthy adults who regularly exercise outdoors experience negative effects from ozone at the Federal health standard.

Symptoms of ozone exposure at .12 parts per million include coughing, shortness of breath, throat dryness, pain on deep inspiration, wheezing, lassitude, headaches, and nausea. Because of ozone's high reactivity, there is a serious concern about the synergistic effects of its interaction with harmful substances such as respiratory viruses, cigarette smoke, and other harmful pollutants.

Annual estimates of the national health costs and lost productivity costs range around $40 billion. However, a recent American Lung Association study puts that figure as high as $93 billion.

Nationwide, ozone is responsible for billions of dollars of damage each year to crops and forests. It is a burning agent which causes leaves to turn brown. It stunts plant growth by reducing photosynthesis, forcing plants to redirect their energy to making repairs, thus making them more susceptible to pest infestation. The effects of ozone and acid rain—which also is caused in part by motor vehicle emissions—together are worse than either is alone. My home State of Pennsylvania has one of the nation's worst acid rain problems.

Motor vehicles are the largest source of hydrocarbon, carbon monoxide, and benzene emissions. Automobile air conditioners are the largest source of our nation's contribution to the depletion of the life-sustaining stratospheric ozone layer.

Between 1977 and 1988 the number of automobiles increased 25 percent and the number of trucks increased 40 percent according to the National Highway Traffic Safety Administration. As a result, much of the air quality progress that we otherwise would have made has been offset by the tremendous increase in the number of motor vehicles.

According to the Delaware Valley Regional Planning Commission, VMT in the region which I live will be 29 percent higher in the year 2015 than it was in 1987. This sharp increase in traffic congestion will generate more air pollution, economic inefficiency, and a tremendous waste of energy. Not one of these can our nation's physical and economic health afford.

Extraordinarily enough, the pending clean air legislation does not treat mass transit as the major air pollution control strategy that it potentially is. It should be a mandatory air pollution control strategy in every nonattainment area. It is time to look dispassionately at the monster our addition to the automobile has created.

We all breathe the same air. It is the air we have borrowed from our children. We do not have a right to compromise the quality of

life for future generations. More than anything, our addiction to the automobile is doing precisely that. It is a course of behavior in which we no longer can indulge ourselves.

Mass transit is the most reasonable way to alleviate the problems caused by our over-dependence on the automobile. Without viable public transit systems, people will not give up their cars and our air quality will continue to deteriorate.

If one factors in such extras as highway construction, road repair, police patrols, paramedic services, and lost property taxes and wetlands when land is converted to highways, our taxes are subsidizing each car and truck each year approximately $2,350, for a total of $400 billion annually.

There is no telling what that subsidy would escalate to if one were to factor in the thousands of traffic fatalities—which are almost the equivalent of our Vietnam fatalities every single year—and the injuries each year, as well as the environmental costs of ozone and carbon dioxide pollution, acid rain, urban sprawl, noise pollution, the greenhouse effect, loss of animal habitat, accidental oil spills, the annual improper disposal of 474 million gallons of used motor oil—which is the equivalent of about 43 Exxon Valdez oil spills every year—desecration of our national parks and oceans from oil drilling, and countless other environmental assaults directly linked to our use of the automobile. Our tax dollars pay for this degradation. Indeed, our tax dollars encourage it. Federal funding favors motor vehicles at least eight to one over mass transit. Our priorities are absolutely insane.

Public transit truly is cheap by comparison. It is ironic that whenever public transit is brought into the debate the cries of unaffordable government subsidies are deafening.

Mass transit, relative to the automobile, is environmentally benign and cost effective. It consumes much less space than that required to accommodate motor vehicles. Indeed, half of the land in the average U.S. city is utilized for or by motor vehicles.

Mass transit is safer than motor vehicle travel. And, in view of the increasing congestion and resulting decrease in speeds on the nation's highways, mass transit potentially is faster and more efficient, too.

Since 1981, taking inflation into account, Federal funding for mass transit has decreased by 50 percent. Our environmental President Bush and Transportation Secretary Skinner want to gut Federal funding for mass transit. This makes no sense.

The President calls his national transportation policy "Moving into the 21st Century." At the rate we are going, we will be standing still in the 21st century. Traffic gridlock today costs the U.S. $73 billion a year in lost productivity.

While the capital outlay for viable mass transit systems nationwide would seem prohibitive, consider the fact that in order to bail out the greed-infected savings and loan industry the Federal Government recently authorized an amount greater than all Federal funding for mass transit in the past 25 years. In 1986 the Pentagon spent Amtrak's total 1986 budget in 17 hours and 48 minutes.

We deserve a failing grade in environmental management, and I hesitate to say if myopia were terminal Washington would be a ghost town.

The cities of the U.S. are the world's biggest consumers of gasoline. Thirty-seven percent of all oil consumed in the U.S. is guzzled by cars and light trucks. According to the American Petroleum Institute, the nation's dependence on imported oil rose to 54 percent in January. It does not take a scholar in economics to foresee a crisis in those figures—especially with countries like Iran and Iraq in control of much of the world's known reserves of oil.

The average U.S. car gets 18 to 20 miles per gallon. Each mile it travels it creates one pound of CO_2 emissions. If you travel 10,000 miles a year in your car, you are responsible for over five tons of excess CO_2 in the air.

If the cost of owning and operating a motor vehicle internalized its true external costs, we would see an abrupt end to our addiction to the automobile. We either pay for our mistakes now or we pay more dearly for them later.

The perception seems to be that changing our behavior will be very painful. Consider the fact that Americans consume per capita about twice as much energy as the Japanese and the West Germans, yet our standards of living are comparable. In the U.S. the portion of passenger miles traveled by train is about 2.5 percent. In West Germany it is close to 60 percent, and in Japan it is close to 90 percent.

Our economy, our national security, and, most importantly, our environment are all being compromised by our fossil fuel gluttony. Air pollution does not respect air quality jurisdictions. This is a national problem that requires a national solution. Substantial Federal funding for mass transit is a must if we are serious about cleaning up our air and reducing our dependency on foreign oil.

As an old Chinese proverb goes, "Unless we change our direction, we are likely to end up where we are headed."

Thank you.

Mr. MINETA. Thank you very much. I guess we don't want to do that.

Ms. Parcells, in your testimony you mentioned that the United States "must get serious about making regional transportation planning and investment conform with air quality goals" in that region. I am wondering how you specifically propose to do this.

Ms. PARCELLS. Currently there is a section 176(c) of the Clean Air Act that requires that regional transportation investments and plans be consistent with the State implementation plan for air quality. There is a memorandum of understanding that was drawn up in 1980 between the Department of Transportation and the EPA in order to implement that.

Unfortunately, the memorandum of understanding is significantly flawed in our opinion. Under it, it basically says that you can undertake various kinds of measures as long as they do not interfere with transportation control measures. We believe that we should be affirmatively supporting alternatives to VMT increasing measures, and we would like to see that affirmative language incorporated and the MOU strengthened.

The Senate clean air legislation that is being debated, S. 1630, actually has some language to strengthen the conformity requirement, and it is my understanding that it is not included currently in the House legislation.

Mr. MINETA. What about, in that regard, land use planning? Is there any spill-over there in terms of what might be done on land use planning?

Ms. PARCELLS. One of the things that I didn't mention in my oral statement but that is in our written statement is that we would like to see the regional planning process strengthened and not diminished. We think that the MPOs are there as entities throughout the country, and we think that their ability to do land use planning could be strengthened. I don't have specific recommendations at this point. It is something that we will be looking at. But certainly we think land use planning is critical in terms of closer linkage with transportation investments, and we strongly support the 3C process.

Mr. MINETA. One of the things I am going to be working on is this whole issue of flexibility in transportation funding. My feeling is that in order to do or to have flexibility you also have to have a strong MPO. As you survey the MPOs across the country, are you satisfied that we have strong MPOs to be able to allow flexibility to be exercised at that local level?

Ms. PARCELLS. I think I would need to look into that issue more, but my understanding of the MPOs is that in many cases they are only advisory and that many things can take place that perhaps might not be in the best—in our opinion it may allow excessive growth beyond what would be best for air quality.

I think we would support strengthening of the MPOs and their land use planning abilities. But, as I said, I don't have specifics at this point.

Mr. MINETA. Your association opposes the addition of tens of thousands of new lane miles of highways in this country's urban areas, as has been proposed by some other groups. If I am correct in understanding from this that your association opposes the mapping of a new system of highways of national significance, how would you suggest that a new Federal highway and transit program be structured?

Ms. PARCELLS. Well, I think our strong feeling is that there needs to be a reversal of priorities. Right now Federal funding for highways at $13 billion or $12.5 billion annually is four times the $3 billion that we provide for mass transit. I think we need to reverse that or to shift the balance.

We think that trying to over-rely on highway building solutions is really not going to solve the problem because it will encourage further auto-dependent sprawling development that, in the long run, will increase congestion and increase pollution.

Mr. MINETA. Again, from a land-use perspective, should that be done from a Federal level?

Ms. PARCELLS. I think the Federal Government should take a strong role in funding of mass transit, both capital and operations, and coming up with some way to strengthen the regional government's ability to do land-use planning.

Mr. MINETA. Ms. Nichols, I share your concerns about the serious air pollution problems that we face in this country, as well as the failure of the statement of national transportation policy to include an increased Federal commitment to transit as a possible solution.

Since your organization does support increased Federal funding for transit projects in clean air nonattainment areas, how would you structure a Federal transit program which targeted these areas?

Ms. NICHOLS. Well, our organization, in conjunction with Harriet's, endorses a gasoline tax. I think the commitment from that tax should go primarily to funding mass transit, then, after that, HOV lanes and carpools and vanpools. Have a priority which has mass transit at the top because mass transit can move the largest number of people most efficiently using the least amount of space and the least amount of fossil fuel.

Mr. MINETA. When you say that mass transit improvements are highly desirable, as I understand it from that answer you are including high-occupancy vehicle facilities within your definition. If that is the case, then how would you rank the relative merits of HOV lanes as compared to other transit improvements? You would put mass transit first?

Ms. NICHOLS. Absolutely. HOV would be down on the list. If there are going to be appropriations for highway funding, I would tie them to HOV lanes. Any highway funding in urban areas would have to include HOV lanes. But, moreover, when you look at the numbers of people that can be moved by mass transit versus the numbers of people that can be moved in automobiles, it makes absolutely no sense from an economic point of view, from an environmental point of view, from a national security point of view, to have priorities that encourage more use of the automobile. I think that everything we do should discourage the use of automobiles.

We are going to run out of fossil fuels one of these days, and——

Mr. MINETA. No question about it.

Ms. NICHOLS [continuing]. Before we do we're going to be held up by the Ayatollahs and the Khadafis of the world. I think that is the reality we had better hurry up and face up to.

Mr. MINETA. But what do we do? I think it was in your testimony where you talked about the older communities that have the higher use of transit. Was it yours? There was some reference to——

Ms. NICHOLS. It might have been the Sierra——

Ms. PARCELLS. I think that was my testimony, actually, with the—

Mr. MINETA. Was it yours?

Ms. PARCELLS [continuing]. Lower gas consumption per capita.

Mr. MINETA. All right. Let's take a look at it. You used Houston and——

Ms. PARCELLS. Right. Phoenix.

Mr. MINETA [continuing]. Phoenix as an example. The mass transit system in New York was built in 1898 or 1906.

Ms. PARCELLS. Yes.

Mr. MINETA. In Houston I think they still were driving cattle through that area at the time. It seems to me that what—and I am not quarreling with you in terms of what has to be done, but I am just wondering how we impose a transit system—let's say like a New York—in a Houston or Phoenix where in New York the density of population may be 21 dwelling units to the acre and in San Jose it is probably 4.8 dwelling units to the acre. If you really want

mass transit to work you have got to have concentration and movements of people from point A to B to C to D, and in these areas you have sprawl. That is something that is there.

Now, are we going to reverse that today? I don't know how you are going to do it. I see people nodding heads saying yes we are going to do it. Tell me how you are going to do it.

Ms. PARCELLS. First of all I would like to point to a number of the western cities that are moving ahead with light rail, for example. I am not saying that we could take necessarily a heavy rail, an extensive system like you have in New York, but——

Mr. MINETA. I'll take even light rail. I am building a light rail system in our area. We are spending a lot of money. It is only 40 percent Federal, I think. It might be 30 Federal and 70 local. We passed a half-cent sales tax because there isn't response from the Federal Government to what we are doing there. So we tax ourselves to do it. But it is going to be a long time before we get people from their cars into the system.

Our HOV in Santa Clara County is two or more people. If I put HOV-4 in Santa Clara County I could lay out there all day long and not get hit by a car. [Laughter.]

Now, how are we going to afford the cost of getting over that hump? If it takes us 12 years to get there, are we going to be absorbing that cost at the local level continually during that time period? It is easy for you to say yes, but I want you to come out and try and convince the people to vote for SCA1 on June of this year. We are going to try to do that. We only have 37 percent who are saying to go ahead and increase the gas tax for transit and transportation purposes. Right now we only have 37 percent of the people saying let's do that.

Ms. PARCELLS. I think the one real benefit, an overriding benefit of mass transit, whether it be light rail or a heavy rail system, versus carpool and vanpool lanes is the impact that it can have—the very real impact it can have on land use. Rail transit can be used as a catalyst in bringing about more energy-efficient land use patterns.

The Transportation Research Board sponsored a conference on the future last spring that I attended, and the National Planning Association projects that there are many——

Mr. MINETA. Harriet, the problem is: if I had my choice today—the problem is the choice had already been made 20 years ago. The land use is already in place. Now, do I go in and rip out the 3.7 or 4.2 dwelling units to the acre right now and say we are going to come in and rezone that land?

I was at Campbell City Council just the other day to be part of a presentation at the City Council meeting and I decided to stay for the City Council meeting because I haven't been in a City Council meeting in a long time and I thought it would be sort of interesting to watch.

The City Council had a rezoning proposal for an area that has 7 dwelling units to the acre right now to go to 11.2 dwelling units to the acre. The protest from the neighbors in that area was horrendous. They said, "Not in my back yard." Frankly, the design of that new subdivision was a heck of a lot better than what existed.

But it is just the fact that they saw all the sudden 11.2 dwelling units to the acre versus 7.

Now, you can say if they had better transit maybe you would have less cars, or whatever. But the whole issue of land use planning and trying to go into a neighborhood that is existing—look at what happened when Rockefeller sold his estate here and they made 200 homes out of that 200-acre site. People came in protesting because there was one house on 200 acres there and now they were going be 200 homes on 200 acres. I remember one lady who said, "And we don't want these $500,000 ticky-tacky houses in our neighborhood." I thought that was a real good elitist snob approach to take.

But, nevertheless, I wonder how this is going to be done.

Ms. PARCELLS. Well, I live in Montgomery County and one of the things I think that needs to be done is to develop a network also of feeder systems. If you have a light rail that goes along the more dense corridor, then you have to have something like the Montgomery County Ride-On system. You have to establish feeder systems in your lower-density neighborhoods.

When I moved out to Glen Echo there was no subway, there was no bus system. Now people in our neighborhood who used to regularly drive to work can hop on the ride-on, take it to the Bethesda Metro, and get downtown.

I think we need to be doing a variety of things. We need to create a network. I think even in this region we can be looking at—why shouldn't we be looking at some circumferential light rail? We have built a beltway around the region. We can begin to make some logical connections that go suburb-to-suburb, as well.

Mr. MINETA. Then why don't we just let the Montgomery County people pay for that?

Ms. PARCELLS. I think that they will pay part of the share, but I also think that it is in the Federal Government's interest because of the benefits both to the environment, to national security, reduced oil dependence. I think there is a strong Federal interest in getting people out of their cars, so the Federal Government maintains a national interest in promoting those kind of systems.

Ms. NICHOLS. May I comment?

Mr. MINETA. Absolutely.

Ms. NICHOLS. It seems to me as though you are arguing for the fact that this is a national problem. Last summer when the EPA study came out designating which areas were nonattainment and to what degree Lancaster County, where the only air pollution really ought to be from horse manure, was nonattainment. Nobody could—the press picked that up and thought this was just mind boggling. How can Lancaster County be nonattainment? That is because Baltimore's air came down on Lancaster County.

And to the extent that the air transports anywhere the winds take it, it doesn't matter whether it is in my State or yours. It is a national problem, and therefore the national government has to take the lead on providing at least a substantial amount of the funding to promote mass transit.

Unless we do that, we are going to find ourselves literally standing still in terms of any kind of developing we can do. Right now whenever I have to drive into the city of Philadelphia it is a verita-

ble nightmare, and yet we have just spent millions and millions of dollars redoing the Schuykill Expressway. It filled up instantly. Yet SEPTA, the transportation authority in the Philadelphia area, is hardly making it paycheck to paycheck. There is just mind boggling insanity in an approach that thinks that the more roads we build the better off we are going to be.

There was a blue route that was just finished—they call it the "blue route"—just finished outside of Philadelphia. They tore through housing developments, they tore through schools, they tore through communities to build that road. That is to save about 15 minutes in a ride from one side of the city to the other.

And, on top of that, every trip on that blue route is subsidized $3.15. I wish every trip I took on SEPTA were subsidized $3.15.

Our priorities just don't make any sense. This is a national problem, it has got to have a national solution. If the air pollution I make in Philadelphia came down on my head, that is one thing. But it doesn't. It comes down on the heads of the people in New York City and it is killing the lakes in the Adirondacks, and Ohio's pollution is killing the lakes in Pennsylvania. Forty-five percent of our lakes are fouled with acid rain—45 percent. We did have a thriving fishing and recreation industry in Pennsylvania that is being demolished by acid rain.

So it is not just a question of who is going to pay for mass transit in this little community. Without it, people can't fish in Pennsylvania. Grandmothers can't get to work in Lancaster County. It is a problem that we have just got to stop looking at locally. It is a national problem with national significance.

Mr. MINETA. How would you answer the earlier panel that was here from the State of Ohio? I don't know if you were here.

Ms. NICHOLS. I wasn't here.

Mr. MINETA. Okay. Again, they bring up one aspect of this problem of the donor States and whether or not they are getting their fair share back into their community as it relates to highway moneys. We have the authorization levels probably at more than a sufficient level. We haven't been able to get the amounts appropriated to do a lot of these things. I guess I just get very frustrated with the kinds of correct issues you bring before us, but I just don't see it happening.

Coming up with a new authorization measure that increases authorizations to be spent on these things frankly isn't going to do it. That is just one piece of——

Ms. NICHOLS. No. We have the lowest cost fuel almost in the whole world. I don't know whether you have spent much time in European countries, but the fuel tax there is very high, and mass transit there is fabulous. You can get anywhere anytime practically on mass transit——

Mr. MINETA. Sure, but what is the density——

Ms. NICHOLS [continuing]. In most European countries.

Mr. MINETA. Again, the density of population, of movement of people——

Ms. NICHOLS. In the middle of nowhere in Sweden they have public bus stops. You can drive two or three miles and not see a building but there will be a bus stop right there.

Mr. VALENTINE. Excuse me. I have——

Mr. MINETA. Mr. Valentine. I'm sorry. Go ahead.

Mr. VALENTINE. Excuse me. I just wanted to ask the ladies a question and to draw to their attention another set of priorities and also mention what I think is another insanity.

I don't disagree with what you say about fuel and about the fossil fuel and about the protection of the environment and that sort of thing. Those are all commendable objectives. And I think there is a national need to move people efficiently and effectively in the metropolitan centers throughout the country.

But let me tell you another sad story.

There was a very bad sounding story in today's Washington Post about the State that I represent that pointed out again that the State of North Carolina has the lowest average industrial wage in the nation and the highest mortality rate in the nation and other problems. There are, indeed, two North Carolinas—one around Duke University and the Research Triangle Park.

What I am leading up to is: does it strike you as another bit of insanity that from the citizens of the State of North Carolina in the 1980s $275 million for mass transit has been collected and $14 million has been paid back? So from the State of North Carolina, with all of its problems, under existing formulas the Federal Government is taking—for every $1 that the Federal Government takes it sends back $0.05. The only way that we can benefit from any of this funding for mass transit is if the Federal Government recognizes something besides rail transportation and that sort of thing.

I suggest that the insanity that I am talking about is for that poor State—it is like breaking a man's leg and then laughing at him for limping.

Ms. NICHOLS. I think you are arguing for a change in government policy.

Mr. VALENTINE. I am.

Ms. NICHOLS. If that is all you are getting back——

Mr. VALENTINE. And I am arguing for sympathy. I want to yell out to anybody who can hear, my dearly beloved chairman and anybody else, that a State with the burdens it has—and when you talk about mass transit where you are building subway systems in the New Yorks and Philadelphias you are building it out of the little nickels and dimes of some of the poorest people in the Union. That just isn't fair. I just want you to agree with me.

Ms. NICHOLS. I agree with you it isn't fair, and I would certainly like to see government policy change so that that doesn't happen.

Mr. VALENTINE. Not only that, but part of what goes into the highway fund—we are still a donor State, Mr. Chairman.

Thank you, Mr. Chairman.

Mr. MINETA. All right. There are some questions that I would like to submit for the record from Mr. Shuster, and these will be transmitted to you. Please respond to these in writing to the committee. I would appreciate it.

[The questions and answers submitted by Mr. Mineta on behalf of Mr. Shuster follow:]

NATIONAL ASSOCIATION OF RAILROAD PASSENGERS

1. Your association strongly supports the concept of peak-hour pricing for use of the highways.

--Wouldn't this hit lower income workers the hardest, while higher-income motorists would simply tolerate the extra cost?

--How would you collect peak-hour fees without expensive or burdensome collection mechanisms?

2. You note in your testimony that European countries are linked together by a network of high speed trains. Does your association support increased research and funding for the promotion of magnetic levitation trains in the United States?

3. You cite the Portland, Oregon, light rail system as a cost-effective system that has exceeded ridership projections. According to UMTA's October 1989 study of Urban Rail Transit Projects, the Portland system has experienced 54 percent fewer weekday passengers than forecast and has incurred 55 percent more capital costs than forecast. Is this all the success Congress can expect?

Question 1: Peak Hour Pricing for the Use of Highways

We view peak-hour pricing for use of congested highways in urban areas as part of an overall policy aimed at more efficient use of our highways and dramatically improved public transportation and increased transit use. The Administration's new national transportation strategy states (p. 49): "It is Federal transportation policy to encourage peak-period or congestion pricing to ensure the most effective use of transportation facilities."

Lower income workers have been hurt the most by the overemphasis on auto commuting in U. S. transportation policy. A much higher proportion of lower-income families than other families have no car. Also, lower-income families who own one or more cars are forced to devote a larger share of their limited resources to transportation than would be the case with better public transit.

Any policy change would have negative short-term impacts on some people, but we think this obvious truth should not justify a status quo approach to transportation policy that cries out for change for reasons related to: environmental protection, energy security, safety, and the mobility of everyone. We say "everyone" because there will never be enough road space to reasonably accommodate everyone who would drive under today's cheap-gasoline, cheap-parking, limited-transit policies.

We would have no problem with special mechanisms, such as rebates, to protect the poor, at least during a transition period. As a practical political matter, we assume that any such pricing would be phased in very gently for all drivers.

The technology exists to charge peak-hour fees "without expensive or burdensome collection mechanisms." At the "Transpo" exhibit sponsored by the Department of Transportation in January in conjunction with the Transportation Research Board's annual meeting, 3M Corporation of Minnisota had an excellent exhibit of the electronic pricing equipment they have developed which will be tested at various locations in the country in the near future. Such equipment eliminates the need for toll booths and the long lines of idling cars and attendant pollution they often create.

When all costs are considered, the single-occupant peak-hour urban auto commuter is by far the most heavily subsidized transportation user in the world. It is time to address this subsidy.

Question 2: Research and funding of magnetic levitation trains

Our Association would support "increased research and funding for the promotion of magnetic levitation trains in the United States" if overall federal funding for intercity transportation in the U.S. sensibly included adequate capital investment for Amtrak and for partially state-funded rail projects. Given current federal priorities, however, in which investment in Amtrak is inadequate and federal aid for state rail projects nonexistent, we think increased funding for maglev research would reflect misdirected priorities.

High speed trains could quickly play a major role in expanding the intercity passenger train's already significant role in diverting traffic from congested airports and highways. Maglev technology, however, remains unproven in two key respects. The Japanese have yet to perfect and market the superconducting maglev, which U.S. maglev supporters think ultimately offers more advantages than the German electromagnetic approach. Perhaps more significantly, we don't know whether the ultimate incremental advantages of maglev over high speed rail will be enough to justify the incremental costs.

We do know that the country would benefit from immediate investments in high speed rail. We find it disgraceful, for example, that Chicago-St. Louis Amtrak trains today average 47 mph, while O'Hare Airport strains under congestion, talk is afoot of constructing a costly new Chicago-area airport and the federal government has no matching-fund programs to encourage states to improve the existing rail lines.

Oak Ridge National Laboratory's Transportation Energy Data Book indicates that airlines used 1.9 times more energy per passenger-mile than did Amtrak in 1987 (up from 1.8 in 1984). Imagine how much more impressive the passenger train would look if better track permitted running above 80 mph in more than 3 corridors!

If maglev systems are built in the next century, they would benefit from development patterns influenced by high speed trains Amtrak has today in a few places and could have tomorrow in many more places if federal transport policies were more balanced.

We are not opposed to the idea of spending on maglev; we merely suggest that a country that can afford to spend money on what may become significant in 21st-century transportation ought to do a much better job of looking out for the next few decades.

Question 3: Portland, OR light rail system's cost-effectiveness

Ridership and cost projections cited by UMTA for the Portland light rail system (LRT) that we are familiar with do an injustice to the system. UMTA-cited ridership projections are early projections, made back in 1978 and for the seventh year of year of operation. In 1978, population, employment and auto operating costs were all expected to increase significantly. Instead, a worldwide recession took place in the early-mid 1980's that had severe impacts in the Northwest, including Oregon. Multnomah County lost 25,000 jobs in the first half of the 1980's. As a result of the recession, all businesses, financial institutions and others revised and adjusted their plans and expectations based on a vastly changed economy.

In 1985, Portland revised its LRT ridership projections. The revised projections indicated approximately 17,500 riders for the first year of operation. In fact, Portland LRT's first year ridrship exceeded these projections, and averaged 19,900 riders/day. Total first year boarding rides was estimated at 3 million; actual first year ridership was 7.2 million. And, surpassing all expectations is the high weekend ridership, averaging 25,000-28,000/day, indicating people are using the LRT for non-work trips, such as shopping, visiting friends, etc.

UMTA-cited cost esimates that we are familiar with are also old estimates, based on a smaller project than was actually funded and constructed. If one looks at the full funding contract signed with UMTA, the Portland LRT came in under budget. The full funding contract was for $328 million and actual system cost, $321 million, with $214 million for the transit portion of the project and $107.3 million for the highway widening portion of the project. It is noteworthy that the 15 miles of light rail cost $214 million or $14 million/mile while the accompanying road-widening project cost $25 million/mile, a full 70% higher than the LRT per mile cost.

Operation of the LRT has also proven cost-effective. The revenue-cost ratio of the Portland LRT is significantly higher than the cost recovery of the regional buses. Portland's LRT recovers 65% of its costs from the farebox vs. 31% average for the regional bus system. In San Diego, a similar pattern is found: the San Diego trolley recovers over 90% of its costs from the farebox compared to 50% for the regional transit system as a whole.

We believe UMTA also does a disservice by failing to note the economic benefits that have accompanied the Portland LRT and similar systems in other cities. Over $500 million worth of development has taken place or is planned along the Portland LRT route. The American Public Transit Association estimates that every $100 million spent on rail transit generates more than $300 million in business revenues in the community--money which flows into the private sector as a result of the public investment.

Finally, we would also like to offer some general comments about new rail transit systems. These systems are built for the long-term. In future years their ridership will be increased by:

o Land-use development decisions, which take several years to have an impact. For example, although everyone today agrees that the San Diego system (which opened in 1981) is a model of efficiency, a 1984 report said "no major impact [by the San Diego trolley] on business activity or land development has been identified." Today, all types of development are springing up along the San Diego's existing and planned light rail lines.

o Changes in transportation policies needed for the reasons cited in our answer to your first question. For example, we think it is only a matter of time before the pro-auto-commuting bias in federal tax law is changed. Its existence and the need to change it is much more widely known today than a few years ago. Secretary Skinner seemed to endorse a change in his 1989 testimony before the House Appropriations Subcommittee on Transportation, when he said, in response to a question from Rep. Lawrence Coughlin (R-PA), "I do not understand why we should be subsidizing people to drive where there's mass transit."

We would like to submit for the record the following story by Don Phillips, which appeared in The Washington Post of April 1.

4/1/90

THE WASHINGTON POST

California Ready to Go on Rail Binge

Successful San Diego Trolley Helps Spark Move to Mass Transit

By Don Phillips
Washington Post Staff Writer

SAN DIEGO—In the late 1970s, the San Diego City Council voted to bar state construction of a trolley line into the city, saying it would rather reject the offer of 100 percent state funding than waste time on an unproven technology.

Today, barely a decade after the council narrowly changed its mind, the San Diego Trolley is the most financially successful transit system in the country.

With lines to the Mexican border and through bedroom communities to the east, the trolley recovers an astounding 92 percent of its costs from the farebox, and is likely to soon become the only transit system in North America to turn an operating profit.

Rep. Bill Lowery (R-Calif.), then one of four conservative GOP city council activists who took office in 1977, strongly opposed it, saying San Diego needed freeways rather than something that might not work. But within a short time, he changed his mind and battled with Republican administrations in Washington to get matching fund to expand the system.

"The projections proved to be very conservative," Lowery said. "It turned out great."

Lowery is one of millions of skeptical, freeway-loving Californians whose change of heart has led California to the edge of a rail binge.

The rail revival is one of the visible signs of a basic change in lifestyle being forced on Californians. Rising land prices have forced the ordinary Californian to live farther from work to afford a single-family home with a lawn. At the same time, the automobile, which once brought Californians the right to live far from work, has become a trap on crowded freeways. Daily commutes of 180 miles or more are becoming common.

"We're spilling people over into the San Joaquin Valley; it's madness, madness," said Paul Shepherd, a developer and consultant in Los Altos who has been active in transportation planning in San Mateo County south of San Francisco.

Light-rail systems—the modern name for trolleys—are being built or are expanding here and in Los Angeles, San Jose and Sacramento. Los Angeles is also building a subway system using trains similar to the successful Bay Area Rapid Transit System (BART) in San Francisco, with 150 miles planned of combined "heavy rail" and light rail.

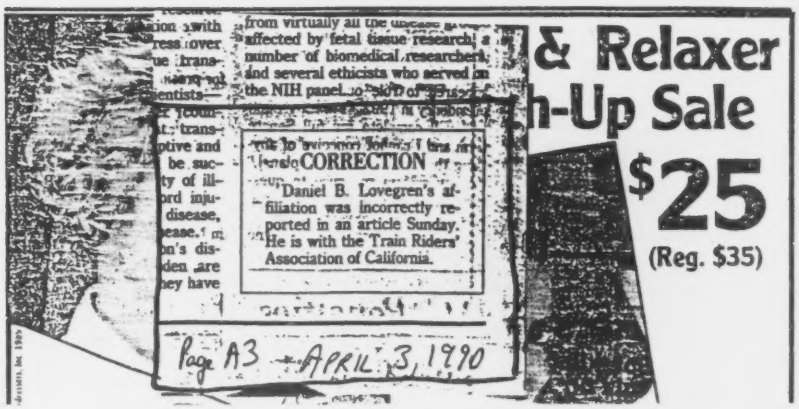
And on June 5, the polls say Californians will approve bond issues totaling roughly $3 billion in the first year to expand trolley, mass transit and Amtrak service throughout the state, including new commuter trains on existing railroads running in three directions from Los Angeles.

If the bond issues pass, California will have voted to spend more for railroad expansion than the total amount the federal government has spent on the national Amtrak system over the last four years.

"We're going to see a major resurgence in rail, both intercity and urban transit," said California Transportation Director Robert Best.

Rolling along with the rail resurgence are hundreds of politicians, Democratic and Republican, including the candidates for governor. "Politicians are realizing trains are a

See RAILS, A27, Col. 1


from virtually all the
affected by fetal tissue research, a
number of biomedical researchers,
and several ethicists who served on
the NIH panel.

CORRECTION

Daniel B. Lovegren's affiliation was incorrectly reported in an article Sunday. He is with the Train Riders' Association of California.

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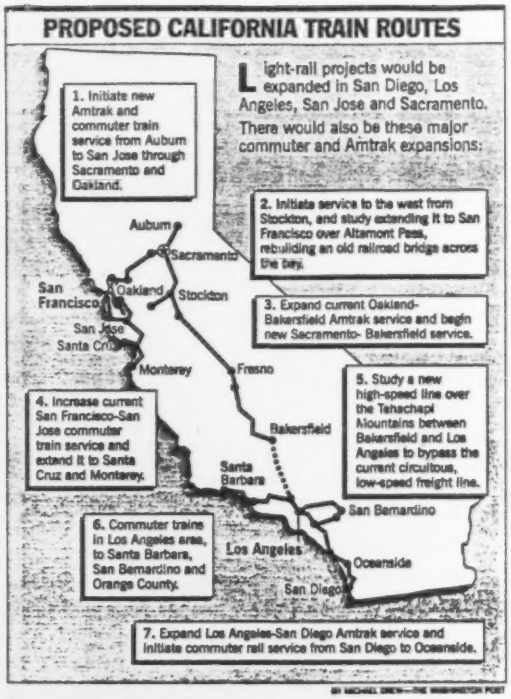

Board. As a longtime leader in the state Senate, Mills became the godfather of rail transit in California, pushing through legislation that placed a sales tax on gasoline to fund transit and allowed cities to levy a one-fourth of 1 cent sales tax for transit.

While in the Senate, Mills arranged state money for the San Diego Trolley.

Mills said the trolley's success can be attributed to its lean, low-cost operation and partly to the luck of location. Its first line connected San Diego with what city officials call the busiest border crossing in the world, San Ysidro-Tiajuana.

But he said its patronage is more than tourists and the poor. Many are white- and blue-collar commuters, and a survey showed that 40 percent of trolley riders own cars.

Mills said San Diego has discovered that people will leave their cars behind to ride trains, but not buses. "It's not logical, but that's the truth of it," he said. "It's appropriate for respectable people to get on trains, but it's not appropriate for respectable people to get on buses."

Sen. Pete Wilson (R-Calif.), then San Diego mayor, was a skeptic who now features the trolley in ads promoting his candidacy for governor.

"I had mixed feelings," Wilson said. "I thought it would be a wonderful thing if we could provide an alternative to cars and even buses. But I was deathly afraid of getting into something that would not be cost-effective."

Extensive studies persuaded him to support the project, Wilson said. "My father always told me it's much better to be lucky than smart," Wilson said. "We were trying to be smart, and we turned out to be both lucky and smart."

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California Hopes to Build, Expand Rail Mass Transit

RAILS, From A25

fun political thing," said Daniel B. Lovegren of the California Association of Railroad Passengers.

Even longtime proponents are puzzled by the public's ready acceptance of rail transit. "I'm a little bit astonished," said Gerald H. Meral, executive director of the Planning and Conservation League, whose group gathered petitions to get one of the two bond issues on the ballot.

Some suggest that the auto-riding public simply wants to get more people off the freeway so they have more room to drive. But when a new train is inaugurated, Californians ride it. Letters to the Sacramento newspapers are complaining that the new light-rail system there is already overcrowded at rush hour, and the Los Angeles-San Diego route has become Amtrak's second busiest behind the Washington-New York corridor.

The Planning and Conservation League's $1.9 billion bond issue includes dozens of projects that would expand light rail systems and help initiate or expand commuter rail projects and Amtrak service. In addition to expanding service and buying new equipment, the bond issue contains money to design a "California car" for intercity service that could contain showers, telephones and facsimile machines.

A second mass transit bond issue—$1 billion per year for three years—was placed on the ballot by the state legislature. The legislature's issue may be in jeopardy because under California's convoluted ballot system, it is tied to a proposal to raise the state gasoline tax from 9 cents to 18 cents per gallon. Polls say the bond issue will pass, but the gas tax measure is in doubt.

Shepherd, the Los Altos consultant, is one of a growing number of transportation specialists warning that Californians must live closer together, somewhat like easterners, if they are to alleviate transportation problems.

"Californians like to live in single-family houses, and that's the problem," he said. "To make a [transit] system work, you've got to have density."

"California has been fortunate to have a lot of land to spill out on," said Rep. Vic Fazio (D-Calif.), who has been closely involved in promoting light rail in Sacramento and commuter service along the Interstate 80 corridor between Sacramento and Oakland. "We really have got to stop acting as if there is an unlimited supply of land."

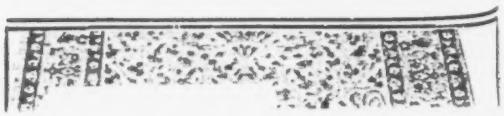
Another important spur to rail development was the success of the state's pioneer rail systems. BART proved that people would ride a Metro-style system in a major western city, while the surge in ridership on Amtrak routes and on the state's one current commuter train—the San Francisco-San Jose CalTrain—demonstrated a desire for passenger train service.

But it was the San Diego Trolley that proved that small and medium-size cities could have a transit system at a fraction of the cost of heavy rail. Light-rail systems often share streets with cars, and usually don't need tunnels and overpasses, making construction comparatively cheap. The equipment is common throughout Europe, allowing purchase of proven, easy-to-maintain trolley cars right off European assembly lines.

It also proved that a system could be built without the problems that plagued a system such as BART that attempted to be on the cutting edge of technology.

People flocked to the trolley in such numbers that plans are under way to expand it in a spider-web of more than 100 miles of electric-powered lines throughout San Diego County. Its daily ridership of 30,000—on trains that vary from two to four cars—is far ahead of projections.

"The success has surprised everybody; otherwise, it would have been a $115 million albatross around my neck," said James R. Mills, head of the San Diego Metropolitan Transit Development



DELAWARE VALLEY CITIZENS' COUNCIL
FOR CLEAN AIR

1. You argue that greatly increased funding of transit would help this country combat its air pollution problem. Several cities with serious air pollution problems already have extensive transit systems. Why hasn't transit been the answer there?

2. One of the major criticisms of rail transit systems is that they simply don't take commuters where they need to go. A huge number of daily commuter trips are now suburb to suburb rather than suburb to inner city. How can transit address the new patterns of travel that have emerged?

3. Certainly pollution is a problem for all Americans. Transit facilities, however, are chiefly systems that benefit metropolitan areas. If federal tax dollars are used to build and support transit facilities, aren't millions of rural and smaller urban taxpayers paying for systems they will never use?

clean air council

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SUBCOMMITTEE ON SURFACE TRANSPORTATION
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
MARCH 20, 1990

RESPONSE TO INDIVIDUAL QUESTIONS

1. Philadelphia is one of our country's most severly polluted cities despite the existence of the Southeastern Public Transit Authority (SEPTA), the City's public transit system. Due to consistent, long term cuts in subsidies to SEPTA from all levels of government, SEPTA service has been and will continue to be unable to meet the current and growing needs of the region. As a result, the Philadelphia region is choking in traffic congestion. All projections indicate that the congestion problem will wosen by between 3% and 6% per year into the foreseeable future.

2. If transit systems had the capital to invest in a suburb to suburb commuter system, the plans that many systems now have on the drawing boards could become reality. Reverse commuting, another nontraditional pattern, accounts for 60% of the ridership on many of SEPTA's lines.

Several Chambers of Commerce in the Philadelphia region have helped subsidize new suburban lines in order to alleviate the chronic labor shortage problem in the suburbs. As highway building is more land intensive, more energy intensive and environmentally destructive in the long-run than mass transit, the more prudent solution to alleviating the suburb to suburb commuter problem (which eventually will have to be solved) is mass transit.

3. Mass transit inures to everyone's benefit. The ozone precursors that come out of the tailpipes of Washington's cars make rural, intensively agricultural Lancaster County, Pa. a non-attainment area. Nationally, transient air pollutants cost the economy between $3 and $5 billion in crop losses, to say nothing of the damage those pollutants do to our forests and bodies of water. There are countless environmental, national security (through reduced use of

CHRISTMAS SEALS HELP FIGHT AIR POLLUTION

RECYCLED PAPER

oil, most of which is imported) and public health benefits to be realized from reducing vehicle miles travelled. Mass transit is the most practical way to achieve large reductions.

Pennsylvania taxpayers have helped pay dearly for the vast system of our nation's western dams. They have helped pay for the interstsate highway system which benefits some states more than others. The Philadelphia region, which makes up one-third of the economic base of Pennsylvania, has paid dearly for the vast highway system that reaches every rural area in the Commonwealth.

Respectfully submitted,

Sara R. Nichols
Staff Attorney
Clean Air Council

Mr. MINETA. Thank you very, very much Ms. Nichols and Ms. Parcells for your testimony here. During the next 18 months we are going to be going through an arm wrestling on a lot of these things and we, frankly, would like your help on these issues as we try to come together to terms on some good legislation.

Thank you very much.

Ms. NICHOLS. Thank you.

Ms. PARCELLS. Thank you very much.

Mr. MINETA. Thank you.

[Ms. Nichols' prepared statement appears on page 1150.]

[Ms. Parcells' prepared statement appears on page 1173.]

Mr. MINETA. At this time I would like to call on David D. King, the Director of the Public Transportation Division of the North Carolina Department of Transportation, and I would like to call on my very fine colleague, Mr. Valentine, from North Carolina.

Mr. VALENTINE. Thank you, Mr. Chairman. We have saved the best for the last.

I commend the testimony of David King to my colleagues on the subcommittee and to those who will read his testimony. It is late in the day and we don't have the attendance we would like, but I would like to add my word of personal welcome to you, Mr. King, and a word of thanks for your appearance here today.

TESTIMONY OF DAVID D. KING, DIRECTOR, PUBLIC TRANSPORTATION DIVISION, NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

Mr. KING. Thank you, sir.

Mr. Chairman and Mr. Valentine, I very much appreciate the opportunity to speak with you. I will be brief for several reasons. One is that you have suffered long today in the listening mode and I know that is hard work. Secondly, I have got a plane to catch, so I will be hurrying through what I have to say.

I have 12 points in the written material which I have presented to you. I will paraphrase that and be very brief on the points that have been covered already by other speakers.

Before I start, though, I would like to make a couple of points that go back to some questions that Mr. Laughlin was asking this morning.

One of the unfortunate burdens of public transportation in this country is having to live up to the term "mass transit." And for those States like North Carolina that have as its largest city the city of Charlotte, which has 400,000 people, the kinds of transit systems that work quite well in very dense cities do not make any sense at all right now. In going back to your discussion with the previous two panelists, it will be a while before they do.

The analogy has been made of a large carrier or battleship, and you turn the rudder a degree or two and that battleship begins to turn a little bit, and it takes years and years before land use patterns and transportation systems that have been set in place over the years, going back a century or more, are altered. So I think that is another way to look at your question, Mr. Chairman, of whether we tear down those 4.2 dwelling units. Probably not, but

you have got to start somewhere and it takes years and years to make that transition.

So my point is that we always are battling the term "mass transit." We call our activities "public transportation." Quite frankly, those activities that are not related to congestion relief are the ones that are growing most explosively in North Carolina and in a lot of rural and small urban America right now.

You heard Ms. Flinchbaugh earlier today and you heard Mr. Louwerse from Pennsylvania making some of these points this morning. I would echo a lot of that. The demand for the human service transportation business, which serves people who do not, in a lot of cases, have alternatives to the private automobile, is exploding; whereas our fixed-route urban transit systems are experiencing modest growth in most cases, at best.

I would propose that as part of the reauthorization discussion that you also discuss renaming the Urban Mass Transportation Administration to something that describes what they do or what we do in North Carolina more accurately than the Urban Mass Transit Administration.

My twelve points:

One, whatever you do, make it predictable and consistent. Whether it is a four- or five-year authorization program, local governments usually have a planning horizon of four or five years. They need to know what the Federal partner is going to do. Once they know that with certainty they can make their plans accordingly.

Two, equity of distribution. I think Mr. Valentine made my point for me. We have worked within AASHTO to produce a consensus on the equity question with regard to the mass transit account of the Highway Trust Fund. As Mr. Valentine noted, we have historically gotten a very, very meager share of what we send to Washington for the discretionary capital program, and the AASHTO position calls for distributing any appropriations made over current levels based on a formula which would allow donor States like North Carolina to get a much fairer share of what we are sending to Washington. I think that point has been made by a number of people today.

The third point is flexibility. After what I have heard about the word flexibility today it seems like it must be the 11th commandment. Maybe Moses dropped that particular tablet when he was heading down the mountain. But in our case—you mentioned flexibility is in the eye of the beholder. In our case I think I would characterize it as cross-categorical flexibility.

The resources that we get from the Federal level, no matter what you do, are going to be inadequate to solve the problem. We would recommend that you not try to put them in narrow categories; rather, give us and the other 49 States and the localities the resources and let those decisions be made at the local and the State level.

In response to your question of a couple of people about MPOs, my response, based on North Carolina, is that MPOs have a way to go before they are capable of making good judgments, but that they have got to grow to the responsibility that you might give them. If the responsibility is handed out, I think they will rise to the occa-

sion. But it will take some growth, I think, in their decision making and wisdom before they are capable of doing what you would like for them to do.

Parenthetically, let me say that I am proud that APTA has made the transition over the last couple of years. In preparing for the reauthorization process I think they have grown as an organization to accept a much broader definition of public transportation. You heard them today talking about ride sharing and some of the measures that make a lot more sense in very low-density areas like North Carolina where we don't have the kinds of densities that support heavy rail or even light rail services and don't expect to for 10 or 20 years.

Four, inter-modalism. I think you need to take a look at your Department of Transportation and its coordination and inter-departmental or inter-agency communications. I don't believe the Urban Mass Transportation Administration talks with the Federal Highway Administration as much as it should to coordinate projects such as HOV lanes in the right kinds of ways. I think there are an awful lot of opportunities for better transportation thinking at the Federal level that tends to translate to the State level, as well, since a lot of State DOTs tend to reflect the Federal leadership that they see at the USDOT. And when they see transit and highway folks not talking at the Federal level, they tend to not talk as much as they should at the State level and the local level, as well.

Five, rural mobility. This point has been made several times today. Again, 2.93 percent of the total general funds that are supplied for transit assistance go to rural areas. In North Carolina approximately 50 percent of our population is rural. Those folks tend to be even more isolated than folks in urban areas. If you do not have an automobile and live in rural Edgeconbe County it is much more difficult to get to the doctor in the county seat than it is if you live in Rocky Mount. So keep that in mind.

I hope that you will have an opportunity to address that disparity between rural isolation and the way the current authorization distributes money between rural and small urban areas, on the one hand, through the section 18 program, and urbanized areas, on the other hand, through the section 9 program.

Six, human service coordination. This is something nobody has touched on today so I will spend a little bit longer on it.

In this room in 1985 under Mr. Oberstar an investigation in the Oversight Subcommittee meeting dealt with this subject. One of the outgrowths of that discussion was a directive to USDA and HHS—Health and Human Services—to step up their efforts to coordinate the massive funding provided by Health and Human Services for transportation purposes.

As an observer from one State capital, I can tell you that I think their progress has been agonizingly slow in that respect. HHS spends over $1 billion a year—I think that is a conservative number—on transportation services, what we call human service transportation, through their aging program, through Headstart, developmental disabilities, mental health, and all sorts of programmatic areas, seldom labeled as a transportation budget line item but quite often going to get clients to services.

I do not think that they have done nearly all they could to make those expenditures cost-effective, to avoid and eliminate duplication of service, redundancy, and so forth. So I hope that in the reauthorization process you will address that question.

I point out in point seven some of the factors that—and these are just three of quite a long list of factors—are tending to increase the demand for human service transportation.

One is the aging of the population, a fact that is well documented. We have a pilot program in North Carolina that is allowing driver license examiners, when they have to make that difficult call when an elderly individual has to forfeit their license because they no longer are capable of operating safely on the highways, of trying to match that individual who is losing a valued piece of independence with a public transportation service in their county. That is something that will continue to happen. As people live longer they will reach that point where they can no longer safely operate an automobile and that will increase demand for public transportation services.

A second item is increased attention to individuals with developmental disabilities. Our State has just issued a report calling for much greater attention to transportation for those individuals.

Third is the jobs component of the recently-passed Family Support Act which helps individuals on welfare make the transition to a job and provides them with some transportation assistance while they are trying to make that connection.

All of those things and many more are adding to the demand for public transportation in rural and small urban areas, or the kind of public transportation we refer to as "human service transportation."

Number eight, the Americans with Disabilities Act. That has been discussed widely, but let me point out one thing that I haven't heard discussed enough, and that is how we are going to pay for it. Particularly of concern to me is the increased cost for capital equipment for para-transit services that might be required if each vehicle is required to have a wheelchair lift. Most of our human service transportation operators use the 15-passenger van as the workhorse of their fleet. If you add a lift to a van it increases the cost of that van by over 40 percent. If you add a lift to a 35- or 40-passenger bus in an urban environment it increases the cost of that bus by 7 or 8 percent. So the impact on rural and small urban capital requirements is much greater due to ADA than it is in urbanized areas. I hope that point is considered.

Regulatory reform, which is another point, has been beaten to death, but let me cite one example that would differ with one of your prior speakers.

We have a park and ride lot capital application into the Urban Mass Transit Administration that has been held up for six months for a 13(c) sign off. We are unable to see how there is any possibility of injuring employees by building a park and ride lot that would serve both transit and ride sharing, yet that grant has been held up for six months awaiting a 13(c) certification. So all is not rosy in that camp.

I think the problems are more likely to be found in new situations. One of the gentlemen earlier said that when it is a matter of

going back and looking at how an old labor agreement fits in a current situation, those things do tend to flow rather easily and that is working out well. But when situations are novel, then it is a much, much more difficult situation.

Ten, parking. I think one of the ladies that spoke just before me made this point, but I think this is an extremely important point. We tax transit passes over $15 as an employee benefit. Free or under-priced parking provided by an employer is not taxed as an employee benefit at any level. That sends exactly the wrong signal to every American who is making a decision about how to commute to work. If nothing else is done in the reauthorization process, I hope that problem can be addressed. That is badly in need of fixing.

Eleven, Amtrak. A lot of States around the country are interested in working with Amtrak on some service. We are finding in North Carolina and in other areas of the country that Amtrak is so starved for capital equipment that they cannot respond to us. As long as we have a national railroad passenger monopoly and that is the only place we can turn for service, it makes no sense that we cannot work with that organization because they haven't had enough funding to buy sufficient capital to be able to respond to State needs when we are willing to step forward with money to participate with them on some inner city service. I hope that can be dealt with.

And then finally another subject that nobody has broached—at least if I have been paying attention today—is research. The Transportation Research Board produced a study about two years ago that called for some problem-solving, nitty-gritty research to be conducted in the public transportation arena using a set-aside from the formula program—I think the numbers were .5 percent or 1 percent of the section 9 and the section 18 programs—providing something under $10 million a year, or certainly under $15 million a year, for operator-directed problem solving research. I hope that some means of addressing that research need can be found as you deliberate the reauthorization process.

Mr. Chairman, that is all I need to say. I really do appreciate this opportunity to be heard and would be happy to respond to any questions.

Mr. MINETA. Thank you very much, Mr. King.

Let me ask first of all how you would incorporate increased flexibility into mass transit/public transportation funding so that communities could make use of ride sharing and demand management strategies which are not related to capital grants?

Mr. KING. The categorical programs—16(b)(2), which is elderly and handicapped; 18, which is rural and small urban; 9, which is urbanized—all have different amounts of flexibility within them. Those are artificial distinctions when you have still got less money, if you go back to my original point, than what you need.

The point about increased flexibility in the discretionary program, section 3, is that bus replacement, new starts of heavy rail systems, and rail modernization really don't get to ride sharing and demand management strategies such as some of those that are part of the LA Basin air improvement strategy. Those are not the kinds

38-253 O—91——36

of projects that UMTA places a high priority on in using section 3 resources.

We think that the list of approved and smiled-upon projects that are capable of being funded out of section 3 ought to be much, much broader than what has historically been the case to include capital for rural and small urban and human service applications. That is part of the AASHTO position, by the way.

Mr. MINETA. Mr. King, let me ask if you would give us some specific examples of regulatory reform which you feel would improve the delivery of public transportation services?

Mr. KING. I think this rethinking of the entire program that you will be going through offers an excellent opportunity to look at a number of regulatory issues that have been hung on the transit programs through the years, each sane and making plenty of sense on its own, but when added together and not examined afresh tend to add a burden that is becoming fairly monstrous.

You have got Buy America, you have got DBE, you have got drug testing, you have got title 6. I am only scratching the surface.

I suspect that if you got a group of operators and some Federal folks together in a room and locked them up for two days they could come up with some excellent ways to improve the paperwork, to combine requirements, to update antiquated regulatory language, and all of that would add up to savings which might reduce the need for dollars.

Mr. MINETA. Very well. Thank you very much.

Mr. Valentine.

Mr. VALENTINE. Thank you, Mr. Chairman.

I would like to ask you, Mr. King, a question or two about a subject that we have already been into. I ask these questions so as to get this matter in the record in a little bit different form from my rhetoric.

Approximately how much money has North Carolina contributed to the mass transit account since the inception of the program in the early 1980s?

Mr. KING. One penny in North Carolina today raises about $39 million—just short of $40 million. I estimate that over the life of the program North Carolina has collected about $275 million for the mass transit account.

Mr. VALENTINE. And how much has the State of North Carolina received from programs funded by the mass transit account in that same period of time?

Mr. KING. About $14 million, most of it in the form of the section 16(b)(2) program.

Mr. VALENTINE. And so the rate of return would be about 5 percent?

Mr. KING. Yes, sir.

Mr. VALENTINE. For every $1 that the State of North Carolina sends to the Federal treasury they get $0.05 back?

Mr. KING. That is correct.

Mr. VALENTINE. I understand that section 16(b)(2) program that funds small buses and vans for elderly and handicapped services is funded out of the mass transit revenues. What is North Carolina's share of this national program?

Mr. KING. That is a $35 million national program that comes off the top of the mass transit account. North Carolina gets about $805,000 a year. That is 80 percent of total project cost, with 10 percent supplied in our case by the State and 10 percent by the private, nonprofit agency that receives the money. That will fund about a $1 million program.

We have needs on an annual basis to replace vehicles that are in service in North Carolina in human service transportation functions that are in the $5.5 million to $6 million range. So we can meet about one-sixth of that need for very basic life-sustaining, gut-level services, and yet we only get $805,000. So that is one of the sources of our frustration about the mass transit account. If we had even a 50 percent minimum allocation out of that program, we would be able to meet those kinds of needs and do some other things that are sorely needed in our State.

Mr. VALENTINE. I have one final question. Does North Carolina also receive less than it sends in to the Federal Government in the highway program?

Mr. KING. Yes, sir. We are one of those States that gets less than what we send from the highway fund, as well.

Mr. VALENTINE. And I think there has been maybe one demonstration projection that State?

Mr. KING. The city of Charlotte has got a preliminary commitment for a $12 million HOV lane. They have received about $1 million for design, and that's it.

Mr. VALENTINE. Thank you, sir.

Thank you, Mr. Chairman.

Mr. MINETA. Thank you very much, Mr. Valentine.

Mr. King, as we are going over some of those figures right now, recognizing that this is a snapshot in time as it relates to funding—for instance, under UMTA—I suppose if we were to take a look at the interstate program historically and look at the historical experience of North Carolina under the interstate program it may be weighted favorably in the case of North Carolina, is it not?

Mr. KING. I have heard this discussed. Since this was done in the 1950s, it was before my time. But apparently North Carolina was asleep at the switch when it came to designing the interstate program, so we have been in a donor status in the highway program for years and years.

Mr. MINETA. And the light switch has now been turned on?

Mr. KING. I certainly hope so.

Mr. MINETA. Again, thank you very much, Mr. King, for your contribution and testimony here today.

Mr. KING. Thank you.

[Mr. King's prepared statement appears on page 1139.]

Mr. MINETA. Now we would like to call on Doctor John W. Holtzclaw, Urban Sociologist, Engineer, Physicist, representing the Sierra Club of California.

Doctor Holtzclaw, your testimony will be made a part of the record. Please proceed in your own fashion, sir.

TESTIMONY OF JOHN W. HOLTZCLAW, URBAN SOCIOLOGIST, ENGINEER, PHYSICIST, REPRESENTING SIERRA CLUB OF CALIFORNIA

Mr. HOLTZCLAW. Chairman Mineta and members of the committee, being last I guess I have to be provocative to keep you awake, but not too provocative. I wanted to leave here by 4:30 to make my train. Obviously I am not going to make that, but I might be able to run for it anyhow.

I want to thank the committee for seriously considering alternatives to a new urban/suburban highway system which, if it were authorized, would be completed around the year 2020 when we are running out of petroleum, which would be too ironic.

Massive highway construction will not relieve the congestion problem that we have nationwide. As Newman, Kenworthy & Lyons showed, it will just encourage people to move further away, drive further, increase congestion, increase fuel consumption, increase air pollution, and, ironically enough, by increasing trip length actually increase the time people spend in commuting and driving.

But highways also have another effect, and that is: as they encourage sprawl growth they encourage more consumption of materials and lands.

Phillips & Gnaizda studied two developments in California: one on the slopes of Nobb Hill, an apartment house in a very dense area of San Francisco and with very good access to downtown; the other a very state-of-the-art energy-conserving development of single-family dwellings in Davis, California.

They found that the people in Davis, California, drove four times as much as the people living in the apartments in San Francisco, they used 40 times as much land, 15 times as much roadway, 50 times as much lumber, 5 times as much utility pipe, and much more water and fuel. This is typical.

I have been studying the amount people drive as a function of where they live in San Francisco Bay Area. One of the conclusions of my study is that for every mile that people ride on transit they don't drive ten miles. That is because transit encourages much denser growth, encourages the destinations—whether they be jobs or whether they be restaurants or markets—to be much closer so that the trips are much shorter so that one mile on transit on the average displaces ten miles of driving. In New York City, for instance, people drive one-fourth as much as the average American does.

Transit consumes only one-fifth to one-third as much fuel per passenger mile. Rapid transit can carry 24 times as many people per lane as highways; buses, six times as many people as autos.

Another conclusion from this study in the Bay Area is that every time you double the density—residential density, along with local services density—you decrease the amount of mileage people drive by 25 to 30 percent. So if this city, Washington, or if San Jose were to double in population and it were all to occur by in-fill development rather than by continued sprawl, instead of the mileage that people drive doubling or more than doubling it would only go up 40 to 50 percent. So it is a real way to cut down our auto mileage.

This happens naturally. It doesn't require transportation control measures or other restrictions on the automobile which also help, but it occurs naturally just because the area is more convenient.

Other impacts of sprawling congestion are air pollution and loss of natural areas. As the Lung Association has pointed out, we spend annually in work time loss and in medical costs due to air pollution $40 billion to $50 billion in this country. The Harvard School of Public Health estimated that something like 53,000 people die every year from air pollution.

The USGS estimated that in the San Francisco Bay Area we have lost 94 percent of our wetlands to development fed by continued highway growth.

How have we gotten ourselves into this condition? We have spent ourselves into it and we have zoned ourselves into it. We have spent on highways eight times as much Federal dollars as we have spent on transit.

The Sierra Club urges you to do a couple of things. One, in order—as you have pointed out, how are we going to reverse this? How are we going to change the direction in which we have already been going?

One thing we have to do is educate ourselves and educate the public—get more information on the impacts of our highway dollar and our transit dollar and the subsidies to motor vehicles. So I urge you to sponsor research into the impacts of more highway dollars and more dollars on transit along with zoning changes, in-fill development, to look at things like sprawl and traffic congestion, loss of forests and agricultural lands, consumption of energy and materials, in construction and energy and water in the new developments, production of air and water pollution, and the condition of the inner cities.

I also urge you to evaluate the subsidies—support to fund the evaluation of the subsidies to motor vehicles. Subsidies? But we have been told over and over again the motor vehicle pays its way.

Stan Hart studied Pasadena, California's, and the Los Angeles County subsidies to the motorist in Pasadena just looking at the cost of designing and constructing highways and ambulance, fire, and police protection for motorists. He estimated that the city and the county subsidize motorists $0.40 to $0.50 per gallon of gas. That is half of what we pay for our gas. And that doesn't include a lot of other subsidies, some of which have already been talked about—free parking at work, at shopping centers, and other places; property taxes not paid by the freeways.

Freeways, when they go through our cities, bulldoze housing and bulldoze businesses that pay property taxes. CalTrans doesn't pay those property taxes, and the other State highway departments don't pay those property taxes to the local government. So the property taxpayers otherwise have to pay it.

Smog-related health and work loss costs, damage to crops and structures due to smog; time loss to traffic congestion. All of those are subsidies of the automobile.

We urge that all of those be studied, that we have a better feeling for them.

And then we urge you to adopt a transportation bill that includes full cost pricing of motor vehicles—smog fees, gas taxes,

auto sales taxes, licensing and registration fees, toll roads, and elimination of subsidized parking—to recoup the full cost to society of the motor vehicle, and then use that money to improve transit systems and to reduce property and sales taxes that are now providing the subsidies to the cars.

So those are mostly fairly regressive taxes, so this kind of system would be more progressive.

The Bay Area Environmental Forum, which is an organization of the Bay Area Council that I'm sure you know spur the heads of the two major universities in the Bay Area and political leaders in the Bay Area, have supported much of this program—increased bridge tolls, smog fees, reduction or elimination of free parking at work, or at least subsidies for people who walk or take transit equal to the parking subsidies. So it is really not that outlandish a proposal. At least we have convinced the political leaders and the business leaders in the Bay Area that it is not that outlandish.

And, finally, use these taxes to build and operate adequate transit systems—especially rail. I would urge that these funds be tied to land planning changes, zoning changes to require that they allow three- and four-story apartment houses with commercial development on the first floor—the kind of development that isn't too frightening to local governments, but would help to build up the density that would allow people to walk and take transit much more efficiently.

I thank the committee.

Mr. MINETA. Doctor Holtzclaw, thank you very much.

Let me ask about this last point about the full-cost pricing of auto use. You are saying these are proposals. You are not saying that they have been adopted in the Bay Area in any form, have they?

Mr. HOLTZCLAW. We had a press conference about a month ago, and the Bay Area Environmental Forum proposed these. Some of them require State legislative changes; some of them perhaps require Federal changes. Certainly they require regional and local changes in legislation.

Mr. MINETA. I got the impression that some were already adopted in place.

Mr. HOLTZCLAW. And they did support SCA1 as the specific gas tax increase.

Mr. MINETA. And I assume because the SCA1 includes the congestion management plan to try and leverage on what gets done State-wide?

Mr. HOLTZCLAW. Yes.

Mr. MINETA. Now, this issue where you say the city and county subsidize the motorist in terms of $0.40 to $0.50 per gallon of gas because there is a loss of property tax because of the road that is there, what would be the comparable figure for mass transit in terms of loss of the property? Let's say if we were to take the BART system, since that is off the property rolls what would be the equivalent? What would be that as compared to——

Mr. HOLTZCLAW. At least when BART was built—as you know, through downtown San Francisco it is underground. Through most of the rest of the area it has a very narrow right-of way. A highway or freeway when it goes through bulldozes a block-wide swath

of land. And then when you get to the cloverleaves you get six or ten square blocks of land that are lost. Even the Central Freeway in San Francisco took out a lot of buildings. BART didn't take out that many buildings. Even when it went out to Walnut Creek it went down the freeway center right-of-way, which is not the best place for a transit system because it doesn't encourage people to walk a lot. The station is surrounded by parking lot instead of business and housing. But hopefully that can be improved in the future.

You asked earlier about the fact that we already have low density. I lived in San Jose in the mid-1960s, and it is very true——

Mr. MINETA. The only thing I am going to say on that is the fact that I also, when I was mayor, slowed the growth down and increased density. I am familiar with this.

Mr. HOLTZCLAW. Great.

Mr. MINETA. It is nothing new for me. I have done it.

Mr. HOLTZCLAW. Yes.

Mr. MINETA. But what I don't like is to be able to have people come in and just make general statements about do this or do that when, frankly, I think it is tougher than statements just to be made before committees of Congress. That is all I am saying.

Mr. HOLTZCLAW. It is not easy. One of the reasons——

Mr. MINETA. You are darn right it is not easy.

Mr. HOLTZCLAW [continuing]. I proposed a lot of additional studies is because I think the public, when they understand the impacts of the way we are going—as one of the previous speakers said, the Chinese proverb, "Unless we change the way we are going we are going to end up where we are headed." We have spent 40 years building highways and encouraging sprawl. We are not going to change that to get a dense situation in five years. It is going to take another 40 years, but we are running out of petroleum as well as running out of breathable air and so on. If we don't start now, if we wait and build another 20 years of highways, we will be 20 years further down the road in the wrong direction.

And I am also encouraging tying the monies that go to the local government to requirements for land use changes which allow three- and four-story apartment houses to be built along major transit corridors and around transit stations with commercial below it. That is no so frightening to people. The three- and four-story walk-up is not as frightening as Manhattanization, but that is a step in the right direction.

Mr. MINETA. But I bet for the community that has that seven dwelling units to the acre, walking up three stories is the Manhattanization of their community. They are used to that one-level, spread-out sprawl.

If I were to go into Los Altos Hills and say we are going to come in with three-story, beautiful condominiums, townhouses, or whatever, to them that is Manhattanization of Los Altos Hills.

Mr. HOLTZCLAW. Maybe we will have to write off Los Altos Hills, but we certainly have a lot of other transportation corridors in Santa Clara County and San Mateo County and other places that have parking lots, that have older buildings that are being replaced that would be prime locations for three- and four-story apartment houses that would give the density—it would help to build the den-

sity that would make transit service worthwhile but, more importantly, would allow people to walk to a lot of their destinations because the restaurants and the markets and so on are much closer.

Mr. MINETA. How do we do that without preempting traditional local and State land use planning roles? Or are we saying that is tradition, that is old hat, toss it out because it ought to be preempted?

Mr. HOLTZCLAW. Well, I would say that. But I would also say that a lot of Federal legislation has strings attached to it and some of the strings improve things locally and some make it worse. I would propose these are strings which would help improve conditions locally.

We have also, with the Federally-supported housing loan program, encouraged suburban sprawl. We have encouraged low-density development. That needs to be changed, too.

As you have pointed out this morning, the Clean Air Act or the clean air requirements are going to be a major engine for change. What I am suggesting is that part of what has to be changed is the way we get around. I am suggesting that you tie the Surface Transportation Act to improving air quality, to improving our urban efficiency and helping the Clean Air Act along.

Mr. MINETA. Thank you.

Mr. Shuster.

Mr. SHUSTER. Excellent testimony, Doctor Holtzclaw.

Mr. HOLTZCLAW. Thank you.

Mr. SHUSTER. I have no questions, Mr. Chairman.

Mr. MINETA. Well, I am quite sure that in the next 18 or 19 months as we are trying to put this thing together, Doctor, you and I are going to have a lot more conversations. I would like to do that because there is a need for a transportation policy from a Federal perspective. I think we have got to be able to respect local and State laws and processes in that as we try to build that Federal transportation policy. So I would like to stay in touch with you on terms of how we might be doing the implementing of some of these things.

Mr. HOLTZCLAW. My pleasure.

Mr. MINETA. Thank you very, very much.

[Mr. Holtzclaw's prepared statement appears on page 1125.]

Mr. MINETA. There not being any further business before the subcommittee, we stand adjourned until Thursday at 10:00 a.m. in room 2253.

Thank you.

[Whereupon, at 4:45 p.m., the subcommittee was recessed, scheduled to reconvene at 10:00 a.m. on Thursday, March 22, 1990, in room 2253.]

PREPARED STATEMENTS OF WITNESSES

Statement of Patricia Flinchbaugh, CTAA

Chairman Mineta and Members of the Committee, my name is Patricia Flinchbaugh and I am Executive Director of Community Transit, Inc., which provides both regular and specialized public transit service in and around the City of York, Pennsylvania. I am appearing on behalf of the Community Transportation Association of America (CTAA), on whose Board of Directors I serve.

Our Association represents rural, small urban and specialized transportation providers and their riders. We have a membership of more than 400 agencies located in 47 of the 50 states. The following excerpt from CTAA's Mission Statement makes clear our organization's interest in national transportation policy and in the Urban Mass Transportation Act, the reauthorization of which you have under consideration.

> "We advocate for, promote, and support the development, operation and enhancement of safe and effective community transportation for all people in rural and urban areas. We will work to strengthen the voices of our constituency by building effective partnerships and alliances between providers and users of community transportation services at all levels."
>
> "And, finally, we will mobilize our collective resources in order to educate the public about the importance of individual mobility and community transportation, and will work to establish public policies that recognize individual mobility as a basic human right."

Stated briefly, CTAA's policy goal is the following: "To establish and maintain a network of public and private transportation resources in the United States to assure mobility for the well-being of the country, its citizens and their communities." The Urban Mass Transportation Act and its programs are and will continue to be crucial to our efforts to achieve that objective.

Restoring and Restructuring Federal Transit Assistance

Our recommendations for the reauthorization of the Act revolve around three basic needs that we see: Restoration, Stabilization and Restructuring.

RESTORATION

However one may feel about the specific recommendations of the National Transportation Policy Statement recently released by Transportation Secretary Skinner, its statement of the importance of the issue can not be challenged:

> "The transportation infrastructure is vital to the Nation's economy, and it must serve the needs of all Americans, including the young and old, minorities, disadvantaged and disabled individuals, and people living in urban and rural communities."

The statement goes on to warn of "increasing signs . . . that the system is beginning to break down." This should not be surprising since federal investment has eroded steadily over the past decade, not only relative to the economy, but even in absolute (constant) dollars. To put it in specific program terms, the Section 18 program of assistance to rural communities was funded at $85 million in Fiscal Year 1980. Had funding merely kept up with inflation in the decade since, funding for FY'90 would have to be $132 million. Instead, it is less than half that amount.

As economist after economist points out, we as a society and an economy, pay a heavy price for those cuts in public investment. Our productivity has gone steadily down and our economic competitiveness has come into real jeopardy. Our nation's mobility has always been a critical element in our economic productivity. Ready accessibility to labor and other productive resources and to markets is essential to economic growth and development. Optimum use of mobility resources is necessary to their effectiveness and to the productivity which they enhance. It is also a key to cleaner air, reduced congestion and greater convenience. At the personal level, mobility is an essential link to jobs, to schools and training, to health care, to shopping, to friends and extended family, to the rest of society.

In short, the first need to which a reauthorized Urban Mass Transportation Act must respond is the need to restore federal investment in public transit to a level commensurate with the human, social and economic importance of those services. CTAA agrees with APTA and others in the transit field that such a level of transit investment would be at least $6.5 billion annually.

STABILIZATION

Transit investment also needs the underpinning of a stable and dedicated source of funding -- one that not only ends the downward trend line of the past decade, but also ends the roller-coaster oscillations around that trend line that have afflicted transit programs. To again take the Sec. 18 program as the example, over the years FY'82 through FY'88, this was the sequence of year-to-year changes in funding: down 6 percent, up 33 percent, down 23 percent, up 3 percent, down 16 percent, up 24 percent, down 14 percent. The 1982 reauthorization legislation took a major step toward meeting transit's need for a stable and reliable funding source by creating the Mass Transit Account. But, this has only helped about one-third of the programs. Stabilization remains a basic need for the rest of transit.

Given the importance of transit to sound environmental policy as well as its key role in any balanced network of transportation resources, an increased motor fuel tax is an appropriate way to provide the stable and dedicated source of funding that transit needs and should have. An increased 5 cents per gallon ear-marked for transit would be sufficient to provide the minimum funding level we are recommending.

RESTRUCTURING

In our view, restoring and stabilizing federal transit investment are essential but not sufficient to respond to the needs which a reauthorization bill should meet. Changed and changing demographic, social and economic patterns as well as a large backlog of unmet needs require that federal transit assistance be restructured as well -- to assure that the mix and balance of programs and support match appropriately with the mix and balance of transit needs. It is in this area of identifying priorities and restructuring transit policy and programs to reflect them that CTAA feels we have some particularly important things to say and about which we feel the most strongly.

Serving the Transit Dependent: In a time of limited resources, it is our view that a first priority of transit policy must be to meet the needs of the transit dependent, those who lack adequate access to alternative means of mobility. Census statistics suggest that as many as 84 million Americans, or roughly one-third of the population, have at best very limited access to a private automobile and are therefore largely dependent on public transit for the mobility which is so central to our economic health and their personal quality of life. It needs to be stressed that fully one-third of the transit dependent live outside of urbanized areas.

It also needs to be stressed that, using assumptions which we feel are reasonable and even conservative, CTAA has estimated that existing transit resources currently meet only about half of this population's basic trip needs. [Our estimates and assumptions are detailed in an attachment to this testimony.] These findings are obviously consistent with our view and that of others regarding the scale of restoration required in transit investment and support.

Achieving More Balanced Transit Resources: The gap between the needs of the transit dependent and currently available transit resources varies a great deal depending on who and where you are. In relative terms, there is no question that the gap is greatest in rural areas. Beyond our own estimates that current resources meet only about one-tenth of the needs of the rural transit dependent, data from all of the states on the service areas of their various Sec. 18 grantees show that no less than 40 percent of the nation's rural counties have no Sec. 18 service at all, while in many of those that do, the service is limited in time and/or to only a portion of the county.

Small Urban Areas Suffer Too: We estimate that only about 15 percent of the need is currently being served in the small urbanized areas (those under 200,000 population). And we know that nearly a third of those small urbanized areas are like 40 percent of the rural counties in having no federally-assisted public transportation. Moreover, this year's census is expected to identify some sixty new urbanized areas and only about half of them currently have public transportation service. Finally, for both rural areas and small towns, the decline that has occurred and is continuing to occur in intercity bus service is adding still further to the isolation of many Americans.

Proposed Community Transit Assistance Program: To respond to this imbalance, CTAA urges that a program of "Community Transit Assistance," focused on the needs of rural and small urban areas, be provided with a significantly expanded share of transit funding and that it include assistance for essential intercity bus service as well as adequate resources for "new starts" and expansions (under both Sec. 18 and Sec. 9(a)(1) of the Act) to respond to the needs of currently unserved areas.

As a further response to the need for better balance in transportation resources, CTAA urges that a reauthorized Discretionary Capital Assistance program along the lines of Sec. 3 include some specific geographic earmarks as well as modal earmarks, to assure full access to this source of support on the part of rural and small urban communities.

Linking Match to Ability-to-Pay: One of the factors limiting the availability of public transit in some rural areas is the difficulty of securing the non-federal match required to participate in the Sec. 18 program due to lower income levels and limited local tax base. In CTAA's view, the use of a uniform match requirement in federal transit assistance programs has a regressive impact. It means that access to the funding is easiest for those who least need it and hardest for those who need it most because their own resources are most limited.

The current policy of the Administration of giving preference to those Sec. 3 applications which provide the greatest local share obviously intensifies this effect. CTAA recommends that the match requirement in all transit assistance programs be modified to take account of the relative ability to pay of the community seeking or receiving assistance.

Making Accessibility a Reality: This committee has recently recommended approval of the Americans with Disabilities Act (ADA), which CTAA also endorses because it provides legislative recognition of a basic principle to which our organization is deeply committed: Every American, without regard to place of residence, age, sex, economic status or disability, has a right to the mobility necessary to maintain a decent and productive life. Or, to quote the phrase being used by Project Action of the National Easter Seals Society, "Public transportation is for everybody."

There is no need to tell this committee that adequate funding is essential to make this landmark legislation a reality and not an empty promise. CTAA urges that serious consideration be given to the creation of a National Mobility Trust Fund, a principal function of which would be to assist the transit industry in meeting the mandates of ADA for fully accessible fixed route and supplemental paratransit service.

Improving Coordination in Transit Assistance: It is frequently forgotten that not all federal assistance to transit flows through the Urban Mass Transportation Administration of the Department of Transportation. In fact, the best estimate is that UMTA accounts for only three-fourths of all federal transit assistance. The other fourth is in the form of direct and indirect financing of transportation by various social service programs administered by the Department of Health & Human Services (HHS).

In rural areas, moreover, UMTA may even be the junior federal partner with human service spending on transportation exceeding that provided under Sections 16(b)(2) and 18. This anomaly is another reflection of the backlog of mobility needs not currently being met by public transit investments.

As is often noted -- most recently in the Administration's National Transportation Policy Statement -- better coordination of these differing resources is a priority need if we are to make the best and most efficient use of our transit investment dollar. It is also a priority need if we are to meet more fully the mobility needs of all Americans.

Experience at the state and local level in coordinating public transit and human service transportation confirms two needs: institutionalization of the coordination process and the availability of at least some funding to make integration of resources more attractive and feasible. CTAA recommends that the committee include a major coordination block grant for this purpose in next year's reauthorization of transit programs.

Such an initiative could distribute funds on a formula basis to the states with the condition that those funds be used to establish at the state and substate level formal coordinating bodies that would develop and implement specific plans to achieve maximum coordination of human service and public transportation resources and services. Block grant funds could also be used to attract and match the regular resources of both public and human service providers who would agree to be a part of the coordinated approach.

Restoring Federal Leadership in Research and Technical Support: Finally, one of the areas of federal transit funding that has suffered the most drastic reductions in recent years has been that for investment in research, technology and human resources.

The one exception to the downward trend has been the congressionally-initiated Rural Transit Assistance Program (RTAP), which has been a particularly successful example of state-federal partnership. It has been universally hailed by local operators and state program managers as a long-needed training and technical assistance support mechanism and has led the Department of Health & Human Services to explore the possibility of providing comparable support to HHS-funded human service transportation agencies.

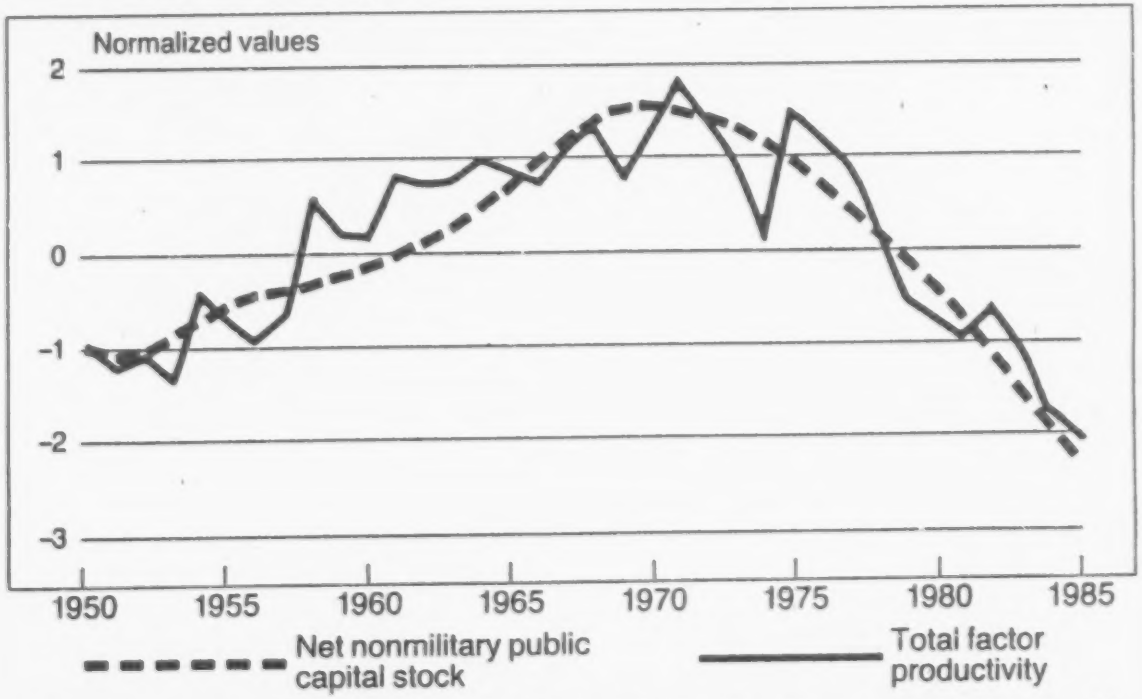
CTAA joins others in the transit industry in urging that restoration of transit support include restoration of the vital leadership role which UMTA can and should play in research and technical support. There is a large and growing agenda for such a role, including continued research on the technology of accessibility, safety, and the linkage between transit and employment as well as to other aspects of economic development. We also urge not only the continuation of the RTAP program, but an increase in its support to match the increase in both costs and the constituency it serves.

Conclusion

That concludes our statement. CTAA is very conscious of the lead role which this committee has played in the development of federal transit policy and programs. We are grateful for the outstanding job it has done in the past and we speak for our riders as well in that regard. Perhaps more than most, community transportation operators get to see on a daily basis what mobility means in the lives of people. It is both a rewarding and a humbling aspect of our jobs. We are aware that much of the credit for what we're able to do goes to you and the others who have developed and supported an ongoing national role in public transportation.

We appreciate this opportunity to be heard and would welcome the chance to continue to work with the Committee and its staff in developing specific legislative language to implement these various recommendations. Thank you.

Public Capital and Productivity



Net nonmilitary public capital (adjusted for the effects of time) and total factor productivity (adjusted for the effects of time, private input, and capacity utilization): annual data 1949-85; sample size = 37.

Source: David Aschauer, "Journal of Monetary Economics"

ESTIMATES OF THE "TRANSIT DEPENDENT" AND THE TRANSIT GAP

(Data in Millions)

	ALL AREAS	URBANIZED AREAS LARGE	URBANIZED AREAS SMALL	NON-URBANIZED AREAS
"TRANSIT DEPENDENT" POPULATION:				
1. Households with 0 Vehicle -	24.0	15.5	2.1	6.4
2. Households with 1 Vehicle -	52.4	28.3	6.2	17.9
3. Other Elderly -	1.2	.4	.1	.6
4. Other Disabled -	6.5	2.9	.6	2.9
Total	84.0	47.2	9.0	27.8
5. Working Adults Included -	14.3	9.2	1.6	3.5
ESTIMATED TRIP NEEDS OF "TRANSIT DEPFNDENT":				
1. Journey-to-Work -	4,590	2,960	500	1,130
2. Other Trip Needs -	10,880	5,930	1,160	3,790
Total	15,470	8,890	1,660	4,920
TRANSIT TRIPS CURRENTLY PROVIDED:				
1. Public Transportation -	8,800	8,370	250	180
2. Human Service Transp'n -	270	130	30	110
3. Taxi Service -	1,700	1,480	50	170
Gross Total	10,770	9,980	330	460
4. Used by Non-Dependent -	3,080	2,955	90	35
Net Total	7,690	7,025	240	425
Percentage of Transit Dependent Needs Currently Met -	50%	79%	14%	9%

ESTIMATING "TRANSIT DEPENDENCY" AND THE CURRENT TRANSIT "GAP"

Methodology and Assumptions

These estimates represent an attempt to come up with "ballpark" figures for the number of people who are dependent on public transportation, the magnitude of their "need" in terms of yearly trips, and the degree to which currently available services meet that need.

"Transit Dependent" Population - The object is to estimate the number of people who have no or virtually no access to a private vehicle to meet their mobility needs. The principal source of data was the 1980 Census of Population.

1. Households with no vehicle were assumed to have an average of 2.25 persons in urbanized areas and 2.5 persons in rural (non-urbanized) areas. All are included.

2. Households with a single vehicle were assumed to have an average of 2.8 persons in urbanized areas and 2.9 persons in rural areas. Household heads were excluded to allow for their access to the one vehicle available.

3. One-fourth of all elderly in households with more than one vehicle were included to allow for those unlicensed or otherwise unable to make use of the vehicle that might be available.

4. "Disabled" includes all with either a work disability or a transportation disability (projected to be a total of 25.3 million persons nationwide). One-third of those in households with more than one vehicle were included to allow for their probable inability to make use of the vehicle that might be available.

5. Working adults included assumes an average of 1.3 earners in each non-elderly household with 1 or fewer vehicles. (One working adult is excluded for each household with one vehicle.)

Trip Needs of the Transit-Dependent - These projections consist of two components.

1. Journey-to-Work requirements were estimated assuming that one-third of the working adults (see above) worked at home, walked to work or had access to a carpool. The remainder were assumed to need 480 trips a year (2 trips daily, 5 days a week, 48 weeks a year).

2. Other trip needs assumed an average of 3 trips per week for the non-working population previously

identified as 'Transit Dependent' (156 trips per year).

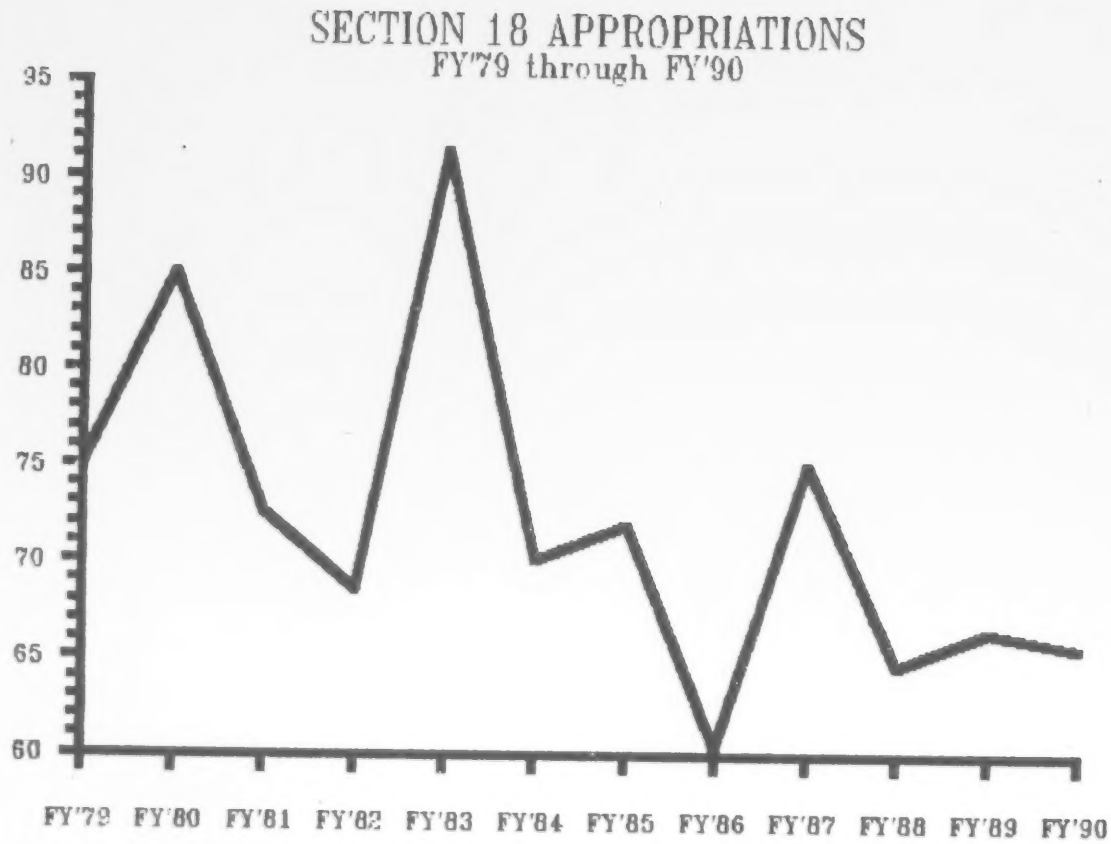
Transit Trips Currently Provided - These estimates reflect three categories of service and also attempt to adjust for the amount of current service that is utilized by persons other than the "Transit Dependent."

1. Public transportation figures are based on those reported in the APTA Transit Fact Book and the Rural America Directory of Rural and Specialized Transit Operators. Section 15 data was used to allocate service as between small and large urbanized areas.

2. Human service transportation (not receiving operating assistance from UMTA) is estimated on the assumption that the Sec. 16(b)(2) program includes only about one-third of all human service providers.

3. Taxi service level is from the most recent Sec. 310 report to Congress. Distribution as between urbanized and rural areas is based on Census data on use of taxi for journey-to-work.

4. To adjust estimated current service levels on a basis comparable to the need estimates, it is necessary to exclude trips by people not included in our estimates of the 'Transit Dependent' population. Based on income levels reported by Charles River Associates, we have assumed that 30 percent of urbanized trips (other than human service transportation) and 10 percent of rural trips are taken by persons who would not be included in our needs estimates.


SECTION 18 APPROPRIATIONS
FY'79 through FY'90
95
90
85
80
75
70
65
60
FY'79
FY'80
FY'81
FY'82
FY'83
FY'84
FY'85
FY'86
FY'87
FY'88
FY'89
FY'90

Community Transportation Fact Sheet

- The mobility of roughly a third of the U.S. population is restricted because they lack access to personal or private transportation. This transit-dependent group includes 14 million older and 12 million persons with disabilities
- Over the next 10 years, the nation's elderly population will increase from 11% to nearly 17% of the total U.S. population. The frail elderly (over-85) population, will increase from 2.2 million today to 16 million by the year 2050.
- Rural areas have a disproportionate share of the so-called transportation disadvantaged. With 38% of the total population, rural areas account for 40% of the elderly, 42% of the poor, and 43% of persons with disabilities.
- With nearly 40% of the nation's people, non-urbanized areas get less than 4% of all federal public transit assistance and less than 2% of state transit funding.
- Federal transit funding is equivalent to $1 for each rural resident, but exceeds $28 per capita in urban areas.
- 13% of all American households don't own a car; over one third depend on only one vehicle for all their family needs.
- More than half of the rural poor do not have a car of their own, and nearly 60% of the rural elderly are not licensed to drive.
- Almost half of the rural counties in the United States do not have a public transit system.
- Fewer than 1% of rural residents use public transit to get to work, as compared with almost 10% of metropolitan residents. The majority of rural people don't have access to public transportation for work or other purposes.
- Between 1982 and 1986, 3,800 small towns lost all intercity bus service. Over 90% of the communities losing service were under 10,000 in population.
- Today, 10,000 local community transit systems serve more than 15 million people annually. Over 80 percent are operated by private nonprofit agencies. Community transit represents a $2 billion industry, operating over 50,000 buses, vans and paratransit vehicles.

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FACT SHEET ON
THE NEED FOR INCREASED SECTION 18 FUNDING

Even if one leaves aside the equity aspects of the current distribution of federal transit assistance, the need for increased funding of the Section 18 program for rural public transit is clear and convincing.

- The Transit Gap Is Greatest In Rural America - Estimates of the "transit dependent" (those lacking full access to a private vehicle) and of the availability of current transit services show that the gap between need and available services is greatest in non-urbanized areas. Total transit service in rural areas (including social service transportation) is sufficient to meet only about one-tenth of the trip needs of the transit dependent in those areas.

- Funding for Sec. 18 Has Dropped While the Network of Providers Has Grown - Between 1985 and 1989, the number of agencies providing rural public transportation has grown by 24 percent (from 937 to 1,160). During the same period, annual appropriations for the Sec. 18 program have fallen by 8 percent in current dollars and by 19 percent when adjustment is made for inflation.

- The Demand for Funds Has Consistently Outrun the Supply - While Congress has provided an average of $67.6 million a year to Sec. 18 between FY'85 and FY'89, actual program spending has averaged $96.2 million -- 42 percent more. This has been possible only because of an initial backlog from earlier funding and transfers from the Sec. 9 program for small urbanized areas, but the backlog has been used up and transfers are declining (see below).

- A Substantial Part of Rural America Remains Unserved - In spite of the growth of the Sec. 18 network, forty percent of the nation's nonmetropolitan counties have no Sec. 18 service at all and in many of those that do have service, it is infrequent and fails to reach all areas.

- Sec. 18 Faces a Capital Crisis - Sec. 18 operations involve more than 10,100 vehicles. Given that 60-65% of these are vans and other small vehicles with a useful life of 7 years or less, the replacement needs for this fleet are minimally 1,800 vehicles yearly. But UMTA program statistics show that Sec. 18 is only acquiring vehicles at about one-third of that rate. This means systems must operate with over-age vehicles and experience higher costs, lower reliability and less safety.

- Availability of Sec. 9 Transfers Has Been Very Uneven - While transfers of unused funds from the Sec. 9 program for small urbanized areas into the Sec. 18 program for rural areas has been a critical source of support in a number of states, its availability has been extremely uneven. In one-fourth of the states, there have been no Sec. 9 transfers to the Sec. 18 program, and in another one-fourth, they have been rare and slight. Not only have less than two dozen states made regular use of this mechanism, but 60 percent of all transfers have taken place in five or fewer states each year.

- Sec. 9 Transfers Are a Disappearing Resource - Since the availability of Sec. 9 funds for transfer depends on their being unneeded in the small urbanized areas, the decline in total transit funding in recent years means that this source cannot be depended on in the future. Indeed, net transfers into Sec. 18 dropped by more than 50 percent between FY'88 and FY'89. It remains to be seen whether any Sec. 9 funds will be available to rural transit in FY'90.

Prepared by Community Transportation Association of America (CTAA)
725 - 15th Street, NW, Suite 900
Washington, D. C. 20005
Phone (202) 628-1480

SIERRA CLUB

730 Polk Street San Francisco, California 94109 415 · 776 · 2211

Efficient Transportation - For The Earth's Sake
Testimony to the House Public Works Committee
20 March 1990

Dr. John Holtzclaw

I thank the committee for seriously considering alternatives to continued highway growth. When what you adopt is completed around 2020, let us not be stuck with massive new urban - suburban highways fostering more sprawling suburbs just as petroleum depletion drives up fuel prices and production costs, isolating those suburbs. Adopt a transit program combined with incentives for mixed-use infill development to stave off petroleum depletion and raise our cities' efficiency and international competitiveness.

Massive highway construction will not ease traffic congestion -- but only spread sprawl and congestion to new areas, increasing time lost in congestion, fuel consumption and smog. Newman, Kenworthy and Lyons (Attachment A, from the Sept. 1988 Search) demonstrated this definitively in Australia, where suburban traffic and growth are similar to the U.S.

But highways also have a less understood impact on consumption. Highway driven sprawl has made American urban areas thirsty for fuel, construction materials and land. For example, Phillips and Gnaizda compared a recent middle class single family tract in Davis, California with a middle class apartment house near downtown San Francisco (CoEvolution Quarterly, Summer 1980). Davis is an energy-wise university community and the tract was constructed to its state-of-the-art energy conservation ordinance.

However, as Attachment B shows, residents of the walking/transit-density San Francisco apartments drove 1/4 as much as their suburban cousins. And their multi-family houses and utilities, including roads and postal service, used 40 times less land, 15 times less roadway, 50 times less lumber, 5 times less utility pipe, and much less water and fuel than suburban single-family homes. This is typical of transit-rich cities.

My recent Natural Resources Defense Council studies in the San Francisco Bay Area, conducted for the California Energy Commission, show that **every passenger mile on transit reduces auto use by 10 miles** because transit accommodates higher urban densities and more commerical activities, which afford the convenience of walking, biking or short drives to nearby jobs, shopping and recreation. Consequently, New York City residents, for instance, drive 1/4 the national average and use half as much total energy. Transit

consumes only 1/5 to 1/3 as much fuel per passenger-mile (Brookhaven National Laboratory 50633), with rapid transit carrying 24 times as many passengers per lane as autos, and buses 6 times as many (UMTA, Regional Planning News #99).

I have also found that **doubling residential density decreases auto mileage a minimum of 25 to 30 percent.** So if an area's population doubles by infill instead of additional sprawl, its residents' driving goes up only 40 to 50 percent instead of doubling. These mileage reductions happen naturally; they aren't dependent on auto-restricting laws. These preliminary results have been confirmed by studies around the country.

Other impacts of sprawl and congestion are air pollution and loss of natural areas. Air pollution killed 53,000 Americans annually, the Harvard School of Public Health reported a decade ago. Its annual health care and work-time lost costs are $40 to 50 billion, reports the American Lung Association. And in the San Francisco Bay Area, according to Frederic Nichols of the U.S. Geological Survey (Science 7/2/86), 94 percent of the wetlands have been lost to development. Much of our most productive farmlands have been lost.

How have we come to this condition? We've spent and zoned ourselves into it. Federal transportation funds have favored highways over transit by more than 8 to 1, according to the Conference of Mayors. The resulting auto use consumes 2/3 of our oil and has driven our efficiency to far below that of the Europeans and Japanese. You can reverse that bias and enhance our competitiveness.

Opportunities

Public understanding of the issues is critical to these reforms. Consequently the Sierra Club urges you to:

1. Sponsor research to:

*** compare the relative impacts of highway or transit expansion (with infill development) on:**
- **sprawl and traffic congestion,**
- **loss of forests, agricultural lands, etc.,**
- **consumption of energy and materials in construction,**
- **consumption of energy and water in the new developments,**
- **production of air and water pollution, and**
- **the condition of the inner cities and their residents.**

*** evaluate all present subsidies to motor vehicles.**

Subsidies? Don't autos pay their way? Consulting civil engineer Stanley Hart studied the direct costs of auto use, including police and fire protection, paramedics, the prosecutor's office, and engineering, planning and capital outlays for road projects, from 1965 to 1983 in Pasadena, California, and the revenues generated by the auto for the city (see Attachment C from "California Transit,

July 1986).

Hart estimated that the city and county subsidizes the motorist (direct costs minus revenues) 40 to 50 cents per gallon of gas. Nor is this all the subsidies for the automobile! Local governments and taxpayers provide free parking and make up property taxes not paid by freeways. Individuals and businesses pay for smog-related health and work-loss costs and damage to crops and structures and for time lost to traffic congestion. Corporations provide free parking.

2. Adopt a transportation bill that includes:

*** full cost pricing of auto use -- smog fees, gas taxes, auto sales taxes, licensing and registration fees, toll roads and elimination of subsidized parking to recoup the full cost to society for roads and autos.** The Bay Area Environmental Forum, an organization of major industrial, political and educational leaders, has endorsed a similar transportation program, Attachment D.

*** use of these taxes and fees to build and operate adequate transit systems -- especially rail, with the remainder used to compensate cities, counties and states for their auto-related costs and reduce local sales and property taxes. Assure that transit funds are wisely used by requiring recipients to zone for compact mixed-use development.**

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Does Free-flowing Traffic save Energy and lower Emissions in Cities?

P.W.G. Newman, J.R. Kenworthy and T.J. Lyons School of Biological and Environmental Sciences, Murdoch University, Murdoch, WA 6150

Traffic and corridor studies from Perth are analysed together with an international comparison of 32 cities to seek an answer to this question. The data suggest that free-flowing traffic does not save energy or lower emissions overall in a city contrary to previous assertions. This is despite the apparently clear advantages in efficiency for individual vehicles. The reasons for this are examined in terms of travel distances, alternative modes and suboptimal vehicle usage due primarily to the land use structure of the city. The effect of congestion on time savings is also assessed. Some implications for urban road project justification and traffic engineering practice are examined.

Most motorists are aware that automobiles are highly fuel-efficient in smooth, free-flowing traffic and poorly fuel-efficient in stop-start, congested traffic. They are also aware that emissions follow the same pattern. Predictive fuel and emissions models have been developed for vehicles based on the traffic conditions in which instrumented research vehicles are driven (Chang and Herman 1978; Bowyer *et al* 1985). The key parameter in both fuel and emissions models is average traffic speed: the higher the average traffic speed the lower the fuel use and emissions in individual vehicles (for fuel this applies up to average speeds of about 60 km/h). Thus Chang and Herman for example claim: 'We expect that improvements in traffic quality can reduce travel time which, in turn, can directly produce a reduction in fuel consumption' (1978, p. 75). Hence for a number of years there has been a strong research basis for the belief that free-flowing traffic saves fuel and lowers emissions.

We have argued in detail elsewhere (Newman and Kenworthy 1984) that this research on instrumented vehicles is useful in as much as it provides a good explanation of the way fuel is used and emissions are produced by vehicles in urban traffic. This can assist, for example, in comparing scientific advances in motor vehicle engineering, new fuels, new engines and various add-on modifications to vehicles. However, when the results of this work are assumed to apply at a total urban system level, for example, improving average speeds will reduce fuel and emissions overall in a city, there are very serious questions to be asked. For example:

- Does free-flowing traffic cause increased vehicle use through decreases in other travel modes and changes in land use?
- If such increases occur, do they outweigh the gains in fuel efficiency, emissions and time savings for individual vehicles?
- Can traffic research be integrated into urban planning research to resolve this apparent trade-off between gains through vehicle efficiency versus losses due to increased vehicle use?

These questions need to be answered because it is now an established goal to provide smoother, freer-flowing urban traffic systems for reasons of energy conservation and emissions abatement. Most major cost-benefit models justifying road proposals incorporate significant community benefits from fuel savings, time savings and sometimes emissions reductions based on improvements in average speed. Such models have had virtually universal acceptance for around 40 years. Road lobby organisations constantly feed the general public a view that more urban freeways will be in the national interest to conserve valuable oil reserves (RACV 1982; Solloway 1983) and their view is reflected in the policy statements from the National Association of Australian State Road Authorities (NAASRA 1984):

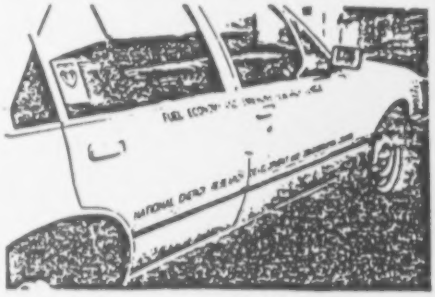
> In 1981, eight per cent of travel was on roads with very low peak hour travel speeds of less than 20 kilometres per hour. Almost half was on roads with peak hour speeds less than 40 kilometres per hour. Projections of future travel speed show that a 25 per cent funding increase would be required to prevent a reduction in already low travel speeds. A 25 per cent increase would also save 110 million litres of fuel, representing a large proportion of all savings which could be achieved by any practical means. (p. 4)

However, such statements do not question whether improved individual vehicle efficiencies from free-flowing traffic will automatically mean fuel savings and emissions reductions overall in cities. The question needs to be asked and answered.

This paper attempts to do that by drawing together several of our recent traffic studies published elsewhere as separate pieces of research. The data are from Perth and from an international comparison of transport and land use in 32 principal world cities. As the main studies are documented in detail elsewhere the methodologies used are only briefly outlined here. The key feature of all these studies is an attempt to link traffic engineering data with a broader urban planning context.

Evidence on the Effects of Free-flowing Traffic

The Perth Driving Cycle Study Between 1980 and 1983, Perth was the subject of an intensive traffic study using a computer-instrumented vehicle (Kenworthy *et al* 1983). The purpose of this study was to develop a driving cycle by collecting a range of representative driving pattern data on all types of roads from the central city to the urban fringe. The instrumented vehicle was used to 'chase' vehicles in morning, evening and off-peak periods



instrumented vehicle in all these conditions was recorded using an accurate fuel meter. This data set which amounted to over 3000 km of urban driving is one of the most detailed collections of data on urban traffic conditions and vehicular fuel consumption collected to date.

As part of this traffic study a comprehensive survey was also made of the broader land use and transportation characteristics of the Perth metropolitan area, including per capita gasoline use on a small zone basis from central to outer areas (Newman *et al* 1985). Hence, it was possible to combine the detailed traffic data involving fuel consumption of individual vehicles with an understanding of the land use patterns and transportation processes that influence resulting per capita gasoline use (Newman and Kenworthy 1988).

The results depicted graphically in Fig. 1 show that there is a trade-off in energy terms between attempting to improve the fuel-efficiency of the traffic system through raising average speeds and trying to foster an urban system which is more fuel-efficient overall. Congestion diminishes significantly from central to outer areas (e.g. average speeds improve 54%) and hence vehicle fuel efficiency improves; however actual per capita fuel use by residents in these areas increases significantly. Vehicles in central areas have 19% lower fuel efficiency than the Perth average due to congestion but the central area residents use 22% less actual fuel, and conversely, congestion-free outer suburban driving is 12% more fuel efficient than average but residents use 29% more actual fuel. It is important to stress that the per capita fuel data incorporate the factor of vehicle fuel efficiency due to traffic conditions.

Why is this so? The obvious link is through the different land use, and the travel patterns induced by these, in the various suburbs. Thus land use/modal split data were examined for each area. These showed that as the distance from the central business district (CBD) increases:

- Density lowers from 23 to 6 people per ha
- Trip lengths increase from 7 to 13 km (for work) and 5 to 9 km (for all trips)
- Public transport service declines from 12 to 0.4 km of service per ha of urban land
- Trips by car increase from 61 to 78%.

This analysis also showed that gasoline usage patterns by suburb do not follow income patterns, i.e., density and income are not correlated nor are travel patterns and income. In other words the land-use is fundamental in determining how much people use a car.

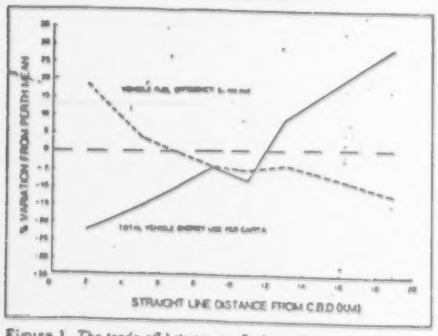


Figure 1. *The trade-off between traffic fuel efficiency and urban system fuel efficiency in Perth, WA.*

The same picture was observed through an analysis of a large household travel survey collected in Perth by the State Government: it was found that for trips by people living at increasing distances from the CBD,

- the average speed of trips increases from 40 to 50 km/h;
- the vehicle efficiency improves by about 10%; and
- the total fuel consumed per capita increases by about 80%.

It appears that the feedback parameters such as land-use factors and modes of travel exert an influence on gasoline use far in excess of the fuel efficiency of vehicles as determined by traffic conditions. In other words, in the congested but denser and more compact central and inner areas travel distances are shorter for all modes and there is greater use of public transport, walking and cycling. In outer areas densities of development are low, travel distances are long and a much higher proportion of travel is by automobile with less public transport, walking and cycling.

The analysis was extended to include emissions (Kenworthy *et al* 1987). Like fuel consumption, emissions of CO (carbon monoxide) and HC (hydrocarbons or unburnt gasoline) from automobile tailpipes are dependent upon the average speed of travel with obvious improvements as average speed increases. NO_x (nitrogen oxides) are only slightly dependent on vehicle speed (Kent and Mudford 1979). The data show the same pattern as fuel consumption: vehicles driven in the Perth central area at 34 km/h average speed have 17–27% more HC and CO emissions, respectively, per kilometre of travel relative to the average for Perth but residents of the area actually generate 19–21% less total CO and HC, respectively, due to their smaller use of the automobile and

greater use of other modes. Conversely in outer areas there is a positive benefit in terms of emissions from vehicles with the average speed of 52 km/h yielding 9–16% lower emissions per kilometre (HC and CO, respectively) than the average for Perth; however, residents of the outer suburbs actually generate some 24–27% more CO and HC, respectively, than the average for Perth residents due to their longer auto travel distances and less use of other modes.

As with fuel, a pattern emerges of a significant trade-off between attempting to control emissions through improving traffic flows and the overall effect this has on the actual amount of emissions produced. In other words higher average traffic speed appears to spread the city, creating lower density land-use, a greater need for cars, longer travel distances and reduced use of other less polluting or pollution-free modes. The benefits gained in terms of less polluting traffic streams appear to be overwhelmed by the sheer amount of extra travel and the resulting bulk of emissions.

Thus the evidence from the Perth Driving Cycle study suggests that in Perth at least, free-flowing traffic is associated with increased fuel use and increased emissions.

Corridor studies in Perth Supportive evidence on the mechanism as to how this effect of free-flowing traffic works its way back into greater use of the automobile and also non optimal use of the automobile, are provided by some corridor studies in Perth.

The effects of free-flowing traffic on public transport use An attitudinal survey was conducted of bus and train passengers who use a transportation corridor in Perth (Kenworthy and Newman 1985). The aim of this study was to assess the importance of road congestion in the decision to use public transport. In particular the survey attempted to find out how many people might transfer from public transport to cars should congestion be significantly reduced or eliminated in the corridor. The survey showed some 17% of bus passengers and 11% of train passengers would transfer if the congestion was eased. It was calculated that if only half of these passengers actually did transfer to cars, the extra gasoline use would be enough to cancel out the savings from a computer-coordinated set of traffic signals along the corridor designed to smooth out traffic flows.

Bus patronage in Perth was examined in freeway corridors and corridors without freeways to see if congestion levels were impacting on patronage. At the time of the survey the freeways were new and traffic was free-flowing. Freeway-related bus services in Perth were found to be declining faster in the average number of passengers carried per service than other bus services, some of which in the relatively congested inner areas were improving their passenger-carrying performance (Kenworthy and Newman 1985). Since then freeways in Perth have become significantly congested at peak hours and public transport patronage in those corridors has been concomitantly.

The effects of free-flowing traffic on vehicle efficiency Not all free-flowing traffic improves the fuel efficiency of a vehicle. As mentioned before, vehicles are generally engineered to perform in a fuel-optimal way at speeds of around 55–60 km/h. A study in Perth was designed to find the fuel and time implications of freeway speed limits and examined optimal driving conditions in freeway and other driving conditions (Kenworthy *et al* 1986).

The study found that increases in the speed limit above 80 km/h involve progressively greater fuel penalties of up to 31% at 110 km/h for an 8 km length of freeway. Our investigation into driving patterns in Perth during 1980–83, found that Perth already has over a third of its c travel at speeds above the fuel optimal speed of 55 k.. (Kenworthy *et al* 1983). Using some simulated urban tr under controlled cruise conditions it was found that ave age speed alone is actually a misleading criterion, even assessing the energy efficiency of a road system *per* This is because higher average speeds are often achiev by merely increasing the potential for higher cruise spee between stops. Thus two trips can have the same avera speed with very different fuel economy, i.e., one tr achieves its average speed by higher cruise speeds to offs idle periods and has much poorer fuel economy than a tr which has low cruise speeds but fewer stops and ic periods.

This Perth study suggests therefore that traffic polici which encourage further increases in cruise speeds such increasing speed limits, freeway building and road wide ing will be counter-productive for energy conservation. the other hand, traffic policies that minimise stops a idling periods while keeping cruise speeds close 55 km/h will save fuel. This means that for energy co servation, roads and signal systems should be designed encourage low travel speeds with fewer stops and short idle periods. Policies that seek to achieve a 'blank increase in average speeds by increasing cruise speeds (e raising speed limits or building more freeways), will mo than likely be counter-productive in energy terms.

The Perth evidence suggests that the conditions und which a policy of constrained cruise speeds might be mo practicable would most likely include:

(1) Higher traffic levels along arterial roads with co puter-linked traffic signals;

(2) A more compact urban form where travel distanc are much shorter and more suitable to a reduction cruise speeds.

Higher density activity also means more intensively us roads with lower cruise speeds so that if at the same tir stops can be lowered it would lead to better fuel efficienc As already shown, higher density areas have lower use transport energy because of greater walking, cycling a public transport and shorter trip lengths. It may therefo be possible to optimise land-use and traffic systems as f as energy conservation is concerned, by pursuing the sar policy of increased concentration of urban activity.

The international cities comparison The Per studies are a powerful indicator of the relationsh between free-flowing traffic and fuel-emissions issues

they provide integrated data between traffic engineering and urban planning, together with evidence of the mechanisms behind the relationship.

However, it could easily be suggested that the Perth system is somehow different and that the relationship should not be extended to other cities. Our most recent study examines the wider situation by assessing the data on gasoline use and traffic speed in 32 principal world cities (Kenworthy and Newman 1987, Newman and Kenworthy 1987). This study is the result of 4 years of data collection and provides for the first time a uniform international data set for comparisons of urban transport and land-use.

Gasoline use and average speed Table 1 contains data on average traffic network speeds, average public transport speeds and gasoline use for the 32 cities. These data suggest that it is the cities with the highest average traffic speeds that have the highest per capita gasoline consumption. Thus free-flowing traffic is not associated with lower fuel use in this global survey. It is in fact cities with the most constrained traffic flows that have the lowest per capita gasoline use as hypothesised by us. The positive correlation between the two parameters is statistically significant.

In terms of public transport speeds, Table 1 also shows that those cities with the lowest overall public transport operating speeds have the highest energy. This is because they tend to be totally or predominantly bus-based and buses simply do not compete in speed terms with private automobiles. The range of bus speeds for the cities is remarkably small, tending to be around 20–21 km/h and never exceeding 25 km/h. On the other hand, those cities with significant rail-systems tend to have much faster overall public transport operating speeds because train systems have average speeds typically about 40 km/h and up to 55 km/h in some cases. Such systems provide very good competition to the automobile for speed of access. Thus the only high average speed which appears to correlate with low fuel use is that of public transport, not private transport.

The other obvious relationship which comes out of these data is that public transport viability is closely

TABLE 1
Gasoline use, annual travel time and average transportation speeds for 32 cities

City	Gasoline use (MJ per person)	Average speed of traffic (km/h)	Total vehicle hours per capita (cars plus public transport)	Total passenger hours per capita	Average speed of public transport (km/h) Bus	Train	Tram	Overall
US cities								
Houston	74 510	51	194	318	22	—	—	22
Phoenix	69 908	42	218	297	23	—	—	23
Detroit	65 978	44	262	321	21	42	—	22
Denver	63 466	45	210	268	21	—	—	21
Los Angeles	58 474	45	201	325	21	—	—	21
San Francisco	53 303	46	207	328	22	45	15	29
Boston	52 195	39	226	379	18	45	23	30
Washington, DC	51 241	39	208	330	18	40	—	26
Chicago	48 246	41	187	304	18	47	—	37
New York	44 033	35	172	272	15	35	—	31
Average	58 541	43	208	310	20	42	18	26
Australian cities								
Perth	32 610	43	155	291	22	35	—	24
Brisbane	30 653	48	137	272	23	37	—	31
Melbourne	29 104	48	121	243	21	33	18	28
Adelaide	28 791	43	143	276	21	45	28	29
Sydney	27 986	39	141	289	20	45	—	37
Average	29 829	44	140	274	21	39	23	30
Canadian city								
Toronto	34 813	?	?	?	20	34	16	25
European cities								
Hamburg	16 671	30	150	299	22	36	—	31
Frankfurt	16 093	30	144	291	22	44	17	37
Zurich	15 709	36	123	285	20	46	15	33
Stockholm	15 574	30	110	212	25	36	26	32
Brussels	14 744	?	?	?	20	38	17	27
Paris	14 091	28	102	213	13	45	—	40
London	12 426	31	86	207	18	38	—	31
Munich	12 372	35	96	202	20	55	17	44
West Berlin	11 331	28	101	265	20	32	—	27
Copenhagen	11 106	45	80	189	24	54	—	38
Vienna	10 074	30	93	235	19	38	17	23
Amsterdam	9171	39	78	206	18	57	15	36
Average	13 280	30	106	235	20	43	18	33
Asian cities								
Tokyo	8488	21	104	286	12	40	13	38
Singapore	6003	30	29	162	19	—	—	19
Hong Kong	1987	21	24	160	15	31	10	17
Average	5493	24	53	203	15	36	12	25
USSR city								
Moscow	390	45	8	+138.1	21	41	18	>37
Correlation coefficients with gasoline use		0.703*	—	—	0.273	0.018	−0.260	−0.376*

*Indicates significance $P<0.03$. Correlations exclude Moscow.

when densities are a minimum of 30–40 people per ha both within cities and across cities as a whole.

The range of fuel consumption in the survey is very large with Australian cities around half the per capita gasoline use of US cities, more than double European cities and six times the level in Asian cities. This variation in gasoline use was analysed and the following general relationships found:

- Not more than half of the variation can be explained by vehicle size, income and gasoline price
- There is a close association between low urban energy use and density of jobs and residents and central city strength
- High gasoline use is also closely linked to the degree to which the city provides automobile infrastructure in the form of roads and car parking.

Thus the international cities comparison suggests that a policy of free-flowing traffic is not a policy for energy conservation, rather it creates greater car dependency in cities through progressively less dense, less centralised land-use patterns, greater overall provision for cars and diminishing viability of public transport, walking and bicycling.

Travel time Urban traffic congestion is generally attacked on the basis of its disbenefit in extra travel times. Table 1 contains data from the international cities comparison on travel times expressed as total average vehicle hours and passenger hours per capita (i.e. time spent in cars and public transport). The data show that there are much higher total per capita vehicle and passenger hours in the American and Australian cities where average road network speeds are high, compared to the European and Asian cities where traffic is much more congested.

The difference in travel time appears to be made up for by greater time spent walking (and cycling) in European and Asian cities so that the travel time budget for all cities is probably roughly the same. However, the data indicate that despite the massive infrastructure for motorised private travel there is no obvious travel time savings in those cities with a large commitment to the automobile — people on average just spend more time in cars.

Perth cf. New York Further verification of how congestion relates to transport and land use was considered possible if the kind of detailed study within Perth could be compared to another city. Although not as complete, some data were collected on New York which is a very different type of city to Perth as it has extreme levels of congestion in its high density central and inner areas. It thus offers the potential for some comparison at the other end of the traffic spectrum from Perth.

Table 2 presents data on New York in terms of gasoline use, average traffic speed and urban density for the central, inner and outer areas as well as the whole city. As

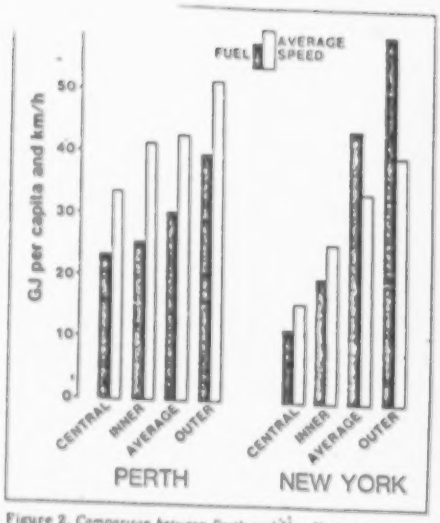


Figure 2. Comparison between Perth and New York showing how gasoline use per capita and average traffic speed varies across the two urban areas.

with Perth the overall energy efficiency of New York clearly improves as congestion gets worse, despite the obvious deterioration in the energy efficiency of the traffic system that would occur from New York's outer areas to the centre of Manhattan.

Figure 2 shows the contrast between Perth and New York. The same qualitative pattern is evident showing lower overall fuel use associated with slower traffic speeds and directly linked to the level of urban density. However, in New York it is even more extreme. Further detailed studies on New York or on a European or Asian city would help to delineate the patterns developed here. However, the evidence suggests that other cities, most of which have greater congestion than Perth, are likely to have an even more positive relationship between congestion and the fuel efficiency of their city with land-use being the key parameter linking the two.

Policy Implications

Urban road project justification The cost-benefit analyses of major road projects usually incorporate time savings, fuel savings and occasionally emissions in their justification. The research outlined here suggests that in urban situations the simple assumptions used in these models are probably wrong. Abelson (1980) in his recent review of the economics of roads seriously questions the

TABLE 2
Gasoline use, average traffic speed and urban density by city region in the New York Tri-State Metropolitan Area

Area	Gasoline use (MJ per capita)	Average traffic network speed (km/h)	Urban density (persons/ha)
Outer area New York	59 590	40.1	13
Whole city (New York Tri-State Metro. area)	44 033	34.9	20
Inner area (City of New York)	20 120	25.8	107
Central city (New York County incl. Manhattan)	11 860	16.1	251

conceptual and data basis of these models, although he only considers the effects on individual vehicles.

As millions of dollars of investment are directed annually into urban roads it would appear to be essential for their justification to be valid. The research conducted here would suggest that fuel (and emissions) would probably be a cost and not a benefit in any complete calculation that involved the whole city. As an interim measure, while better cost-benefit models were being developed, it would seem prudent not to include fuel (or emissions) in road project justification.

Similarly, with time savings it is not a simple matter of predicting vehicle times before and after a new road. What appears to be necessary is a more dynamic feedback process built into land-use/transport modelling which incorporates the fact that new roads will influence land-use and in turn detract from initial predicted time savings.

Traffic engineers and congestion Traffic engineers must daily confront the problem of how to assess the impacts of traffic congestion and what solutions to offer. Their responses are conditioned by a general approach that traffic congestion is always a negative thing and must be eliminated as far as possible; the way they deal with congestion is necessarily determined by the way they think about it. The data in this study and especially the broad perspective gained from the international comparisons offer an alternative way of viewing congestion: that rather than being something which must always be eradicated, congestion can actually be creatively exploited as a tool in helping a city progress towards lower car dependency and lower energy use through a better balance between cars, public transport, walking and bicycling. This concept has sometimes been referred to as 'planned congestion'.

Developments along these lines occurred in Europe in the 1960s when it was recognised that building more large roads was destroying their cities and not ultimately helping the congestion situation either (Hall and Hass-Klau 1985). This was followed by a change of priorities in transportation policy towards public transport and something of an acceptance that certain levels of congestion are a fact of life in cities. The same awareness has become much more common in Canadian cities in the past decade (Cervero 1986).

A similar recognition would appear to be needed in Australia, at least with regard to major new roads in urban areas. 'Planned congestion' could be seen as an opportunity to help contain the outer growth of cities, develop more efficient, concentrated nodes of urban activity, shorten travel distances and in particular it could give priority to public transport. This approach has many benefits including the reduction of transport energy use in our cities. Obviously this approach would not preclude managing or alleviating congestion using established traffic management techniques, especially where environmental amenity or the desirability of living in neighbourhoods was at stake. The Dutch Woonerf concept has been used to manage traffic in an attractive way for neighborhoods.

This approach would not interfere with efforts to optimise traffic systems for fuel efficiency by reducing stops and idle periods without raising cruise speeds and average speeds. However, it would mean a fundamentally different approach to the assessment of major urban traffic problems taking into account the positive benefits of congestion as outlined above. Thus the role of the traffic engineer can change from one of being primarily concerned with alleviating congestion to one of creatively managing congestion. This would place the role of traffic engineers in a much broader context where all actions are closely linked to the broader transportation and land-use planning goals of the city.

Conclusions

The studies ... traffic does not lead to savings in fuel or time, or lowering of emissions in a city overall. The means of achieving these savings appear to be in more fundamental transport and land-use planning, especially the role of urban density and how it relates to travel distances and use of other modes. This understanding can enable congestion to be used as a positive force in improving cities for many purposes including energy and emissions considerations.

Acknowledgment

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John Holtzclaw

The Conservation Potential of Compact Growth

Do studies of urban growth confirm the contention that compact areas help preserve the environment and conserve energy? Let's consider three studies.

The first study looks at the educated, innovative and energy-wise residents of the university community of Davis, California, near Sacramento. In the 1970s they rewrote their building code into an energy-conserving model for low density developments, primarily single family. Stringent energy conservation and use of solar efficient designs are mandated.

Yet, when Michael Phillips and Robert Gnaizda compared a recently constructed middle class single family tract in Davis with a middle class apartment house near downtown San Francisco, they got the results in Table 1. The single-family home dwellers drove nearly 4 times as much! And transportation consumes nearly 2/3 of the nation's oil. The run of the mill urban apartments use less than 1/5 as much heating fuel as the energy-efficient Davis single-family houses. Sharing walls shares and saves heat. Exposing less wall and roof area to the sun reduces summer air conditioning loads. Residential and commercial heating, cooling, lighting and motors consume 20 percent of our country's oil. And the single-family houses consumed 40 times as much arable land--translated, that usually means the farmlands, ridgelands and wetlands we are working so hard to preserve. And they required 5 times as much utility pipes.

The second study is an extensive analysis of two models of suburban growth. In their 1974 study for the Council of Environmental Quality (CEQ) and Housing and Urban Development (HUD), "The Costs of Sprawl," the Real Estate Research Corporation compared typical suburban single-family housing with suburban "high rise apartments."

However, at 33 units/acre, these "high rise apartments" are actually less dense than many older, comfortable urban neighborhoods. Densities of 50 to 100 units/acre are common with 3 to 6 story apartments, and to 400 with occasional highrises and no front-yard setbacks. Examples are the popular Nob Hill and Russian Hill areas of San Francisco traversed by cable cars climbing halfway to the stars. Since the study is of suburban "high rise apartments" with little transit, much land set is aside for parking lots, driveways and lawns.

Even these modest "high rise" densities save considerable materials and resources when compared with single family dwellings. The single family houses consume 4 times as much land for streets and roads and 10 times as much for the houses themselves. The single family houses use nearly 6 times as much metal and concrete, the mining of which threatens many of our natural areas. They consume over twice as much gas and nearly twice as much electricity, and produce over twice as much air pollution with their autos.

And third, let us take a high profile example: New York City. Even with its bright lights and cold climate, it uses half as much energy per capita as the US average, reported the New York Times on 15 November 1981. Such are the benefits of transit and walking. All that, and great theatre, concerts, cheap ethnic restaurants, libraries and stores. Similarly, Europeans and Japanese, with compact urban areas, consume 1/4 to 1/6 as much gasoline per capita as we do.

But, compared to the gluttonous appetite of suburban sprawl, you can be much less dense than York City and still conserve substantial amounts of land, material and energy, as San Francisco densities of Table 1 show. Savings start occuring with densities which make transit service viable, frequent and convenient, so that people generally walk, bicycle and use public transit rather than driving, especially for commuting. A compatible mix of housing, commercial enterprises and industry helps. Homes are close to jobs, stores, restaurants, theatres, bars and recreation. The vitality and liveliness of this mix and density increase a city's attractiveness while cutting its consumption.

Table 1. Phillips-Gnaizda

Resources	City Apartments	Village Houses	Ratio
Copper pipe	2,000 ft.	10,000 ft.	5
Arable land	5,000 sq.ft.	200,000 sq.ft.	40
Roadway	1,000 sq.yds.	15,000 sq.yds.	15
Concrete	17,000 cu.yds.	9,000 cu.yds.	1/2
Lumber	25,000 board ft.	1,200,000 board ft.	50
Utility pipe	450 ft.	2,500 ft.	5
Maintenance			
Daily postal delivery	12 ft.	3,000 ft.	300
Landscaping water	500 gals/day	35,000 gals/day	70
Heating	5,000 BTU/day	27,000 BTU/day	5
Individual auto	25,000 miles/month	90,000 miles/mo.	4

Phillips & Gnaizda, "New Age Doctrine is Out to Lunch on Three Issues," CoEvolution Quarterly, Summer 1980.

Table 2 The Costs of Sprawl (1974 $)

	Single family (3 units/acre) suburban location	Moderate density* condos (33 units/acre) suburban location	Ratio
Streets and roads	3080 $/unit	801 $/unit	4
Utilities (metal and concrete)	5483 $/unit	958 $/unit	6
Water consumption	400 gal/day	190 gal/day	2
Gas	156 therms/mo.	66 therms/mo.	2
Electrical	10,481 KWh/yr.	6222 KWh/yr.	2
Air pollution from autos			2

* E "high Rise Apartments," the highest suburban density studied. (Central city 4 - 6 story walkups with no front yard setbacks reach about 100 units/acre). In urban areas streets, roads and utilities will already be in place, but "infill" might require some enlargement.

"The Costs of Sprawl," Real Estate Research Corporation, 1974.

California Transit

NUMBER 4 CALIFORNIA TRANSIT LEAGUE JULY-SEPT 1986

Huge City Subsidies for Autos, Trucks

Stanley Hart

In the business world, prices for goods and services must equal production costs plus profit. When prices are less than the costs of production the firm goes belly-up. Or it finds a means of subsidizing the shortfall.

The same rule applies to city governments; while not in business to make a profit and not allowed to go broke, their budgets must be balanced. The services they provide must be paid for; it also follows that those who benefit ought to pay. This article presents evidence that an important group of users does not pay its way with respect to city-provided services.

The city furnishes services for motorists and truckers; the payment received for these services in the recent past has not covered costs, nearly bankrupting the cities. User payments, the fuel and in-lieu tax funds subvented by the State, have never been sufficient, but, because of unprecedented inflation in the sixties and seventies, the shortfall has increased to colossal proportions.

A recent study of the City of Pasadena shows that this shortfall, $1.6 millions in 1965, has steadily increased with inflation until, in FY 1982-1983, it amounted to $12 millions, an amount equivalent to an additional fuel tax of 21 cents per gallon.

[continued, page 7]

Sales Tax Unfair

Art Weber

A sales tax for highways, if approved by the voters, will be totally unfair to California's non-motorists. Driving a motor vehicle is a privilege, not a constitutional right. It should be regulated so it won't cause inconvenience to those who don't drive. Instead, non-motorists have suffered the deterioration and disappearance of local, interurban and intercity rail passenger and bus service, had their cost of living increased to pay for parking spaces they never use, and had options for housing locations limited by development and zoning policies that unfairly presume no one needs to live in walking distance of daily needs anymore. Not to mention the severe deterioration of the urban environment and safety hazards that pedestrians, bicyclists and transit users are subject to on a daily basis.

Instead of studying ways to make restitution for these inconveniences, politicians now add insult to injury by suggesting that those who don't drive should pay taxes to support expansion of a highway system that pedestrians and bicyclists are barred from using major portions of. Funding for established transit routes in urban areas is being reduced while transit funding under SB 878 (the sales tax planned predominantly for freeways) will mainly benefit sub-urban motorists (at remote park and ride lots).

Huge City Subsidies for Autos, Trucks

[from page 1]

Until 1978, the steep rise in real property values saved the cities by increasing tax yields and filling the gap. But proposition 13 brought that to a close. The State then floated the cities for several more years for as long as the existing surplus held out. Finally, the Legislature, reversing the flow of funds, actually preempted the city share of the in-lieu tax for a short period, although this has, hopefully, been returned to city use. Figure 1 shows Pasadena tax revenues for the period 1965 to 1983.

What are these automobile-related services and how much do they cost?

The City of Pasadena furnishes police and fire protection, paramedics, and the services of the prosecutor's office. It provides engineering and planning for public works and capital outlays for these projects. Each of these categories of the City budget is seriously affected by automobile and truck use.

Police Department

The Pasadena Police Department is organized into a number of special "details" for control of the automobile/truck population. These include the motorcycle patrol, details for auto theft, manslaughter, and parking enforcement. The largest category is the patrol personnel whose duties include traffic control, accident investigation, auto theft, etc. An analysis of personnel time and salaries indicates that 40% of Police Department costs are incurred in auto-related activities.

Fire Department, Paramedics, City Prosecutor

Automobile/truck accidents, fires, and garage fires comprise about 14% of Fire Department alarms. 16.4% of Paramedic calls are automobile-related. The City Prosecutor estimates that about one-third of his staff time is occupied with auto/truck cases.

Public Works

The Public Works Department includes t offices of the City Engineer, the Traf Engineer, the Road Department, Sewe Sanitation and others. Each office budgeted separately; thus auto-relat costs are easily segregated. Capital debt service expenditures are identifi readily as well.

Administrative, Public Service Charges

Staff studies have recently determined t proportion of administrative costs to 13.45%. This proportion was added to t total of auto-related expenditures.

Since the Pasadena study included a costs associated with streets it appropriate to subtract an amount for t estimated annual cost of constructing a maintaining an alternative system f public service vehicle access - fire a police protection, garbage collectio freight delivery, etc.

Motorist Contributions

Motorist contributions originates from t principal sources - the fuel and the i lieu taxes - and a third, much small source, the combined traffic/ parki fines, off-road vehicle fees and oth special fees. Because the fuel tax is gallonage tax and because fuel consumpti is comparatively constant, the City sha remained almost unchanged in actu dollars.

The in-lieu tax increased with inflati as new vehicles entered t automobile/truck population, but this w a slow process, the yield increasing f less than the inflationary rate. I yield from traffic fines, etc. depend the level of enforcement which is n related to needs of the City budget, b to optimal requirements for public safet

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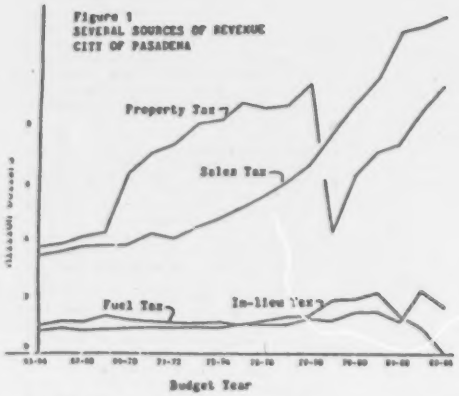
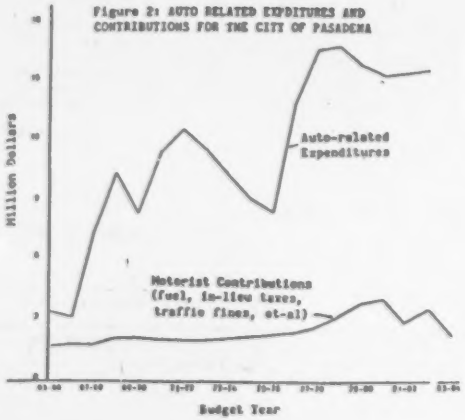




Summary

Following, as an example, are the results of this allocation of City expenditures for FY 1982-1983. Depending on the nature and the relevance of the available records (which, of course, were not intended for this purpose) these figures are variously accurate, but they are always conservative.

	FY 1982-1983 Auto-related costs	Portion of Dept. Budget
Police Dept.	$8,683,300	39.9%
Fire Dept.	949,900	13.8%
Paramedics	142,000	16.4%
Public Works	5,303,000	VAR
Debt Service	555,600	VAR
Capital Projects	2,097,300	VAR
Subtotal	13,726,500	
Administrative	1,846,200	13.45%
Subtotal	15,572,700	
Adjustment for pub. ser.	(-)166,000	
Motorist contribution	(-)3,723,000	
Shortfall (82-83)	$11,683,700	

Figure 2 shows the relationship between City expenditures on behalf of the motorist/trucker, and total contributions to City budgets, by year, for the period 1965, to 1983. The difference between the two curves is the measure of the City subsidy to the motoring public.

We have seen that the motorist and the trucker do not pay their fair share; the property and the sales taxpayer and the State General Fund pick up the tab. The effects of this imbalance have, in the past, lead to the tax revolt, to Proposition 13, to reduced library and school budgets, to reduced street repair and other city services. While the fuel tax has increased marginally in the recent past, the increase has been far less than would be justified by automobile/truck-related costs.

But the troubles of city administrators may be among the least of the effects arising from this skew in municipal finances. The magnitude of the shortfall (or subsidy, as seen by the motorist), when county government shortfalls are added, is probably 40 to 50 cents per gallon. If Pasadena is not atypical, the nationwide subsidy derived from local government is $60 billion annually or about 2% of the gross national product.

Nor is this all; there are huge subsidies for free parking, corporate automobiles and tax-weighted perquisites furnished by retail business and industry avid for clients and employees. The total must amount to hundreds of billions annually; $2000 to $5000 per vehicle. Additional costs to society include lost property taxes when land is converted to freeways and the damage resulting from pollution.

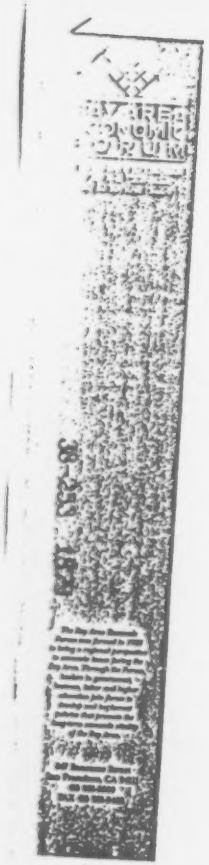
Sophomore economics instructs us in the mysteries of demand/supply/price relationships; no vast intellectual leap is needed to understand that a subsidy of this magnitude will have a significant effect on the rate of purchase and use of automobiles and trucks.

Our love affair with the automobile - it's [illegible] passion, but cash, that plays the critical role.

News Briefs

The Orange County Transit District recently ran a series of full-page newspaper ads proudly proclaiming that "it takes more than buses to move 260,000 people every day." Pictured above this phrase are four rows of diesel buses, a row of vans and three rows of automobiles. [CTL would suggest instead rows of trains, light rail vehicles, automated guideway transit, trolley buses, bicycles and pedestrians with the caption "It takes more than TSM, ridesharing, and diesel buses to move 260,000 people every day"]

OCTD's ads are designed to promote its ridesharing service, Dial-a-Ride and the new carpool lanes on the Costa Mesa (55) freeway. Transit currently accounts for less than 1% of total daily trips in the county and the district's five year plan projects no increase in that figure. [CTL note: carpools and vanpools, while better than solo driving, are not public transit. They do not provide the flexibility of transit.].



MARKET-BASED SOLUTIONS TO THE TRANSPORTATION CRISIS: APPLICATION

prepared for the
Bay Area Economic Forum
by the Forum's
Transportation Task Force

February 1990

MARKET-BASED TRANSPORTATION SOLUTIONS FOR AIR QUALITY

SUMMARY

The Bay Area Economic Forum offers its recommendations for transportation control measures (TCMs) to meet air quality standards mandated by law. The mandates will require an estimated reduction of 35% in motor vehicle emissions by 1997, which means that drastic measures must be considered.

The Forum urges reliance on economic incentives that are typical of a free market economy, measures that give individuals economic reasons to reduce air pollution. By directly linking the source of pollution with payment for the pollution, the Forum approach steers people toward less-polluting behavior, while maintaining freedom of choice. Revenues generated by the measures can fund transportation improvements on the same corridors (such as increased transit and carpool lanes) and to remedy any equity problems.

The Forum recommends against extreme regulatory measures such as driving restrictions and capacity restrictions, because they would endanger the region's economy and are excessively bureaucratic, expensive, or fail to address the basic causes of the problems.

Each proposal is rated on five criteria: (1) impact on air quality, (2) impact on the economy, (3) impact on mobility, (4) implementation/feasibility, and (5) political and public acceptability. Recommended measures include:

Primary Recommended Measures: Incentives to directly reduce emissions.

1. **Smog fee.** Charge a fee based on emissions level of each vehicle.
2. Enhanced vehicle inspection and maintenance program. Reduce emissions by tougher standards and requirements for compliance.

Secondary Recommended Measures: Incentives which reduce emissions indirectly through reduced trips and vehicle-miles.

1. Higher bridge/road tolls, especially during peak hours.
2. Higher gasoline tax.
3. Employer-based financial incentives, including employee travel allowances and parking charges.
4. Regional network of high-occupancy vehicle lanes.

Political acceptability. We acknowledge that our recommendations will be difficult to accept politically. But it is likely that any alternative proposals, if they are seen as effective to meet the goals, will be even more difficult politically. The recent earthquake has perhaps changed the threshold of political acceptability by opening up more possibilities that may have previously been dismissed as impossible.

Forum considerations favor our recommendations, because — unlike most competing proposals — the generate revenues to address potential equity problems. The fundamental equity issue is whether the polluter should pay. Our measures closely link payment to solve the problem with the pollution source. Many other measures break the link between pollution source and payment, and the penalize the low-income driver more, but indirectly through higher prices, taxes and lost economic opportunity. Economic incentives address other equity issues, such as equal treatment for all employees, while regulatory measures tend to place most of the burden on only a small segment of drivers, based on who they happen to work for.

Employer-based commute programs are viewed as measures which have potential to make a contribution. But they can work only if accompanied by substantial improvement in the commute options employers are asked to promote.

A Sweeping Plan to Solve Bay Area Traffic Mess

From Page 1

be to transfer the cost of highway building and maintenance to commuters who drive to work alone, along with penalty fees to be used in financing public transit.

Radical Plan

The recommendations, from the normally cautious Bay Area Economic Forum, include proposals that until very recently were regarded as radical by most elected officials and corporate leaders. Forum members said the proposals are necessary because current policies cannot yield the 35 percent reduction in vehicle emissions that the 1988 California Clean Air Act requires the state to achieve by 1997.

Recent studies have estimated that Bay Area residents are now delayed in traffic jams nearly 100 million hours each year, at a cost in lost wages and wasted fuel of more than $1.3 billion. Congestion levels have risen 25 percent over the past three years alone and are expected to more than double within the next five years.

The Economic Forum, a public-private advisory body chaired by San Francisco Federal Reserve Bank President Robert T. Parry, includes such influential members as National Semiconductor chairman Charles Sporck, retired Chevron board Chairman George H. Keller, Stanford University President Donald Kennedy, University of California at Berkeley Chancellor Ira Michael Heyman and the mayors of San Francisco, Oakland and San Jose.

If adopted, their proposals would dramatically increase the cost of single-passenger automobile commuting — which now accounts for 75 percent of all private transportation to work in the region — and would generate millions of dollars in revenue for public transit.

Economic Balance

"Our chief concern is to find a way to solve the traffic and pollution problems that doesn't damage the economy," said Angelo Siracusa, executive director of the business-dominated Bay Area Council, which jointly sponsors the forum with the Association of Bay Area Governments.

He described the plan as a "market based solution."

Before the proposals materialize, however, they would have to run a gauntlet of fierce political opposition from the public and elected officials.

A number of pieces of legislation would have to be approved, and ballot measures would probably be required at state and local levels.

The main recommendations include:

- A "smog fee" of up to $200 per year for every vehicle based on annual miles driven and the level of emissions produced.
- A tough maintenance program to bring vehicles up to established emission standards, requiring annual inspection of every vehicle and charging up to $400 for necessary repairs.
- Tolls for the use of all new highways and congested portions of existing highways during peak commuting hours and substantial boosts in the tolls charged on the region's bridges.
- A "significant increase" in the gasoline tax.
- The elimination of free staff parking at large corporations and the establishment of employee travel allowances for use on public transit.
- An extensive, regionwide network of car-pool lanes linking the Bay Area's population and employment centers.

Costs would be transferred to commuters who drive alone

Spending the Commute

The combined effect of traffic reduction and new revenue from these measures, the proposals' advocates say, would be to improve average commuting speeds in the region to nearly 50 miles per hour. The average speed today in congested corridors such as Highway 101 and Interstate 80 is about 15 miles per hour.

Tax subsidies or rebates could be used to lessen the burden on low-income drivers, the panel said.

The proposals were unveiled at a press conference at San Francisco's World Trade Center. After the announcement, they were publicly endorsed by prominent figures in the growing movement to find regional solutions to the Bay Area's transportation and other problems, including John Holtzclaw, former San Francisco chairman of the Sierra Club, Alameda County Supervisor Mary King and Sara Conner, former president of the Bay Area League of Women Voters.

Broad based support is important because the recommended policy changes are certain to provoke political controversy among those who perceive them as seeking more than an added tax bite.

"This is a bold, imaginative package, and it will be strongly resisted at first by the public and by many elected officials," said San Mateo County Supervisor Tom Nolan, who conceded that "political acceptability" would be a primary test.

The forum recommended that revenues from the steep new fees must be spent directly on improvements in the traffic corridor where they are generated to allay commuter suspicions that the higher driving costs are purposeless.

"'Pocketbook disincentives' like these aren't popular," King said. "I've talked about such steps for quite a while, and I can tell you that many people equate them with some sort of communism."

Siracusa said draconian regulatory measures under consideration in Los Angeles — rationing fuel or limiting the access of individual automobiles to certain days of the week — would not work because they would produce no new funds for alternative transportation.

Already, California's 1989 State Traffic Improvement Plan is faced with a $4.5 billion shortage, and the Bay Area's Metropolitan Transportation Commission lacks $170 million of the $430 million needed for the year's road maintenance.

Although other U.S. communities have experimented with various user's fees on urban highway systems, none has put a plan like comprehensive into effect.

Sweeping Plan to Solve Bay Traffic Mess

SFC 15/4/90

By Frank Whitney
Chronicle Staff Writer

A group of the Bay Area's top corporate and political leaders yesterday endorsed drastic proposals to deal with the region's growing transportation crisis, including a tripling of bridge tolls and the creation of high-speed toll roads.

The group, the Bay Area Economic Forum, said the measures offer a chance "for a revolution that would change the way people commute or build cars" and would ease the gridlock and poisonous air.

"For years, we've tried to solve the transportation problem by building more roads," said Tyson Sturgeon, chief economist of Pacific Gas and Electric Co. "The fact is that the supply-side approach doesn't work. More roads only bring more cars."

The essential effect would be to transfer the cost of highway building and maintenance to commuters who drive to work alone, along with penalty fees to be used in financing public transit.

Their recommendations, some of the most drastic California public policy proposals, include the widespread institution of employee travel allowances and the elimination of free employee parking privileges.

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David D. King, Director
Public Transportation Division
North Carolina Department of Transportation

TESTIMONY BEFORE THE SURFACE TRANSPORTATION SUBCOMMITTEE
of the House Public Works Committee

Tuesday, March 20, 1990

As the Congress embarks on the process of developing a new surface transportation program, the North Carolina Department of Transportation appreciates the opportunity to suggest a checklist by which to measure your final product. As you analyze and debate the many crucial issues which must be considered as you develop a new federal surface transportation program, we ask that you keep the following points in mind:

1. Consistency and predictability are essential- State, local, and private sector planning and budgeting should not be contorted by an unstable federal partner.

2. Equity of Distribution - Distribution of funding should be equitable. North Carolina participated heavily in the development of an AASHTO concensus position calling for more equitable distribution of Mass Transit Account revenues. We support the AASHTO recommendation which called for any appropriations made over current levels to be formularized so that each state would get a fairer share. North Carolina has averaged less than $2 million per year from the MTA, while contributing nearly $40 million per year for the MTA.

3. Flexibility - The AASHTO position also called for greater flexibility at the state and local levels in the use of mass transit account resources. Current federal criteria favor bus replacement, new starts, and rail modernization but not ridesharing and demand management strategies which can be extremely effective. These non-capital intensive actions are particularly effective in those regions of the county which have lower development densities yet are experiencing major congestion and air polution problems.

4. Intermodalism - The new Act should encourage, if not force, closer coordination among the modal divisions of U.S.DOT. There should be clear guidelines, for example, on how the Federal Highway Administration and the Urban Mass Transportation Administration should coordinate funding of high-occupancy-vehicle lanes and how those two agencies should work with FAA on airport access. This new Act should move towards a transportation fund rather than reinforcing independent modal programs, the actions of which are not always complementary or coordinated.

5. Rural mobility - The new program should recognize that rural Americans who do not have access to an automobile are more isolated and more in need of public transportation than their urban counterparts. A federal program which distributes over 97% of the formula funds to areas of 50,000 or greater population is not only blind to that fact but grossly unfair as well. I should note that, in North Carolina, the growth in demand for public transportation services from the human service transportation sector, is much more dramatic than from urban fixed route sector.

6. Human Service Coordination - The Department of Health and Human Services spends more than one billion dollars annually on public transportation. These funds are used to get clients to services and are important components of the budgets of programs such as aging, head start, and social services. Partially as a result of hearings held in 1985 by the Investigations and Oversight Subcommittee of the House Public Works Committee, there is a formal working relationship between the Departments of Transportation and Health and Human Services. Much work, however, remains to be done to eliminate wasteful, redundant practices which are allowed or, in some cases, encouraged to continue where coordinated, multi-purpose human service transportation systems are clearly more cost-effective than a multiplicity of single-purpose services. The new act should encourage, if not force, the continued, aggressive pursuit of coordination and cost-effectiveness at the federal, state and local levels.

(To demonstrate that the entire burden of coordinating human service transportation should not be assigned to the Federal Government, it should be noted that many states have not tackled this problem effectively and that coordination of similar services between cities and counties can work very well, even without federal encouragement. Several of our urban transportation systems actually provide countywide human service transportation in conjunction with their urban paratransit (504) responsibilities. In other cases, County-sponsored human service transportation systems work with cities to cover urban 504 responsibilities.)

7. Increased demand for human service transportation - To reinforce the need to provide more equitable funding and to improve cost-effectiveness through coordination, it should be pointed out that there are a number of important trends which all work to fuel explosive growth in demand for human service transportation. These include:

   a. the aging of the population; in North Carolina we have a pilot program which allows drivers license examiners to put elderly individuals who must forfeit their drivers license in touch with the local human service transportation provider. This serves to mitigate the sense of loss experienced by the elderly individual when the license is denied;

   b. heightened awareness of the needs of the developmentally disabled;

   c. the jobs component of the Family Support Act which provides transportation assistance to welfare recipients who are searching for a job or who are in the initial stages of a new job.

8. Americans with Disabilities Act (ADA) - This legislation puts more pressure on public transportation systems without corresponding funding increases. The new surface transportation program should deal with the funding implications of ADA. It must be recognized that, in the absence of increased capital and operating funds, services for the disabled may actually decrease following the passage of ADA. Requiring lifts on all vans and small buses, which are the workhorses of the

human service transportation business, would increase capital and operating costs while reducing capacity. Most human service transportation systems already offer door-to-door services and deploy their vehicles as required to meet the needs of wheelchair-bound individuals. Adding a wheelchair lift to a standard van increases its cost by over 40%, (as opposed to less than 10% for a standard transit bus), thereby dramatically reducing the ability of our current funding programs to meet the demand for human service capital equipment.

9. Regulatory Reform- Through the years a number of regulations have been hung on federal public transportation programs. Their net effect has been to raise costs, lower revenues, and dampen ridership growth. One example is labor protection where the original positive intent of the law has been lost in over two decades of administrative practice which is both inflexible and inefficient. For example, we have a capital grant application for a park and ride lot which has been held up by labor protection concerns for six months, in a situation in which any possible negative effect on existing employees is difficult to discern. The reauthorization of the program offers an excellent opportunity to review these regulations and the administrative practice which actualizes them, and to update and streamline accordingly. Most transit operators would be happy to suggest regulatory reform as a way to stretch the buying power of limited funding.

10. Parking - It is incomprehensible, in a world which is choking on automobile exhausts, that free or underpriced parking is an untaxed employee benefit while employer subsidies to employee of over $15/month for transit passes are treated as taxable income. This sends precisely the wrong signal to commuters making their choices on how to get to work. It remains a source of great frustration to public transportation professionals across the country that this problem remains unresolved.

11. Amtrak - Demand for intercity rail transportation at the state level is growing nationally as states seek to relieve pressure on airports and interstate highways in urbanized corridors. In the intermediate trip length market (less than 400 miles), rail passenger service can be very

competitive, particularly since it generally serves central business districts (as opposed to airports, which are often many minutes from the CBD). As long as Amtrak has a national monopoly on intercity rail passenger service, it makes no sense to starve Amtrak for rolling stock. Many states are willing to step forward and share operating costs with Amtrak, but given its current capital - poor status, Amtrak is having a very difficult time responding to this increasing, healthy demand. We urge you to consider the phenomenon of Amtrak-state partnerships carefully in reviewing tomorrow's public transportation program.

12. Research - Finally, attention should be focused on the lack of problem-solving research in public transportation. The Transportation Research Board completed a study of this subject over two years ago which recommenJed a federally-funded, operator-driven research program. A small set-aside from the formula-assistance programs would enable the creation of a pragmatic research program designed to solve real problems experienced by public transportation systems, both large and small. Such a program should be administered by a professional research organization such as TRB and should be focused on problems identified and prioritized by operators themselves. Such a program would pay rich dividends.

We do not underestimate the difficulty of the task before this committee. We wish for you great energy and great wisdom. We ask that the points we have raised be considered in your deliberations and we offer our assistance in any way possible as you pursue these and other issues. This assistance includes any documentation, clarification or detail which may be of value. Thank you for this opportunity to be heard.

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Transport Workers Union of America

Affiliated with American Federation of Labor and Congress of Industrial Organizations

80 WEST END AVENUE . NEW YORK, N.Y. 10023 . PHONE: 873-6000

TESTIMONY OF GEORGE LEITZ INTERNATIONAL PRESIDENT, TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO BEFORE THE HOUSE SUBCOMMITTEE ON SURFACE TRANSPORTATION ON REAUTHORIZING FEDERAL MASS TRANSIT ASSISTANCE

Good morning Mr. Chairman, I am Arthur Luby, Legislative Director for the Transport Workers Union of America. I am testifying on behalf of International President George Leitz.

The Transport Workers Union of America, AFL-CIO represents some 60,000 urban bus and subway workers from New York to San Francisco. TWU's membership has a significant and obvious interest in a strong federal policy in support of urban transit. We believe the public has an even greater stake in such a policy. We hope that any UMTA reauthorization bill enacted in to law reflects these values.

Two weeks ago, with great fanfare, the Administration released its so-called National Transportation Policy. As applied to urban transit, it proposed dramatically less federal assistance, more privatization, and elimination of the few labor protections left for transit workers. The only area in which the Administration proposes to increase the federal role is in the area of drug testing. In short, like an annual religious event, when it is time to discuss urban transit, the Department of Transportation feels bound

to deliver the same incantations year after year.

TWU believes that a strong urban transit system is crucial to the national well being. As we now discuss, we believe the central premises of the Administration's transit policy--i.e. forced privatization, elimination of operating assistance for major cities, and repeal of 13(c)--are the exact opposite of a constructive federal policy and are rooted in ideology, rather than the practicalities of urban transit.

Privatization

Ever since 1986 the Urban Mass Transit Administration has required localities receiving urban transit assistance to prove that they were "actively" encouraging the use of private providers. New paperwork was formulated to back up this requirement. And the Urban Mass Transit Administration (UMTA) began to second guess decisions on the contracting out of work, demanding that it be "privatized" under circumstances which were both costly and inefficient.

The chief example of this sort of meddling is the so-called Private Enterprise Participation Project ("PEP") forced on the Miami Dade Transit Authority by ex-Administrator Ralph Stanley. In that case UMTA conditioned receipt of funds to purchase needed rolling stock on the

contracting out of seven profitable routes. The routes were, in fact, contracted out to a private entrepreneur who has not serviced them nearly as well as the Authority originally did. But the Authority, not UMTA, has had to pay for the administrative costs of this experiment. We have little doubt, though, that despite the complaints about service, the private contractor has made a profit. It is not for nothing that one Miami Commissioner has referred to the project as a complete disaster.

Our experience in Miami has been replicated in virtually every city which has entered into this sort of contract. UMTA induced privatization has not lead to new service or new competition. It has simply moved public monopolies over lucrative routes into private hands. The private entrepreneur normally uses a lower paid non-union workforce, then pockets any profit.

TWU does not oppose all contracting out in transit. We do oppose forced privatization. We believe that local authorities and employees are in a far better position than UMTA to assess the efficiencies associated with contracting out work and that the Miami experience shows that forced privatization simply leads to forced inefficiency.

13(c)

The National Transportation Policy refers to the need

not specific, it appears that as a result we will be faced with another assault on §13(c) of the Urban Mass Transit Act.

For many years, 13(c) has been attacked by the Administration as a burdensome provision which has leads to inefficiency. Yet, no neutral body which has examined the issue has found that 13(c) creates either unreasonable or costly burdens on transit authorities seeking assistance.

In reality, 13(c) simply requires an authority to deal and negotiate with its Union on the impact of a particular project on its employees. In some cases, where public employee bargaining is outlawed, it also requires that the collective bargaining process be preserved.

For example, in Houston the TWU negotiated a series of ground-breaking contracts with productivity incentives. These provisions, in fact, dramatically improved the efficiency of the operation. Yet, if 13(c) was not in place the TWU would not have had the opportunity to bargain for these provisions and Houston employees would have had no input in the development of solutions for the system's problems. In short, 13(c) is vital to the preservation of collective bargaining in transit. If Congress is truly interested in employee input and involvement in improvement of transit service, it should not undermine collective

bargaining by repealing or modifying 13(c).

Operating Assistance

Service and maintenance improvement is fundamentally an operating problem. To the extent that various systems have begun to come to grips with the problems of properly servicing their fleets it is in large part due to the availability of operating assistance and guidance from the Urban Mass Transit Administration. We are, therefore, extremely distressed that the administration has again proposed a cut-off of operations assistance for cities with more than a million people.

The fundamental problems facing the vast majority of urban systems are operating problems. In my judgement, few if any systems will be able to properly maintain and service their fleets or protect their capital investments without a strong program for operating assistance. The 1982 STAA, by providing authorities with greater discretion to convert capital to operating assistance, represented a real step forward in this respect.

Similarly, it is absolutely essential that the federal government play a central role in administering transit assistance and devising programs to improve maintenance and service if such assistance is to be

effectively invested. Maintenance of fleets and stocks are the crucial problem in most authorities. This problem simply will not be properly addressed in the absence of a program for operating assistance.

A strong commitment to public transportation provides the solution to a number of the most costly problems our society faces. Motor vehicles are a major source of carbon dioxide and pollutants. A strong public transportation system obviously lessens the need for an excess of private vehicles in urban areas. Further, failure to develop and invest in a sound public transportation policy will create the need for federal highway construction far beyond the present capability of our government.

The DOT's policy does not, in any sense address these concerns. It is our hope that in the reauthorization process all parties can work towards a federal policy for public transit which corresponds to our society's pressing and growing need for transportation. The failure to do so will inevitably lead to far greater costs and burdens in the future.

PREPARED STATEMENT OF
SARA NICHOLS

clean air council

Delaware Valley Citizens' Council for Clean Air (formerly known as American Lung Association Affiliates)

311 S. JUNIPER STREET, ROOM 603 • PHILADELPHIA, PENNSYLVANIA 19107 • (215) 545-1832
IN NEW JERSEY CALL (609) 338-1199

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THE UNITED STATES HOUSE

SUBCOMMITTEE ON SURFACE TRANSPORTATION

CHAIRMAN NORMAN Y. MINETA

TESTIMONY OF THE DELAWARE VALLEY

CITIZENS' COUNCIL FOR CLEAN AIR

MARCH 22, 1990

My name is Sara Nichols. I am the staff attorney with the Delaware Valley Citizens' Council for Clean Air. The Council is a non-profit citizens' environmental organization devoted to protecting the public's health and welfare through a cleaner environment. Founded in 1967 on the belief that everyone is entitled to breathe clean air, the Council's primary goals are to inform citizens about the adverse effects of air pollution, to organize citizens to act on their own behalf and to oversee the activities of government environmental agencies. That oversight includes suing government agencies for failure to implement the law.

We are engaged in an experiment the potential consequences of which may be so catastrophic, we simply cannot afford <u>not</u> to

CHRISTMAS SEALS HELP FIGHT AIR POLLUTION

RECYCLED PAPER

do whatever is within our capabilities to counter its effects. This experiment is the burning of fossile fuels and the release of numerous other gaseous compounds from human activity into the atmosphere, causing the rapid acceleration of global warming, known as the greenhouse effect.

Excess carbon dioxide (CO_2) is the principle greenhouse gas. Other gases such as methane and chlorofluorocarbons contributeto the effect as well. The greenhouse effect has been a major topic of discussion since Dr. James Hanson said in the summer of 1988, with 99% certainty, that the greenhouse effect is upon us. Although the United States represents only 6% of the world's population, it produces 25% of the world's total excess CO_2. According to the Department of Energy, about one-third of that amount comes from mobile sources. As vehicle miles traveled (VMT) increases, as all projections show it surely will, transportation will continue to be the sector from which CO_2 emissions grow most rapidly.

Global warming is not the only air pollution consequence with which we must concern ourselves. Troposheric ozone is a greenhouse gas but it poses its own set of unique hazards. Depending on the amount of heat and sunlight on a given day, motor vehicle emissions contribute anywhere from 40%-60% of the ozone precursors, nitrogen oxides and hydrocarbons.

In a recent EPA Region III study, Unfinished Business, ozone was characterized as the environmental problem which poses the greatest risk to human health and the environment. It certainly is one of the

most insidious as well. Over half of our population lives in unhealthful ozone areas. We who are among the millions of people living in ozone non-attainment areas cannot step out of the way to avoid breathing in ozone, as we could step out of the way to avoid being hit by an on-coming train. It is there. We have no choice.

Moreover, the negative effects of ozone pollution accrue over long periods of time. It is an unstable, highly reactive compound which readily combines with anything it contacts. Because of its reactivity, ozone tends to break down cells and biological tissues. Lungs are the organ most vulnerable to the effects of ozone. Indeed, studies show that prolonged residence in high ozone areas is associated with accelerated deterioration in pulmonary function. Ozone scars the lungs and epithelial cells which line the trachea, increasing the incidence of infection.

The federally established National Ambient Air Quality Standard (NAAQS) for ozone is 0.12 parts per million. While at this level or above, the elderly, people with pre-existing respiratory impairment and preadolescents are the most vulnerable to ozone's effects, recent studies show serious effects on young children who are exposed over long periods of time to levels <u>below</u> the federal standard. In fact, healthy adults who regularly exercise outdoors experience negative effects from ozone exposure <u>at</u> the federal health standard.

Symptoms of ozone exposure at 0.12ppm include coughing, shortness of breath, throat dryness, pain on deep inspiration, wheezing, lassitude, headaches and nausea. Because of ozone's high reactivity, there is serious concern about the synergistic effects of its

interaction with harmful substances such as respiratory viruses, cigarette smoke and other harmful air pollutants. Annual estimates of the national health costs and lost productivity costs are usually in the $40 billion range.

Nationwide, ozone is responsible for billions of dollars of damage each year to crops and forests. It is a burning agent, causing leaves to turn brown. It stunts plant growth by reducing photosynthesis, forcing plants to redirect their energy to making repairs thus making them more susceptible to pest infestation. The effects of ozone and acid rain (caused in part by motor vehicle emissions) together are worse than either is alone. Pennsylvania's acid rain problem is one of the nation's worst.

Motor vehicles are the largest source of hydrocarbon, corbon monoxide and benzene emissions. Automobile air conditioners are the largest source of our nation's contribution to depletion of the life-sustaining stratospheric ozone layer. Between 1977 and 1988 the number of automobiles increased 25% and the number of trucks increased 40%, according to the National Highway Traffic Safety Administration. As a result, much of the air quality progress that we have made has been off-set by the tremendous increase in the number of motor vehicles.

According to the Delaware Valley Regional Planning Commission, VMT will be 29% higher in the Delaware Valley in 2015 than in 1987. This sharp increase in traffic congestion will generate more air pollution, economic inefficiency and a tremendous waste of energy. Not one of these can our nation's physical and economic health afford.

The pending Clean Air legislation does not treat mass transit as the major air pollution control strategy that it potentially is. Indeed, attempting to clean up the air without relying on mass transit will be futile. Mass transit should be a mandatory air pollution control strategy in any non-attainment area. It is time to look dispassionately at the monster our addiction to the automobile has created.

We all breathe the same air. It is the air we have borrowed from our children. We do not have the right to compromise the quality of life for future generations. More than anything, our addiction to the automobile is doing precisely that. It is a course of behavior in which we no longer can indulge ourselves. Sixty percent of the total air pollutionin most U.S. cities is caused by motor vehicle exhaust.

Mass transit is the most reasonable and most effective way to alleviate the problems caused by our over-dependence on the automobile. Rather than highway funding sanctions, non-attainment areas should be eligible for and granted funding to be utilized for systems that would reduce VMT, namely mass transit.

Despite the fact that the sticker price of the average new automobile today is comparable to the average cost of a new home a generation ago, the sticker price barely reflects the true cost of an automobile. If one factors in such extras as highway construction, road repair, police patrols, paramedic services and lost wetlands and

property taxes when land is converted to highways, our taxes are subsidizing each car and truck each year to the tune of $2,350.00 for a total of $400 billion annually.

There is no telling what that subsidy would escalate to if one were to factor in the thousands of traffic fatalities (almost the equivalent of our Viet Nam fatalities each year) and injuries each year as well as the environmental costs of ozone and carbon dioxide pollution, acid rain, urban sprawl, noise pollution, the greenhouse effect, loss of animal habitats, accidental oil spills, the annual improper disposal of over 474 million gallons of used motor oil (enough to create a six million square mile oil slick or 43 Exxon Valdez oil spills), desecration of our national parks and oceans from oil drilling and countless other environmental assaults directly linked to our use of the automobile. Even the simple act of filling your gas tank in the absence of a gas pump vapor recovery system allows volatile organic compounds to escape into the air, further exascerbating air pollution.

Our tax dollars pay for this degradation, indeed encourage it. Federal funding favors motor vehicles at least eight to one over mass transit. Our priorities are up-side-down. Public transit truly is cheap by comparison. It is ironic that whenever public transit is brought into the debate, the cries of unaffordable government subsidies are deafening.

Public transit, relative to the automobile, is environmentally benign and cost-effective. It consumes much less space than that required to accomodate motor vehicles. Indeed, half of the land in the

average U.S. city is utilized for or by motor vehicles. Public transit is safer by far. In dollar terms, the loss of health and property incurred by traffic accidents is ten times the total from all crimes of violence combined.

The President calls his national transportation policy, "Moving America Into The 21st Century". At the rate we are going, we will be standing still in the 21st century. Traffic gridlock costs the U.S. $73 billion a year in lost productivity. The fuel that is wasted in gridlock equals fuel about 4% of our annual consumption a year. In view of the increasing congestion and resulting decrease in speeds on the nation's highways, mass transit potentially is faster and more efficient.

Since 1981, taking inflation into account, federal funding for public transit has decreased by 50%. Both President Bush and Secretary Skinner have decided to gut federal funding for mass transit. This makes no sense. It is absurd for the President to cry "No new taxes" and then place a tremendous burden on the states to raise taxes to support transit by themselves, particularly when there are billions of dollars sitting in the highway trust fund.

While the capital out-lay for viable mass transit systems nation-wide would seem prohibitive, consider the fact that in order to bail out the greed- infected savings and loan industry, the federal government authorized an amount greater than all federal funding for mass transit in the past twenty-five years. In seventeen hours and forty-eight minutes in 1986 the Pentagon spent Amtrak's total 1986 budget. Our priorities are absolutely insane.

The cities of the U.S. are the world's biggest consumers of gasoline. Thirty-seven percent of all oil consumed in the U.S. is guzzled by cars and light trucks. According to the American Petroleum Institute, the nation's dependence on imported oil rose to 54% in January. These figures broadcast a future crisis, particularly given the fact that three-quarters of the known reserves of oil are in the Middle East where countries like Iran and Iraq are located.

The average U.S. car gets 18-20 miles per gallon. Each mile it travels it creates one pound of CO_2 emissions. If you travel 10,000 miles a year in your car, you are responsible for over five tons of excess CO_2 in the air. All the while, the combustion from your car's engine is producing nitrogen oxide. The transport of choice by 82% of Americans is an ozone machine. If the cost of owning and operating a new motor vehicle internalized its true external costs, we would see an abrupt end to our addiction to the automobile.

Instead of treating mass transit as a major component in the solution to our air pollution crisis, the federal government treats it like a step-child. The tax code further discriminates against mass transit by allowing employers to provide free parking to automobile commuters through a tax write-off worth up to $400 per month per commuter. Fifteen dollars is the maximum allowed for a public transit commuter. To get an idea of what kind of tax write-offs this means, 43% of those who drive to work in downtown Manhattan get free parking. And that's a city with a functioning mass transit system!

We either pay for our mistakes now or we pay more dearly for them later. The perception seems to be that changing our behavior will be very painful. Consider the fact that Americans consume, per capita, about twice as much energy as the Japanese and the West Germans, yet our standards of living are comparable. A huge chunk of our trade deficit is due to imported oil. In the U.S. the portion of passenger miles traveled by train is about 2.5% In West Germany, it is close to 60% and in Japan it is about 90%. Rather than continue to bash these countries what is essentially for their healthy economies, we should start learning from them.

Our economy, our national security and most importantly our environment are all being compromised by our fossile fuel gluttany. We can no longer afford business and behavior as usual. Substantial funding for mass transit is a must if we are serious about cleaning up our air and reducing our dependency on foreign oil.

PREPARED STATEMENT OF ROBERT MOLOFSKY
ON BEHALF OF JIM LA SALA

INTERNATIONAL PRESIDENT

AMALGAMATED TRANSIT UNION

BEFORE

THE SUBCOMMITTEE ON SURFACE TRANSPORTATION

OF

THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

U.S. HOUSE OF REPRESENTATIVES

ON REAUTHORIZING THE FEDERAL

MASS TRANSPORTATION PROGRAMS

March 20, 1990

Mr. Chairman:

My name is Robert A. Molofsky, and I serve as Legislative Director of the Amalgamated Transit Union, AFL-CIO, CLC. It is my pleasure to appear here on behalf of International President Jim La Sala to reaffirm our commitment to a strong Federal mass transit program and to outline our policy recommendations for inclusion in a new Federal highway/transit re-authorization bill designed to transport us into the 21st century.

The ATU represents approximately 160,000 public transit workers in the United States and Canada. Most of these are employed as bus drivers, maintenance and clerical personnel in the urban mass transit and over-the-road bus industries.

We, of transit labor, appreciate the opportunity to appear before this Subcommittee, and to offer our comments on the Administration's newly released National Transportation Policy, and to more specifically set forth our views as the Committee seeks to redesign and reauthorize a new national transportation program to meet our evolving transport needs. We, and my fellow panelists, appear here today with the full support of the AFL-CIO and its affiliated organizations representing rail, bus, and other workers; and we also concur in the views to be expressed by the representatives of the Transport Workers Union.

In support of our statement, we have attached hereto the Mass Transit and Privatization Resolutions unanimously adopted at our 49th annual convention held in Anaheim, California in September, 1989. Also attached is a copy of the recently adopted AFL-CIO

resolution on National Transportation Policy, including its section outlining the Federation's views on a strong national mass transportation program, which we equally affirm as reflective of our views and those of all affiliated AFL-CIO transportation unions.

Initially, we raise our voice and join with others appearing before you in asserting that we must begin to define a new National Transportation Program for the 1990's and beyond, through a consensus among a broad coalition of business and labor leaders, legislators and public officials, environmentalists and other representatives of society who benefit from improved transportation. We strongly believe that this consensus must be based on recognizing the mutual needs of all who provide, as well as, benefit from transportation services.

Therefore, we premise our specific views by adding our support to the growing national consensus that a reinvigorated federal Transportation Program, funded in partnership among Federal, State and Local governments is essential to ensuring America's economic competitiveness into the 21st century, solving our growing congestion and energy conservation problems, improving our environment and quality of life, and of course, responding to our growing and changing mobility needs for all citizens in our urban, suburban and rural areas. The startling facts concerning urban pollution, global warming, traffic congestion, and our unmet transit capital and infrastructure needs compel a new policy whereby the Federal government does its share rather than continue

to shift the burden to others. We also take this opportunity to acknowledge and support the Committee's recent deliberations to report the pending Americans with Disabilities Act, which will provide much needed guarantees and improved transport access opportunities for our nation's disabled citizens.

NEW SOLUTIONS FOR A FAILED POLICY

As this Committee meets, we are coming off a decade of transportation neglect, highlighted by an unfortunate decline in federal support for mass transportation assistance. Reductions exceeding 50 percent in federal aid were allegedly justified since 1980 by a rising federal deficit, and a desire to substitute state and local support for substantially decreased federal funds. This federal funding policy has been coupled with persistent efforts to push down transit labor costs by other unjustified transit initiatives. Thus the Reagan and Bush Administrations have sought to undermine collective bargaining and job rights, to take away employee protection guarantees to transit workers, and to impose privatization on the transit industry through skewed competitive standards and threats of reduced funding. The impact of these failed policies has been to leave the transit industry and its workers in confrontation, and our state and local communities financially burdened as they strive to meet their mobility needs.

Recent surveys have shown that 68 U.S. cities are too polluted to meet ozone standards, while 59 failed to meet government

standards for carbon monoxide pollution. Over 100 suburban cities exceed current pollution standards and the carbon dioxide pollution caused by the rising number of motor vehicles is contributing to global warming through the "greenhouse effect". Traffic congestion alone is expected to increase more than 400 percent on the nation's freeways and over 1,000 percent in areas with less than one million in population. Additional demands to serve our aging population, the nation's disabled and continue servicing our maintenance, and transit infrastructure needs require a more activist federal role.

Unfortunately, while the new National Transportation Policy released this month by Secretary of Transportation Samuel F. Skinner recognizes the "urgent need" to improve our mass transportation network and infrastructure, it perpetuates the failed policies of the 80's by opposing any increase in the level of federal capital funding, by proposing steep reductions in federal transit operating assistance subsidies, especially for cities over 1 million in population, and by imposing competitive bid privatization of public transit services as a means of forcing labor cost reductions.

The impact of these adverse transit and transit labor policies has been to place serious financial burdens on state and local governments. The development and implementation of the Administration's "privatization policies" since 1984 have effectively dictated to cities the methods by which local public service should be provided. These policies, as implemented,

require grant applicants to employ unbalanced competitive bidding standards to contract out an ever increasing percentage of their public transit services to private operators as a condition for the receipt of otherwise diminished federal transit funds. Such policies have clearly been counterproductive to effective public transit operations.

This view has been recently supported by the results of a new study issued in September, 1989 by The Economic Policy Institute, an independent Washington research center. This study entitled "The Emporor's New Clothes: Transit Privatization and Public Policy," was undertaken by a group of recognized transit experts based upon a comprehensive year-long review of the Reagan and Bush Transit Privatization Program.

The Economic Policy Institute researchers found that using federal transportation funds to compel communities to "privatize" their mass transit systems, while producing profits for private contractors, caused the deterioration of urban transportation services. Although the stated goals of these "privatization policies" is to reduce the public cost of providing transit services, these transit experts found no evidence that the policy has actually saved money either for the communities effected or the federal government. In fact, they found that it had probably increased the cost of mass transit by implementing a less efficient use of public resources.

Overall, the policy recommendations contained in the new National Transportation Report offer no new solutions and mirror

program initiatives which did not work in the 80's and for which there is no evidence to expect that they will work in the 1990's. The nation's transit operational and infrastructure needs are too great to expect state and local governments to dig deeper, while the Federal government refuses to increase its own funding commitments.

Rather than confine our comments to a continued criticism of the Administration's initiatives we turn now to discuss those major policy recommendations and provisions the ATU believes must be included in any new federal National Transportation Program designed to
effectively respond to our new transportation needs.

MAJOR POLICY RECOMMENDATIONS AND PROVISIONS

1. The ATU believes a strong, dynamic and well funded mass transportation program, operated in partnership with state and local governments is essential to advancing our nation's economic growth and prosperity, and improving its air quality, and providing mobility for all citizens. Therefore, we believe it is essential to reverse the radical and destructive mass transportation policies implemented over the last eight years which have resulted in significant reductions exceeding 50 percent in federal transit funding. We therefore call upon the U.S. Congress to design a new National Transportation Policy for the 1990's which emphasizes increased federal financial support for our mass transportation programs.

The American Public Transit Association and other industry groups have outlined in detail before this committee the urgent mass transportation needs affecting every city, as well as our rural and suburban areas. We are all familiar with the financial burden our declining mass transportation infrastructure places on our urban centers, and the difficulties felt by state and local governments in responding to changing mobility needs. We share the industry's view that a minimum of $6 billion annually in federal transit aid is required to enable communities to respond more effectively to their capital and operating needs. In fact, presently unmet national mass transit needs may require as much as $11 billion annually to make up for prior shortfalls and to respond effectively to future needs.

2. In designing legislation to carry out this enhanced federal effort we believe this Committee should continue to use a framework derived from Title III of the Surface Transportation and Uniform Relocation Assistance Act, known as the Federal Mass Transportation Act of 1987. In this regard, a renewed federal mass transit program must contain an enlarged formula program along with enhanced discretionary funding. The money for this effort must be derived from general revenues as well from significant increases in the transit dedicated portion of the federal motor fuels tax and available for both operating and capital expenses. Indeed,

maintenance of Federal operating assistance for all recipients is a priority.

3. As stated, we support proposals to increase the existing federal highway user gasoline taxes earmarked for public transportation placed within the mass transportation account of the Highway trust fund, on condition that such revenue is used to supplement and not substitute for the general revenue funding portions of the federal transportation program. Increases approaching 7 cents per gallon would provide the revenue necessary to maintain an effective public transit program. As a corollary to this view we recommend that the unobligated balances in the mass transit trust fund be spent as soon as possible.

4. We recognize that in designing a new formula and discretionary grant program some consideration should be given to increasing the recipient's flexibility in the use of such funds. Such flexibility however, should not be allowed to detract from servicing our mass transportation needs, nor otherwise permit any avoidance of planning, environmental, labor protection and other requirements now part of the program.

5. The ATU supports revisions to the federal tax code designed to eliminate the taxation of employer transit subsidies and other disincentives to transit use, and to stimulate private investment in our transit infrastructure.

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Mr. Chairman, we would now like to amplify our discussion of two principle issues which we believe require careful attention by this Committee as it designs its new national transportation program: the Department's privatization policies and the retention of the Section 13(c) employee protection guarantees which for over 25 years have enabled transit labor to work with grant recipients as they have provided expanded services, adapted to technological change and afforded a range of transit alternatives to our nation's citizens. Preservation of this basic labor protection and affirming its original intent to guarantee the collective bargaining and job rights of workers in the industry, and to protect them by equitable arrangements from any unavoidable impacts arising from the federal grant program is an essential component of our support for new legislation.

We have repeatedly stated before this committee that decisions about private sector participation in transportation including decisions to employ competitive bidding, and to subcontract with private operators, should be made at the state and/or local level free from any federally imposed standards, guidelines, policies or grant conditions; and that private sector involvement in public transportation remain a local option which should be examined only when such services can be made complimentary to the existing public transit network and only where there can be a partnership of public and private providers protective of employee interests and the riding public.

Recent experiences in New Orleans and Miami, Florida where portions of the cities' public transit services were contracted out have borne out that privatization is no panacea. In early February, 1990 the New Orleans Regional Transportation Authority voted to terminate its contract with Greyhound Lines, Inc. for the provision of five bus routes after only one year of its expected three year operation because of sharply rising cost increases, ridership losses, and revenue decreases, maintenance and other service problems. The Board concluded, as this Union had long argued, that the RTA could provide better service at a lower cost than the private contractor.

In our view, the policies of the 1964 Act in favor of a neutral federal position as to the choice of public or private service require reaffirmation by the Congress. Only a vigorous restatement of this "neutrality" principle incorporated in a policy directive to the Department of Transportation will be adequate to restore community based decision making on this issue.

This Committee must specifically reexamine UMTA's program guidelines applicable to competitive bid subcontracting under which applicants for federal funding have been forced to operate since 1986. The required use of fully allocated costs by public transit agencies when comparing their service costs to the bid cost of private operators biases the decision making and produces erroneous cost comparisons, which as in New Orleans, end up costing the public more rather than producing real cost saving. To the extent cost comparisons are utilized, they should evaluate the savings

available to the transit agency on a marginal cost basis from the private operator's bid proposals. In no event should this Committee nor the Congress continue to allow UMTA to prioritize applicants' grant funding requests on the extent of their use of private operators and a new bill should specifically incorporate this point of view. We likewise are opposed to any new program elements requiring an increased competitive environment in public transit.

Finally, we turn to an area of special concern to transit labor, the retention of the collective bargaining and job right guarantees contained under Section 13(c), which since 1964 have served as a key component and condition of the federal transit program. The history of the Section 13(c) employee protection program demonstrates that transit labor working in partnership with our nation's transit providers can respond to our nations changing transportation needs in a manner which provides necessary protections to those workers while servicing the riding public demands for high quality safe, efficient and responsive transportation. It is essential, in the ATU's view that any new federal legislation ensure the continuation of these labor protections and their application to the entire transit grant program.

As the debate unfolds on new specific legislative proposals, we are prepared to respond to specific issues and concerns in this area. At this time we wish to note that over the last fifteen months, the ATU was involved in over 458 transit grant applications

involving the processing of Section 13(c) protective arrangements. Over 86 percent (397) of those cases were processed within one month of our receipt of the grant applications. These projects involved both capital and operating assistance, special transit technology, privatization components, alternative fuel arrangements, entrepreneurial and suburban mobility initiatives. Their average processing time was only 13 days.

Clearly, this is a record of which we are proud. It demonstrates our commitment to achieving a fair measure of equitable protection for our members while ensuring a timely distribution of much needed grant assistance. In our view, the administration of the Section 13(c) program has worked well and should remain within the Department of Labor.

Recently we met with Department of Labor officials to discuss ways of improving their Administration of the program and we are prepared to carry on those discussions. We do not believe, however, that it is wise or necessary to modify in any way the current statutory framework which has allowed this program to respond to changing transportation needs while protecting the collective bargaining and job rights of the industry's employees. Proposals to limit the scope of negotiations or the parties' choice of response to privatization issues raised by specific grants are not needed nor justified. When Congress first initiated these protections it emphasized that the arrangements were to be the product of negotiations among the affected parties. Nothing in the

history of the program justifies a change in this procedure or a narrowing of the grants to which they are applied.

In conclusion, we wish to emphasize our willingness to work with the Committee as it seeks to reach a broad-based and bipartisan consensus on our national mass transportation program for the next decade. Transit labor works at the heart of our mass transit services and we take our responsibilities seriously. We are pleased to work with the Congress, the Administration and others throughout the country to improve our existing transit program and provide the best and safest form of public transit for our country's citizens. Thank you for the opportunity to appear before you and we are prepared to answer any questions you may have.

NATIONAL ASSOCIATION OF RAILROAD PASSENGERS

236 Massachusetts Ave., NE, Suite 603, Washington, DC 20002
(202) 546-1550

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TESTIMONY OF HARRIET PARCELLS
Before

SUBCOMMITTEE ON SURFACE TRANSPORTATION
HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
on
REAUTHORIZATION OF THE FEDERAL HIGHWAY AND TRANSIT PROGRAMS

on behalf of
NATIONAL ASSOCIATION OF RAILROAD PASSENGERS

and
FRIENDS OF THE EARTH
LEAGUE OF AMERICAN WHEELMEN
NATURAL RESOURCES DEFENSE COUNCIL
ENVIRONMENTAL ACTION

March 20, 1990

Mr. Chairman and distinguished members of the Surface Transportation Subcommittee, I want to thank you for the opportunity to testify before the Subcommittee concerning the future of our nation's surface transportation system, an issue of critical importance to the health of the U.S. economy, environment and citizens. This testimony is offered on behalf of the National Association of Railroad Passengers, a consumer organization working for a more balanced national transportation system, and the organizations listed above.

We are living in times of spectacular worldwide change. Events are taking place at a dizzying pace in Eastern Europe--events not believed probable, let alone possible, several years ago. In Western Europe, nations are joining together to create a formidable trading partnership, linked together by network of efficient, high speed trains.

If the United States is to remain competitive and meet the challenges facing the country and planet, some fundamental changes in transportation priorities and investments must take place here at home. As folk singer Bob Dylan wrote, "The times they are 'a changing. And you better start swimming or you'll sink like a stone.."

U.S. transportation stands at a critical crossroads. Construction of the Interstate Highway System is complete but for a few hundred miles. The goal of linking together major cities across the nation with a high quality road system, as envisioned in the 1956 enabling legislation, has been achieved. It is time to set forth a new transportation vision.

Investment in mass transit, intercity passenger rail, high occupancy vehicle, bicycle, pedestrian and other alternatives to flying and driving alone must become a national priority, with strong federal leadership backed by federal funding. Continued reliance on highway building solutions is neither desireable nor helpful in the long run. Current policies and funding result in inefficiencies wherein:

- Cities choke under growing auto and truck traffic and the accompanying air pollution, yet federal investment in mass transit systems that would help alleviate these problems is inadequate and declining (federal transit fundig has plummeted 50%--inflation adjusted--since 1981).

- Peak hour auto travel strains urban road capacity, yet the federal tax structure encourages people to drive alone to work rather than use mass transit or carpool/vanpool and peak hour commuters pay no more for use of the roads than others;

- A growing number of big, heavy trucks accelerate the deterioration of U.S. highways, while rail freight capacity, that could move goods with less pollution, greater energy-efficiency, and reduce road damage costs, is under-utilized.

- Airports and airways suffer from serious congestion, while investment in expanded and improved intercity passenger rail service, that could help ease airway congestion, is neglected.

I. HIGH ECONOMIC AND ENVIRONMENTAL COSTS OF IMBALANCED TRANSPORTATION

Overdependence on autos and airplanes for passenger travel and big trucks for freight transport is unhealthy for the economy, the environment and the liveability of our ciites.

Twenty years after enactment of the Clean Air Act of 1970, air pollution remains a pervasive national problem. Virtually every urban area remains in non-attainment and even our treasured national parks and recreation areas suffer the ills of pollution. More than one out of every two Americans live in areas that fail to meet the healthy air standards mandated by law. The leading cause of non-attainment is auto and truck emissions. The costs of pollution are staggering: the American Lung Association estimates the cost of health care and lost productivity due to air pollution totals $40 billion/year.

Stemming the growth in vehicle miles of travel (VMT) is essential to attaining clean air. Stricter auto tailpipe controls, which we support, will not do the job alone. Until now, removal of the dirtier, pre-1981 cars from the road acted as an offset to VMT growth. After 1995, however, the Environmental

Protection Agency (EPA) estimates that these cars will be off the road and no longer act as a VMT offset. The major mobile source emissions are projected to increase after 1995 for the first time in 20 years. Clearly, we must not only make cars cleaner, but provide good alternatives to auto travel. And, we must get serious about making regional transportation planning and investments conform with air quality goals for the region. The MOU between EPA and DOT concerning Section 176(c) of the Clean Air Act needs to be strengthened.

Lack of balance and integration in our transportation system hurts the economy and jeopardizes national security. Use of petroleum for transportation now exceeds total U.S. petroleum production (Source: US Dept. of Energy, see Attachment 1). Most of this fuels a growing auto and truck fleet. Dependence on foreign oil is rising, contributing to the U.S. foreign trade deficit. In January 1990, a monthly oil import record was set: imported oil accounted for 54% of total U.S. petroleum consumption. And, in 1989 the U.S. sent $50.2 billion overseas to pay for this huge oil appetite.

II. SHIFT FEDERAL PRIORITIES: INCREASE INVESTMENT IN MASS TRANSIT AND OTHER ENERGY-EFFICIENT AUTO AND AIR ALTERNATIVES

A shift in federal investment priorities, with increased funding of transit, intercity passenger rail and other auto and air alternatives will benefit the economy, the environment, safety and our cities. It is a winning strategy! Along with this, a greater commitment to better link transportation and land use plannning is needed. We should strengthen, not diminish the MPO's "continuous, cooperative and comprehensive" (3C) planning process.

While we support the priority the Administration has given to development of a National Transportation Strategy, we oppose its policies that back the federal government away from leadership in transit, rail and other areas, at a time when federal leadership is critically needed.

Present overreliance on highway-building solutions is counterproductive. Such policies encourage auto-dependent sprawl and increased auto congestion and pollution. We strongly oppose recommendations we have seen to add 178,000 new lane-miles in urban areas.

Work of Australian researchers, Kenworthy and Newman, reveals the benefits of promoting cities with good transit and transit-oriented land use patterns. Their study of 32 cities throughout the world found that gasoline consumption in U.S. cities is 4.5 times that of European cities and 1.5 times that of

neighboring Toronto. Within the U.S., the study reveals that auto-oriented cities like Houston and Phoenix use 40% more gas/capita than transit-oriented more compact cities like New York and Chicago. Cities where the proportion of work trips by transit is greatest are those with the lowest gas use/capita (see Attachment 2).

President Bush has called himself the "environmental President" and is committed to a policy of no net loss of wetlands. Investments in auto alternatives to meet new demand are critical to preserving the environment and meeting the no net loss of wetlands goal. U.S. cars are responsible for approximately 27% of U.S. carbon dioxide emissions; cutting back on their use will help solve the serious global greenhouse threat we face. One person using mass transit for a year instead of driving alone to work saves the environment: 9.1 pounds of hydrocarbons, 62.5 pounds of carbon monoxide and 4.9 pounds of nitrogen oxides. The greatest benefits come from use of rail transit (Source: American Public Transit Assn, see Attachment 3).

III. AMERICANS USE GOOD TRANSIT WHEN IT IS PROVIDED

Surveys and experience in cities where Americans are provided with efficient, reliable alternatives to driving or flying demonstrate that Americans will leave their cars at home. Those who suggest otherwise use such rhetoric as a means of justifying cutbacks in federal funding of these vital modes.

A random telephone poll of residents in the San Francisco Bay Area (where citizens rank transportation as the #1 regional problem) found 37% of the 1,441 respondants calling for new rail lines as the most effective way to reduce congestion. No other option had such a high "most-effective" rating (other options ranged from 16-22%). Only 9% rated rail as "least-effective," whereas 30% rated "least-effective" building more freeways and limiting growth and development (Source: "Views of Bay Area residents on Traffic and Growth Issues", MTC). When the Orlando Sentinel asked readers for solutions to the road jams across Central Florida, 10 of 16 published letters advocated mass transit solutions; 8 of those specified rail. Only 2 letters advocated more freeeways (March 12, 15, 16, 1989).

Light rail systems that have opened in cities such as Portland, OR and San Diego, CA have proven cost-effective, exceeded ridership projections and helped to promote energy-efficient land use patterns. These are the kinds of cities where opponents say rail transit can't work. Well, it does work and citizens are clamoring for expansion. In Portland, commercial development that has occurred along the LRT line exceeds the public construction investment. And, weekend ridership is far higher than projected, indicating that citizens are using the

system for shopping and other non-work trips (see Attachment 4, NARP NEWS, July 1989).

IV. CREATE A LEVEL PLAYING FIELD IN TERMS OF COMMUTER BENEFITS

Federal tax policy fails to support efforts to promote alternatives to driving alone. Under tax law, employers can provide free parking, a tax-free benefit worth $200-400/month in major metropolitan areas, but only $15/month can be provided for employees who use more environmentally sound mass transit and if an employer wants to provide more than $15/month, the entire benefit becomes taxable. Also, a portion of the carpool/vanpool benefit is taxable.

This is an important area for change if efforts to get people out of their drive alone habit is to reach its potential. Federal tax law could offer instead a monthly tax-free commuter benefit (ie, $60/month) which employees could apply to the mode of their choice--purchase of a transit pass, toward parking costs or pocket if they walk or bike to work. We support legislation introduced by Rep. Matsui on commuter tax benefits as working toward a more level playing field.

V. CHARGE HIGHWAY USERS FOR A GREATER SHARE OF THE COSTS THEY IMPOSE

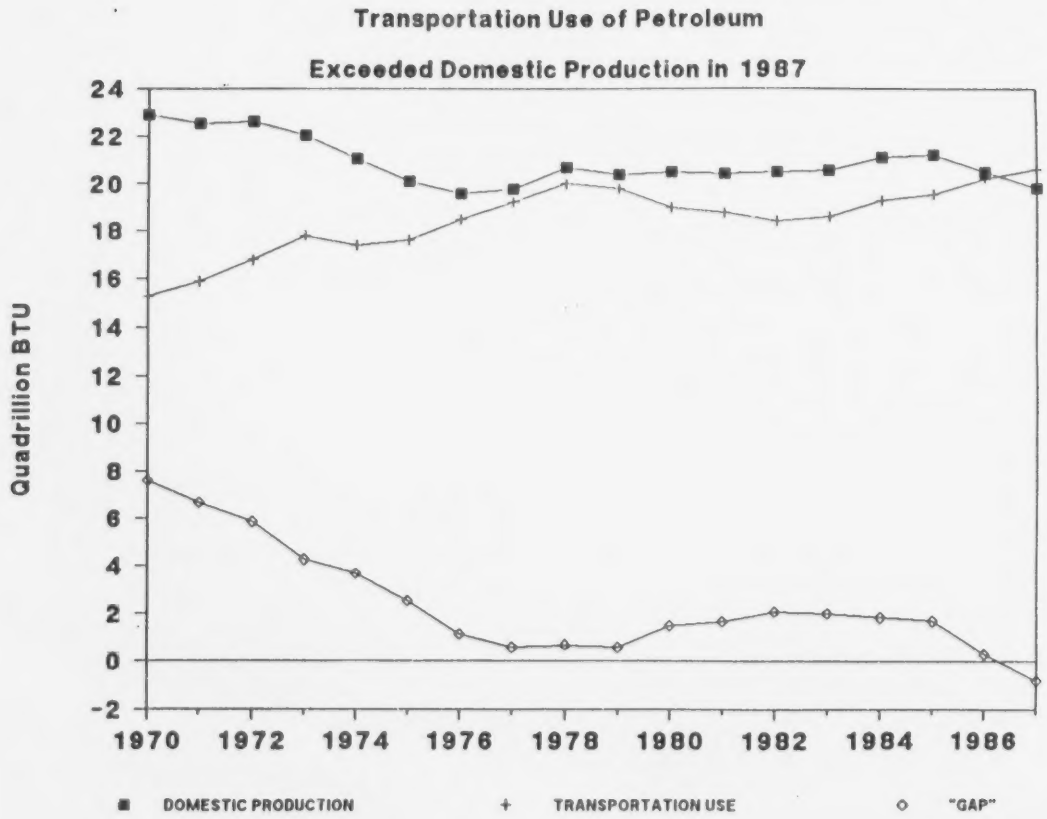
It is time to begin charging highway users for a greater share of the costs they impose. We support implementation of congestion pricing to charge those who travel at the peak hour, and impose the greatest costs, a higher cost than those who travel in non-peak hours. Americans accept this practice without question in other areas, such as telephone rates and pricing on metro systems. Carbon taxes or smog fees should also be examined.

Low U.S. gasoline prices contribute to U.S. cities being the highest consumers of gas/capita in the world. U.S. gas prices are among the lowest of any industrialized nation. The key difference in price is tax (see Attachment 4). We support an increase in the federal gasoline tax, with revenues directed to investment in energy-efficient mass transit, intercity passenger rail, HOV, bicycle and pedestrian facilities and to state purchase/preservation of abandoned railroad corridors that can serve as vital transportation or recreational corridors. A portion of the revenues should be used to offset any negative impacts on low income families. This was a key recommendation of the Blueprint for the Environment, a compendium of budget, policy and regulatory recommendations, presented by 30 U.S. environmental organizations to President Bush.

The growing number of heavy trucks travelling U.S. highways accelerate highway and bridge deterioration, yet state and federal studies show that heavy trucks significantly underpay in taxes compared to the costs they impose. The federal Department of Transportation estimates that the heaviest trucks are only paying 65% of their "cost responsibility." This subsidy favors shipment by truck over cleaner, more energy-efficient freight railroads. We recommend enactment of a national weight-distance tax on heavy trucks and oppose further increases in truck size and weights. These were also recommendations of the Blueprint for the Environment. The National Association of Railroad Passengers, joined by the Sierra Club, National Taxpayers Union and Friends of the Earth will shortly release a booklet on the subject of trucks and road damage, which we will provide to members of the Committee.

That completes my testimony. Thank you Mr. Chairman and Members of the Subcommittee for the opportunity to appear before you today.

APPENDIX 1



Source: David Greene, Oak Ridge National La
Barry McNutt, U.S. DOE

APPENDIX 2

	GASOLINE USE MJ PER CAPITA (METRO AREA*), 1980	PROPORTION WORK TRIPS BY TRANSIT 1980	PROPORTION PSGR-MILES ON TRAINS 1980
Denver outer area	137,000		0.0%
Houston	74,510	3.3%	0.0%
Phoenix	69,908	2.2%	0.0%
Detroit	65,978	4.1%	2.7%#
Denver	63,466	6.5%	0.0%
NY outer area	59,590		
Los Angeles	58,474	7.7%	0.0%##
San Francisco	55,365	17.0%	33.9%
Boston	54,185	16.1%	52.3%
Washington	51,241	14.1%	37.2%
Chicago	48,246	18.3%	66.7%
New York	44,033	28.3%	78.0%
Toronto	34,813	31.2%	40.2%
Perth	32,610	12.0%	14.4%
Brisbane	30,653	16.6%	55.8%
Melbourne	29,104	20.6%	63.1%
Adelaide	28,791	16.5%	33.5%
Sydney	27,986	29.5%	69.9%
Hamburg	16,671	41.0%	64.4%
Frankfurt	16,093	19.0%**	51.3%
Zurich	15,709	34.0%	55.6%
Stockholm	15,574	46.0%	60.4%
Brussels	14,744	26.7%	43.2%
Paris	14,091	39.8%	83.8%
London	12,426	39.0%	63.7%
Munich	12,372	42.0%	61.1%
Central NY***	11,860		
West Berlin	11,331	37.0%	58.3%
Copenhagen	11,106	31.0%	48.0%
Vienna	10,074	44.9%	26.6%
Amsterdam	9,171	14.0%**	45.5%
Tokyo	8,488	59.0%	94.9%
Singapore	6,003	59.6%	0.0%###
Hong Kong	1,987	62.2%	17.1%####
Moscow	380	74.0%	>75.0%

NOTES: * Except where otherwise noted
Detroit-Pontiac commuter trains discontinued after '80
Some daily commuters now ride Amtrak's "San Diegans"
New metro partly opened in 12/87
Streetcars only; modern metro opened more recently
** 27% and 28% in Frankfurt and Amsterdam, respectively, walk /bicycle (vs 15.3% in Hamburg, 24.0% Moscow, 24.9% Tokyo)
*** Mostly Manhattan

U. S. cities are the biggest gasoline consumers in the world, "being on average some twice as high as the Australian cities, nearly 4 1/2 times higher than the European cities, and 10 times greater than the Asian cities...average over 1 1/2 times higher than Toronto." Detroit is the only big Eastern all-bus city and is the big Eastern city with by far the highest per capita gasoline consumption. 40% variation between Houston and New York.
--LEARNING FROM THE BEST AND WORST: TRANSPORTATION AND LAND USE LESSONS FROM 32 INTERNATIONAL CITIES WITH IMPLICATIONS FOR GASOLINE USE AND EMISSIONS, by Jeffrey R. Kenworthy and Peter W. G. Newman, School of Environmental and Life Sciences, Murdoch University, Perth, Western Australia (1988)

INCREASING OCCUPANCY REDUCES EMISSIONS . . .

Moving more passengers per vehicle mile via transit and other shared-ride services represents a central strategy in cleaning our nation's air.

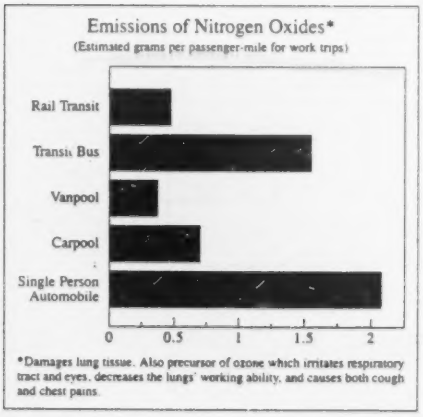
The average passenger-load of a commuter automobile is measured at 1.20 persons. In contrast, typical transit vehicle loads during rush hours range from an average of 17 passengers on a standard transit bus, up to an average of 37 passengers on a typical subway or "heavy rail" car.* In some cities, the average loads are much higher, meaning an even greater contribution to emission reduction. For example, in Chicago 80% of the city's two million daily commuter trips to and from the central business district are taken on mass transit.

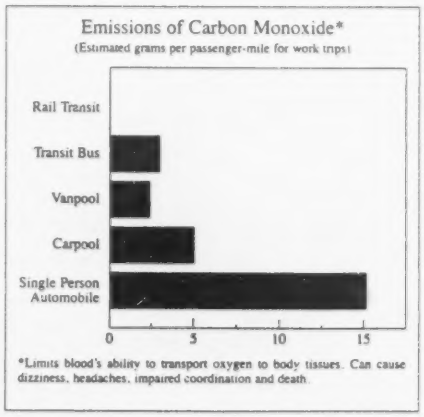
*These average occupancy rates may appear low because the calculation includes mileage traveled to and from garages, and at the end of regular routes.

THE RAIL ADVANTAGE . . .

Transit trips on rail dramatically reduce emissions. For electrically powered rail services such as subways or "light rail" lines, pollution emissions are measured from the power plants that generate the electricity to move the vehicle.

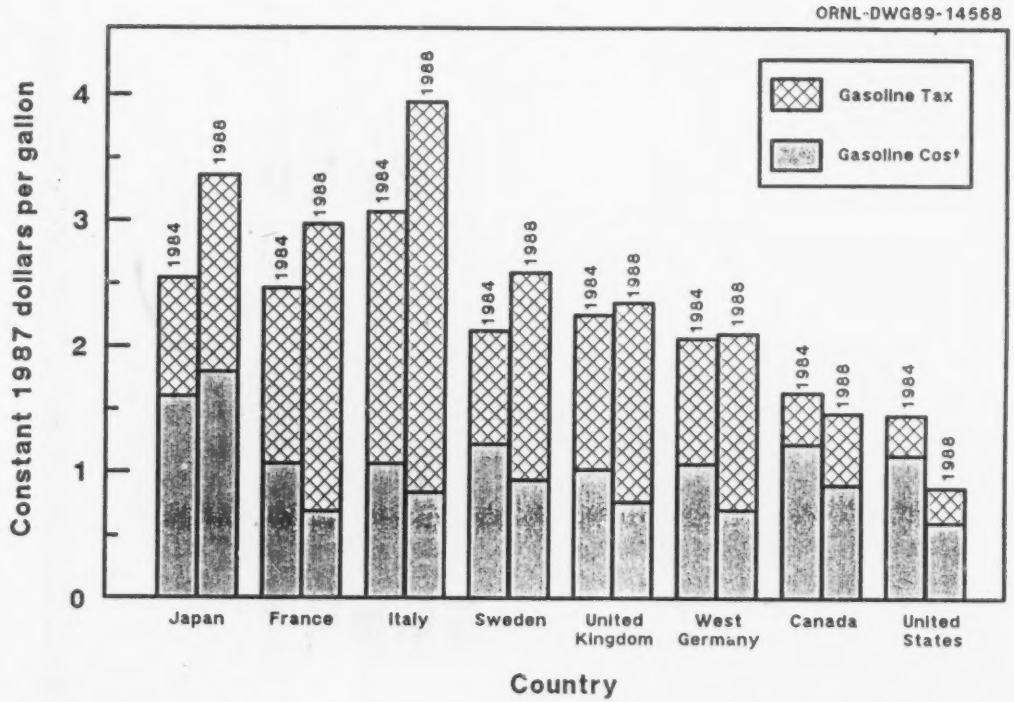
Hydrocarbons and carbon monoxide emissions are reduced by more than 99% when the use of either heavy rail or light rail is substituted for an average commuter automobile trip. In addition, nitrogen oxide emissions are reduced by more than 60%, and particulate emissions decrease by more than 90%.





Source: APTA

Figure 1.1. Gasoline Prices for Selected Countries, 1984 and 1988



Source: Total prices - See Table 1.2.
Tax - International Energy Agency, Energy Prices and Taxes, Third Quarter 1988, 1988.

Source: Oak Ridge National Labs
Transportation Energy Data Book

TESTIMONY OF THE

AMERICAN PUBLIC TRANSIT ASSOCIATION

BEFORE THE

SURFACE TRANSPORTATION SUBCOMMITTEE

OF THE

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

MARCH 20, 1990

American Public Transit Association
1201 New York Avenue, N.W.
Suite 400
Washington, D.C. 20005

AMERICAN PUBLIC TRANSIT ASSOCIATION
STATEMENT SUBMITTED TO
THE SURFACE TRANSPORTATION SUBCOMMITTEE
OF THE
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

March, 20, 1990

PRESENTED BY

Daniel T. Scannell, APTA Chairman
First Vice Chairman
Metropolitan Transportation Authority
New York, NY

Richard F. Davis, APTA Chairman, Legislative Committee and
General Manager
Kansas City Area Transportation Authority
Kansas City, MO

Rod Diridon, APTA Legislative Subcommittee on
Coalition Building and Advocacy and Chairperson
Santa Clara County Board of Supervisors
San Jose, CA

Irving P. Smith, member, APTA Associate member Board of Governors
and President of Smith and Howard Associates,
Washington, D.C.

Dennis D. Louwerse, Chairman, APTA Small Operations
Steering Committee and
Executive Director
Berks Area Reading Transportation Authority
Reading, PA

Hershel R. Payne, Chairman, APTA Governing Boards Committee and
Chairman
Fort Worth Transportation Authority
Fort Worth, TX

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INTRODUCTION

Mr. Chairman and members of the Committee, our message today is a simple one, public transportation must become a central feature of this nation's infrastructure and transportation system in the years ahead. In years past, we, as representatives of the public transit industry, have sounded this theme repeatedly. Unfortunately, we have had to do so in a budgetary and political environment that repeatedly threatened the wholesale demise of public transit in America.

To a very considerable degree Congress, and particularly you Mr. Chairman and members of this Subcommittee, have persisted in the view that the federal government must remain a full and responsive partner in supporting public transit.

Today, Mr. Chairman, the environment in which we find ourselves has changed. The focus of national interest is on our competitiveness as a world economic force, and on the quality of our environment. What we have come to realize is that outdated and deteriorating transit and highway infrastructure and our increasing inability to move with ease across town or across the country is doing serious damage to both. This fact coupled with expected costs of complying with national social and environmental mandates demand a major new transportation policy supported by appropriate resources.

We have immediately before us a Congressional schedule that can dramatically recast America's public works philosophy for years ahead.

The transit industry set about to explore these emerging challenges and opportunities nearly three years ago in anticipation of the time, in 1991, when new vision and new direction could be interjected into the federal surface transportation program. Our objective has been to develop for ourselves, and to present to you and other decision makers nationally and locally, the actions necessary for public transportation to achieve its full potential in the years ahead. It is our view that, if transit's full potential is not available to us, the nation's highest economic, environmental and social goals cannot be met.

The centerpiece of the Transit 2000 work, revolves around seven key points:

1. Our concept and definition of transit must be broadened to include all forms of high-occupancy shared-ride services;

2. We must set clear goals as a nation and as communities to increase substantially the availability and use of all transit services;

3. Availability and use must be underwritten by major increases in transit investment level by the federal government through an increase of 7 cents in federal motor fuels taxes to be invested in transit, the proceeds of which would, in part, restore much of the 50% decline in real dollars experienced by the federal transit programs over the past ten years;

4. The delivery of federal transportation funds must be refocused in significant part, on our nation's metropolitan and rural areas and local officials given more authority in their use;

5. Greater flexibility in the use of funds must be provided to facilitate rationale and thoughtful local decisions;

6. In addition to direct investment, federal policy in a host of areas - tax, energy, economic development, air quality - must be made mutually reinforcing so that we do not diminish the effectiveness of our investments through parallel policy pursuits; and

7. The promise of planning, service and technological innovations is only as bright as the strength of the committment to research and development.

If we review the transportation policies and programs in place today, it is clear that we are advocating major changes. The balance of our statement describes in greater detail <u>why</u> we believe these changes are vitally needed, and describes <u>what direction</u> those changes should take. Our recommendations for a new generation of national programs have grown out of APTA's Transit 2000 project.

<u>Transit 2000</u>

The APTA Transit 2000 Task Force was convened in 1987 and is made up of nearly 50 members, including general managers and transit board members representing both the largest transit systems in the world as well as some of the smallest. Also included are top corporate executives from private businesses that supply and advise transportation professionals, worldwide.

The mission of the task force was to outline the steps necessary for the nation's public transit industry to achieve its

greatest potential in the years ahead. In pursuing this mission, the task force has explored the full range of issues that affect public policy in transportation, travel demand and industry operations. These have included the changing external environment in which transit and transportation decisions must be made, the long-range mission of the industry, finance and intergovernmental partnerships and other factors that must shape future decisions on how our national transportation network is to be rebuilt and expanded.

The conclusions of the task force are contained in a report entitled, "Managing Mobility: A New Generation of National Policies for the 21st Century," which was issued in November last year and which is included as an appendix to our statement.

The report lays the ground-work for evolution of the nation's transit industry and reauthorization of federal transit and highway programs. In offering these findings, it is our intention to outline bold, aggressive, and innovative policies that will allow our nation's public transportation systems and services to meet fully the challenges and opportunities that lie ahead.

APTA's Involvement in the Transportation Alternatives Group

In addition to the Transit 2000 work, APTA has also participated extensively in the deliberations of the Transportation Alternatives Group, or TAG. The TAG process involved over two years of wide-ranging discussions among twelve public interest groups having major interest in the nation's future transportation policy and federal programs.

We generally support the policy positions endorsed by the TAG and contained in the report entitled "Future Federal Surface Transportation Program."

At the same time, however, we support policies and actions that go beyond those on which TAG consensus was achieved. We look forward to a continuing dialogue with our TAG colleagues as Congress makes further progress in restructuring the federal transit and highway programs.

THE CHALLENGES WE FACE: FORCES OF CHANGE

Changes in the federal program and an expanded role for transit is vital. In communities across the country, we currently are faced with a daunting array of troubling conditions that are growing to crisis proportions. Our shared experience now includes:

- Intolerable and costly congestion on urban and suburban roads with too many vehicles seeking to use limited roadway facilities;

- Increasing isolation of rural residents, the poor, the elderly, those with disabilities, and willing workers from job opportunities;

- Poisoned air that already threatens the health of nearly 150 million Americans;

- Mounting dependence on foreign oil that has become a threat to national security and a major factor in the nation's trade deficit;

- Sluggish rural economic growth due, in part, to inadequate transportation services and facilities;

- Burgeoning urban and suburban development that has overwhelmed our ability to provide public facilities and services; and,

- Failure of our existing infrastructure, resulting from years of chronic underinvestment.

These conditions exist, in part, because current national transportation policies and programs are increasingly ineffective in meeting current and emerging needs. Existing programs promote separation in the planning and funding of different facilities and they are increasingly unresponsive to the economic, environmental and social consequences of transportation investment decisions. The inflexible, categorical nature of existing programs limits how we deploy available resources and decreases the cost-effectiveness and efficiency of our investments. We remain bound by a traditional preoccupation with accommodating vehicles and inattention to accommodating people. Finally, existing programs have become ineffective due in no small measure to the lack of adequate funds.

How we accommodate future demand for travel and mobility will determine whether we can arrest the problems that confront us or whether our national welfare, our economic competitiveness and our quality of life will be further jeopardized.

To avoid this prospect, we must begin immediately to seek wiser ways to meet tomorrow's mobility needs. If we are successful, our transportation decisions can be decisive in taming the forces that threaten to immobilize us. Expanded and enhanced public transportation is an essential strategy in this effort.

A few statistics serve to point out the scope of the challenges and the depth of the problems we face, along with the essential role expanded public transportation services can play.

Congestion and Auto Dominance

Congestion is now a common feature of urban and suburban travel. Delays on the existing street and highway network have already reached crises proportions in major travel corridors and during the busiest times of the day. New highway facilities, even in the suburbs, are virtually jammed when they are opened to traffic. The inability to keep the current transportation network in an adequate state of repair contributes to mounting congestion. The consequence is intolerable delay, economic loss and increasing safety problems for urban and rural residents alike.

- Total travel is expected to increase approximately two percent per year. This would add to the current roadway system over the next 32 years the same amount traffic that has been added in the last 32 years. In faster growing communities, total travel will grow three times this amount annually. It is a foregone conclusion, widely accepted, that highway construction cannot and should not proceed at a pace necessary to accommodate this growing travel demand, as has been the case historically.

- Over the next 20 years, congestion will increase more than 400% on the nation's freeway systems and over 200% on non-freeways, according to the Federal Highway Administration. In areas under one million population, freeway congestion will increase over 1000%.

- The cost of congestion on our urban freeways alone, published in a recent Transportation Research Board report is staggering. In the next 20 years annual delay in travel time will increase by 5.6 billion hours; excess fuel consumption will increase by 7.3 billion gallons per year, and total costs to travelers will increase by $41 billion per year.

- Congestion is a direct function of continuing reliance on private vehicles. Today, average work trip auto occupancy is 1.15, persons per vehicle, nationwide. Household auto ownership is expected to increase past the point where, on average, an automobile will be available for every employed person.

- As consumers, we currently spend more than $336 billion a year on user-operated transportation. This

represents more than the amount we spend on groceries and nearly the same amount we spend on medical care.

- Expenditures for automotive advertising alone totalled nearly $5 billion in 1986, an amount that exceeds the total of all capital investment in public transit facilities and equipment.

- Estimates by state highway officials indicate a need for 102,000 new lane miles of highway on new alignments. Expectations are that it will not be possible to construct all or even most of these facilities. If 20% cannot be built, the demand for public transportation will double.

- Auto availability and use will continue to increase, but the convenience of single-occupancy, personal vehicle travel is likely to deteriorate significantly in more and more areas of the country, heightening the need for new options and strategies to enhance mobility.

The Suburban Problem

The rapid pace of suburban growth and development continues to represent one of the most perplexing transportation problems in the years ahead. Rapid suburbanization has resulted in highly scattered trip-making with near total dependence on single-occupancy vehicles to accommodate suburban travel needs. Current development policies, land use controls and public investment strategies are failing, and wiser ways must be sought to promote and accommodate economic growth.

Some change is beginning to occur. States, regions and localities are adopting often controversial plans and strategies that aggressively guide development in a manner designed to avoid the transportation and related problems that are now occurring.

These development plans require a much broader range of transportation solutions that will capture "choice" riders and serve the particular needs of suburban travelers, emerging corridors and activity centers, and specific trip purposes.

Transit services that served older central areas have growing application in many suburban settings, including radial route networks, internal circulators, shared-ride services, park-and-ride facilities, preferential treatment of high-occupancy vehicles, employer-sponsored ride-sharing programs and others. Clearly, a broader range of high-occupancy, shared-ride services will be critical in our suburban areas in the years ahead.

Central Cities

Despite the concentration of travel demand growth in the suburbs, central cities and central business districts (CBD's) continue to be the dominant single focal point for urban travel, and they remain the economic engine and employment bellwether of the nation. There will be continued strong growth in central cities and CBD's where services, infrastructure, amenities and a large labor pool already exist.

Travel demands in central cities require that increased use be made of traditional forms of public transit, including rail services, bus services, busways and transitways, and a variety of high-occupancy, express services. Where natural markets already exist for these services, or where they are certain to emerge, transportation policy must encourage maximum use of traditional transit services. Failure to do so will further diminish the effectiveness and efficiency of the entire transportation network.

Air Pollution and Environmental Quality

Worsening air quality represents a growing crisis for the nation. The facts that relate air pullution to motor vehicle use and particularly, reliance on single-occupancy vehicles, are undeniable.

- Sixty-eight cities are too polluted to meet federal standards for ozone; 59 cities fail to meet standards for carbon monoxide pollution; over 100 suburban areas exceed current pollution standards.

- Mobile sources cause over 30% of carbon dioxide emissions, the pollutant that promotes global warming via the "greenhouse" effect.

- Motor vehicles contribute 40 to 60 percent of the hydrocarbons that produce our urban ozone and smog problem, and cause 70 to 80 percent of our carbon monoxide emissions.

- Nearly 150 million Americans now live in areas where air quality is below acceptable standards. The American Lung Association estimates the national health care bill for air pollution illnesses is $40 billion per year.

- Ozone accumulation at ground level threatens the long-term economic viability of entire industries. Crop losses due to ozone, smog and other air

pollutants in the U.S. each year equals $1.3 billion.

In years past, tighter tailpipe standards have reduced emissions. In the future, however, emission reductions from new tailpipe standards and technology, will be offset by increased emissions from growth in total travel demand beginning in the mid-1990's, according to EPA. Success in reducing air pollution, therefore, will require aggressive strategies to encourage high-occupancy travel that is more supportive of air quality goals and standards.

Threats to Energy Independence

As a nation, we now risk becoming more dependent on foreign sources of petroleum than at any time since the early 1970s. Major factors responsible for this growing dependency include our increased appetite for petroleum stemming from growth in travel demand and our continued reliance on low-occupancy private vehicles.

- In 1986, autos and small vehicles consumed over 100 billion gallons of gas - more than 400 gallons a year for each man, woman and child in the nation.
- Transportation accounts for 65% of petroleum use today and petroleum imports have risen to 35% of total supply. Over 50 percent of imported petroleum comes from OPEC countries. Imports may go up as high as 60% by 2000. The U.S. Department of Energy considers the current situation, and the likely future situation, a threat to national security.
- Despite today's abundant supply and low prices, some forecasters project as much as an eight-fold increase in petroleum prices after 2000.

Today, however, gasoline prices in North America, and in the U.S. particularly, remain well below world levels, providing a strong incentive for consumption rather than conservation. In the U.S., the 1987 average price per gallon was 82 cents including an average 25 cents in total taxes. In 5 western industrial nations -- America's economic competitors -- the 1987 average price was $2.78 per gallon, including $1.84 in taxes.

Our energy future remains clouded by today's ready supply of petroleum fuels and relatively low prices. But we are short-sighted and unprepared for change. A coherent long-term energy policy must be put in place aimed at wiser ways to accommodate future travel demands.

Inadequate Infrastructure Investment

The proportion of public spending on basic infra- structure has dropped precipitously.

- During the 1960s, public works capital investment totalled $14 - $15 billion for every $100 billion of private investment. Today, the figure is $7 billion for every $100 billion of private investment.

- Since the mid-1960s, federal investment in transportation, as a percent of GNP, has been cut in half.

- Adjusted for inflation, federal spending on public transit has declined nearly 50 percent, just since 1980.

Americans are now witnessing and experiencing the consequences of this declining investment in the form of deterioration and collapse of facilities, a growing backlog of investment needs, mounting safety problems, and declines in productivity.

Chronic underinvestment in infrastructure is compounded by various provisions of the federal tax code. Many of the tax reform measures enacted in 1986 discourage rather than encourage investment in public facilities by making it more difficult and more costly for state and local governments to borrow to support these vital investments.

The trend of declining infrastructure investment, particularly in transportation and public transit, remains a mounting threat to our economy and quality of life. Greater investment is essential.

Demographic Change

A number of socio-economic and demographic trends will have a major effect on the need for enhanced mobility in the coming decades.

- The number of persons over 65 will grow from 25.7 million in 1980 to more than 65 million in 2030;

- The growth rate of the very elderly population over 75 will be even more pronounced.

- The number of women in the work force will increase from 45.5 million in 1980 to more than 65

million in 2000.

- Minorities, predominantly black and hispanic, will account for nearly 60 percent of the population growth through the year 2000; 25 to 30 percent are projected to have incomes below the poverty level.

  By 2000, the black labor force will expand 31 percent and the hispanic labor force will expand by more than 80 percent.

While auto availability and use by these groups will rise, the elderly, the disabled, women, minorities and the economically disadvantaged will remain highly dependent on public transportation. By virtue of their sheer numbers, these segments of the population will require that increased attention be paid to their particular travel preferences and patterns, and the availability of options to the use of private vehicles must be increased substantially.

How Should We Respond?

These forces and trends have powerful implications for the role of public transportation in the decades ahead.

Simply allowing these current trends to play themselves out with only a limited, remedial response, and diminished federal involvement is shortsighted and will surely damage our long-term economic, environmental and social interests.

Our problems and challenges are national in scope; they demand a broad-based national strategy and federal action plan. Transportation investment must become a national priority and a clear, long-term commitment must be made to expand our transportation options. Greater use of all forms of transit and high-occupancy, shared-ride services must be a fundamental element of this strategy and an explicit goal for the nation.

TRANSIT'S ROLE: ENHANCED MOBILITY AND SUPPORT FOR NATIONAL GOALS

Our domestic goals as a nation are clear:

- We desire a strong, growing and competitive economy with opportunity for all to share in the benefits of economic prosperity;

- We desire an improved quality of life and a clean environment; and,

- We desire greater personal mobility in the pursuit of enhanced opportunities. Finally, we wish these goals to be accomplished not only today, but on behalf of future generations.

The fundamental mission of the transit industry parallels exactly our national goals. The transit industry is dedicated to the goal of enhancing mobility and our personal freedom of movement. The commitment to mobility, however, must be pursued in new ways, including diversification in the types of services offered and greater attention to the diverse actions necessary to better manage mobility.

A Strategy of Diversification

It is clear that the future of our communities and the nation will not be well served by a federal transit policy that narrows and withdraws. Enhanced mobility for transit riders and others, increased economic vitality and improved environmental quality can only be achieved if the role of public transportation expands and diversifies, matching more intelligent service design to changing customer markets and wiser patterns of growth and development. Such diversification demands an increased federal commitment, not a diminished federal role.

In communities where a broader range of services are now being provided by transit agencies, and the role of transit agencies has expanded and the quality and use of public transportation has risen.

A diversification strategy requires action on two fronts. First is the need to broaden the definition of transit. Second is the need to expand and coordinate efforts at all levels, lead by the federal government to better manage mobility.

Broadening Transit's Definition

All forms of high-occupancy and shared-ride services must be incorporated in the broader definition of public transportation including rail, bus, car and van pools, employer-sponsored programs and other forms of ride-sharing.

In embracing this broader definition, the transit industry is committed to:

- Increased efforts to maintain, upgrade and adapt existing systems and services to meet the needs of current riders and markets;

- Development of new high-capacity systems and services in the highest density corridors of our major metropolitan areas; and

- Increased experimentation, introduction and integration of innovative, cost-effective, service options in urban, suburban and rural areas where mobility needs cannot be met fully by traditional transit services.

National policies and programs must encourage and directly support both maximum use of traditional transit services in markets where they are most effective and a broader mix of transit investments in markets where traditional services may not be fully effective. In addition, the charter of the Urban Mass Transportation Administration (UMTA) should be expanded to reflect both the breadth of this mission and the expanded definition of transit.

The New Role: Managing Mobility

Today, no single agency has responsibility for managing mobility. Within this vacuum, the transit industry must become a catalyst in creating an environment - both physical and institutional - that will promote a wider range of choices in travel and greater use of traditional transit and other high-occupancy, shared-ride services.

The transit industry's broadened role in the overall management of mobility includes assuming greater responsibility for a wide range of activities. Transit agencies must be strongly supported in their efforts to:

- Convene, coordinate, contract, broker and promote services and approaches beyond those traditionally operated by public agencies as a means to restore and maintain a balanced and efficient transportation system. Ridesharing, high-occupancy programs, transportation management organizations, guidance and counsel to business and development interests must all be viewed as central to the expanding role of the transit agency of the future;

- Educate citizens, community leaders and local officials on the range and nature of service options, the need for new roles and leadership by public transit agencies, and the unacceptable consequences of poor policy-making, planning and development; and,

- Promote and ensure stronger integration of land use air quality and transportation decisions so our urban areas develop in a form that can be served more effectively by public transportation services.

Elevating these new roles and establishing a new, comprehensive approach in managing mobility in the regional setting is a major focus for public transit agencies and national policy in the future.

What Transit Can Deliver

Expanded availability and use of transit and other forms of high-occupancy, shared-ride services holds great promise. Among the major advantages that flow from greater reliance on transit are:

- Congestion Relief

  Every bus full of passengers at rush hour removes 40 cars from traffic; every full rail car removes 75-125 cars from traffic; every van full of passsengers removes 13 cars from traffic.

- Reduced Highway Cost

  One high-occupancy vehicle lane carries the same number of people as 3 regular highway lanes.

  Major highways can cost $100-120 million per mile; busways can be built for $4-12 million per mile; light rail for $10-20 million per mile and heavy rail for costs comparable or lower than major highways.

- Energy Conservation

  A savings of ten to 15 gallons of gasoline is realized every time 40 single-passenger-car drivers take a a 10-mile trip to work on the bus.

  30-40 million gallons of gasoline would be saved each day if average commuter vehicle occupancies were increased from 1.1 passengers per vehicle to 2.1 passengers per vehicle.

- Air Quality

  When one commuter leaves the car behind and uses transit to and from work for one year, the health of millions of Americans can be improved through the removal of 9 pounds of hydrocarbons, 63 pounds of carbon monoxide, 5 pounds of nitrogen oxides and 1 pound of particulates, annually.

- Safety

  The highway death toll - 46,644 in 1988 - can be reduced, along with 1.8 million annual auto-related injuries.

- Economic Growth

  Every $10 million in transit capital investment supports 770 jobs; every $10 million in transit operating investment supports 960 jobs.

  Every $10 million in transit capital investment produces $33 million in business revenues.

  Every $10 million in transit operating investment produces $30 million in business revenues.

- Disabled Services/Senior Citizens

  Transit is the only mode of transportation that can adequately meet the growing needs of disabled and senior citizens.

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PRINCIPLES TO GUIDE REAUTHORIZATION OF THE FEDERAL SURFACE TRANSPORTATION PROGRAM

As an initial step in reformulating national transportation policy and recrafting federal transportation programs, consensus must be reached on basic principles. The following principles are offered as a guide to reformulate the nation's surface transportation programs.

1. THE FEDERAL SURFACE TRANSPORTATION PROGRAM SHOULD BE RESTRUCTURED SUBSTANTIALLY IN ORDER TO ADDRESS MORE INTELLIGENTLY THE MOBILITY NEEDS OF THE NATION AND ENSURE PROGRESS IN MEETING OTHER NATIONAL GOALS. Current highway and transit programs are not adequately responsive or flexible to address current and emerging needs and problems. Substantial restructuring makes sense however, only if done in combination with the addition of significantly increased federal resources.

2. THE CONCEPT OF TRANSIT SHOULD BE BROADENED TO ENCOMPASS AND PROMOTE INCREASED AVAILABILITY, USE AND COORDINATION OF TRANSIT AND OTHER HIGH-OCCUPANCY, SHARED-RIDE SERVICES IN ORDER TO SERVE BETTER DIVERSE TRAVEL NEEDS, AND TO REDUCE GROWTH IN VEHICLE-MILES OF TRAVEL WHILE ACCOMMODATING INCREASED PASSENGER-MILES OF TRAVEL. Federal goals must be stated clearly. Doing so invites closer linkage between mobility goals and broader national goals, broadens the transit constituency, promotes investment in new mobility strategies and a broader range of services, and encourages relaxation of existing program restrictions. Each step, in turn, increases the attention paid to serving people rather than vehicles.

3. EXISTING REGIONAL DECISION-MAKING AUTHORITY OVER THE USE OF FEDERAL TRANSPORTATION FUNDS SHOULD BE ENHANCED AND STRENGTHENED. The local ability to assess needs, set priorities and deploy resources in a local area context must be strengthened to better serve transportation and other major national and regional goals.

4. GREATER FLEXIBILITY SHOULD BE ALLOWED IN THE USE OF FEDERAL FUNDS AND A STRONGER MULTI-MODAL APPROACH TO PLANNING, FUNDING AND DECISION-MAKING MUST BE ESTABLISHED. Better integration of transportation decisions, planning, and funding is necessary to make appropriate trade-offs between multiple goals and objectives on the local and regional levels, to make more cost-effective use of resources, and to reduce federal micro-management of resource decisions and administrative actions that restricts the ability to respond to emerging needs and problems.

5. THE RELIABILITY AND PREDICTABILITY OF FEDERAL FUNDING MUST BE IMPROVED THROUGH INCREASED RELIANCE ON FORMULA ALLOCATION, INCREASED RELIANCE ON DEDICATED SOURCES OF FUNDING AT THE FEDERAL LEVEL, AND EXPANDED USE OF MULTI-YEAR FEDERAL FUNDING COMMITMENTS. Recipients of federal funds must be able to project and depend on stable sources of support to design and carry out multi-year projects and programs. Annual uncertainty and delays in establishing the level of federal support for transit and highways must be eliminated.

6. THE COSTS ASSOCIATED WITH MANDATED FEDERAL ACTIONS AND THE SUBSTANTIAL CONTRIBUTION OF PUBLIC TRANSPORTATION TO THE ACHIEVEMENT OF OTHER MAJOR NATIONAL GOALS PROVIDES JUSTIFICATION FOR CONTINUING FEDERAL SUPPORT FROM ALL SOURCES. The costs of actions required by federal law or policy are substantial and increasing. All sources of support for transit investment should be brought to bear in the years ahead. The linkage of mobility goals to other federal goals is made stronger by the commitment of both dedicated and general funds to support mandated actions.

7. SUBSTANTIAL ADDITIONAL FEDERAL FUNDING SHOULD BE PROVIDED FOR PUBLIC TRANSPORTATION TO FULLY CARRY OUT THE GOAL OF SIGNIFICANTLY INCREASING THE PROVISION AND USE OF HIGH-OCCUPANCY, SHARED RIDE SERVICES. Federal transit funding has been reduced 50% in the last eight years in real terms. All indications are that historic disinvestment in transportation, the current condition of facilities, and future travel demands require at least a doubling of the total transit investment. The increase should be borne by all funding partners, led by the federal government.

8. AN IMMEDIATE 7 CENT GASOLINE TAX/MOTOR FUELS TAX INCREASE SHOULD BE ENACTED CONCURRENT WITH REAUTHORIZATION OF THE SURFACE TRANSPORTATION ASSISTANCE ACT, AND FEDERAL MOTOR FUEL TAXES SHOULD BE MADE PERMANENT TO SUPPORT NEEDED TRANSIT AND HIGHWAY INVESTMENT; FULL REVENUES FROM THE TAX SHOULD BE COMMITTED ANNUALLY. Needs are immediate. The traditional source of transportation funding should continue to be the basic resource for increased investment. Aggressive claims will be made by other interests on gasoline tax increases, and action on federal revenue increases, including the gasoline tax, likely will take place sooner rather than later.

9. THE FEDERAL TAX CODE SHOULD BE REVISED TO PROMOTE PRIVATE AND NON-FEDERAL INVESTMENT IN TRANSIT, AND TO ELIMINATE THE TAXATION OF EMPLOYER TRANSIT SUBSIDIES AND OTHER DISINCENTIVES TO TRANSIT USE. Other federal policies should

strongly support direct investment in and use of public transportation rather than frustrate achievement of the goals that federal transit funding is intended to meet.

10. FEDERAL TRANSPORTATION POLICIES AND PROGRAMS SHOULD REQUIRE CLOSER INTEGRATION OF TRANSPORTATION INVESTMENTS AND LAND USE DECISIONS IN ORDER TO PROVIDE AN ENVIRONMENT THAT IS CONDUCIVE TO AND ENCOURAGES INCREASED PROVISION AND USE OF HIGH-OCCUPANCY, SHARED RIDE SERVICES; OTHER FEDERAL POLICIES AFFECTING TRANSPORTATION DEMAND AND INVESTMENT SHOULD INCORPORATE THIS SAME OBJECTIVE. Unless development practices and policies at the local level are consistent with and supportive of basic federal transportation goals, the effectiveness of direct federal investment will be diminished greatly, along with the opportunity to advance other national goals. Federal attention to how land uses and development are arrayed across the landscape is necessary to reinforce these linkages.

11. EXPAND FEDERAL SUPPORT FOR BASIC RESEARCH, DEVELOPMENT, TRAINING AND HUMAN RESOURCES ACTIVITIES AFFECTING TRANSIT, AND ENSURE ADEQUATE DIRECTION OF THE PROGRAM BY TRANSIT INDUSTRY OFFICIALS. Today's challenges require a renewed and expanded federal commitment to basic technological and transit service planning and delivery research.

12. FEDERAL OPERATING ASSISTANCE FOR ALL SIZES OF TRANSIT SYSTEMS IS AN ESSENTIAL ELEMENT OF THE FEDERAL PROGRAM AND MUST CONTINUE TO ASSURE ADEQUATE MAINTENANCE AND EFFECTIVE OPERATION OF THE TRANSIT CAPITAL INVESTMENT. Transit systems ranging from the nation's largest multi-mode system to the smallest single mode system require continued federal operating support as a critical component of a varying mix of funds to support vital transit operations.

13. FEDERAL POLICIES AND MANDATES REQUIRE ADDITIONAL COSTS TO TRANSIT OPERATIONS AND CAPITAL INVESTMENTS AND AS SUCH FEDERAL FUNDING SHOULD BE PROVIDED TO MEET THESE REQUIREMENTS. The transit industry will always strive to carry out the numerous responsibilities mandated by federal policies. These mandates should be supported by concomitant resources so as not to become hollow utterances giving rise to false expectations.

NEW FEDERAL TRANSPORTATION PROGRAM FOR THE 21ST CENTURY

Rebuilding and expanding the nation's highway and transit systems to ensure they are responsive to the enormous demands that lie ahead require that national transportation policy be reshaped and federal surface transportation program restructured substantially.

The Metropolitan Transportation Program

In response to widely varying needs and circumstances in ever expanding local areas as central cities and suburban area expand their reach, federal transportation resources should be provided directly to these ever growing areas under a new and simplified Metropolitan Transportation Program at the federal level.

A broad local focus has become essential. At this level, the complex and interrelated issues of central city and urban-suburban travel can be attacked comprehensively. The full spectrum of regional social, economic, and environmental relationships must be addressed in the design of effective transit services. The components of this broader view include:

1. A formula program to support continuing reinvestment in existing public transit systems and services;

2. A formula program to support continuing reinvestment in our existing highway system;

3. A federal source of formula funds for major expansion of either transit or highway capacity, giving local officials the flexibility to decide what mix of projects and investments best suit the local need to expand capacity; and,

4. A federal discretionary program as part of the above three program categories targeting federal investment to major capital projects, either transit or highways, as well as addressing the "lumpiness" of needs by geographic location and over specific time frames.

The Transit Categorical Program: A Source Of Funds For Reinvestment

One of the most profound problems facing our nation's transportation system is the degree of deterioration that has been allowed to take place. Very simply, we are failing to fund the maintenance our current systems and facilities at adequate levels.

The fact is evident to anyone who travels anywhere across the country, and it certainly is not a problem unique to our metropolitan areas. The cost of deferred maintenance is enormous: our personal safety is jeopardized increasingly; the efficiency with which we move people and goods is diminished and the time lost increases the cost of doing business, effecting the competitive posture of our entire economy. We pay larger amounts

to maintain vehicles properly, and the ultimate cost of repairing or replacing our transportation facilities increases substantially as maintenance is deferred.

No element of our surface transportation systems is immune. The backlog of investment requirements for maintenance and upkeep is both staggering and mounting. Because of the cope of the problem, the fact that it can be measured easily, and its high visibility and far-reaching consequences, a new federal transportation program must provide resources specifically targeted for critical maintenance and reinvestment.

In providing funds targeted for reinvestment, it is appropriate to continue to allocate funds directly by mode. The various types of transit and highway reinvestment can be measured precisely, there are relatively few reinvestment expenditures that should not be made, and there is little rationale for trading off one type of reinvestment against another under current circumstances.

Reinvestment in and maintenance of our existing transit and highway facilities and services should be a national priority supported by the direct flow of federal funds.

Definition of Reinvestment

For public transportation, "reinvestment" would be defined as all capital investment required to replace, rehabilitate, maintain or upgrade existing plant and equipment, along with the capital investment necessary to retain the existing transit market share of trips.

Providing the capital funding to maintain transit's current market share through the transit category program would allow increases in services, including new system development, on a scale commensurate with local or regional population growth. These additions to capital plant and service levels are differentiated from "major capacity expansion" that would be funded from a shared, multi-modal source of federal funds. Nevertheless, the transit category could support as eligible projects from within its formula or discretionary component some high-capacity new starts to include rail, that could be necessary to maintain transit's modal market share.

It is anticipated that the majority of transit systems across the country would have their capital needs fully met at the federal level from the funds made available through the transit category element of the program.

Operating Assistance

The transit reinvestment element includes the continuation of federal support for transit operations for systems and communities of all sizes. There are a variety of strategies that might be considered to re-examine the eligible elements of operating cost, and/or limit the federal exposure or responsibility for operating costs. Nonetheless, some form of federal operations support will remain a critical component of a federal program for all transit systems be they large or small.

Recipient

The recipient of federal transit categorical or reinvestment funds would be the current "Designated Recipient" of UMTA assistance. For the purpose of reinvesting in existing transit facilities and services, the current designated recipients - most often the local or regional transit agencies - are best qualified to formulate plans, and construct and carry out necessary capital improvement programs.

In addition, in the formulation of a new federal surface transportation program, it is important to minimize the disruption to long-standing intergovernmental decision-making process with respect to basic reinvestment in existing systems and facilities. The current designated recipient mechanism allows for both continuing consultation among local and state officials and for potential change in the designated recipient should state and local officials consider it desirable.

Allocation of Funds

Federal funds available for a transit categorical would be allocated primarily by formula, using primarily the existing UMTA Section 9 formulas. Continued formula distribution of small urban and rural funding should be maintained. In the absence of any compelling reason to alter these long-standing formulas, it is important again to minimize change and disruption to current practices wherever possible and to build upon the strengths of current processes. In addition, formula distribution of monies for rail modernization needs could be desirable.

The balance of transit categorical monies would be available on a discretionary basis to address (1) the fact that individual areas of the country may from time to time require a greater infusion of capital than could be available on a formula basis, and (2) reinvestment requirements to retain market share would exceed formula receipts.

The Flexible-Use Categorical Program: A Shared Funding Source

While long-deferred maintenance and reinvestment, including modal-share retention, require greater attention and emphasis as part of a new federal program, these needs cannot be pursued to the exclusion of efforts to expand both transit and highway capacity as needs escalate. Travel demands already overwhelm our systems and will continue to increase in the years ahead. Additional capacity will be essential to maintain a mobile America into the next century and beyond.

Therefore, the proposed broad-based metropolitan Program includes a separate element designed to support major capacity expansion as well as extraordinary reinvestment needs. Unlike federal funds provided for routine reinvestment and modal-share retention, federal funds to support major capacity expansion would be made available to areas as a shared or pooled resource, without regard to mode.

The single, multi-modal source of funds is intended to encourage much stronger integration of transit and highway planning and programming than historically has been the case through today's highly separate programs. The use of a common resource for financing is intended to promote more rational trade-offs between various types of investments and more highly integrated project designs. More cost-effective facilities and services should result.

Definition of Flexible-Use Category

The Flexible-Use Category element of the metropolitan program is intended to be a source of funds for all transit projects typically included in the current UMTA definition of "major capital investments." The definition would include new rail systems, transitway and busway projects as well as extensions to existing systems and major expansions of service area. The expansion of bus fleets and services, beyond those needed to maintain transit's current market share also would be funded from this combined federal resource.

The addition of lanes and the construction of new highway facilities on new rights-of-way, within a broadened local area system also would be supported from the Flexible-Use Category element of the program.

Capital Investment Only

Funds for the Flexible-Use Category would be available for capital projects only.

Recipient

Current designated recipients of federal transportation funds and the process providing for their designation should be retained. Decisions regarding the disposition of funds flowing from the transit category should be decided on by the existing transit designated recipient; highway category funds decisions should continue to be made by the current highway designated recipient. With regard to the use of funds flowing from the flexible category, both transit and highway designated recipients must agree on locally developed multi-modal transportation systems plans.

As part of the process of programming flexible use funds, a certification should be required that transit needs are being met prior to any monies being committed to exclusive highway project use. The Administrator of the U.S. Department of Transportation's Urban Mass Transportation Administration ought to be involved in the sign-off process.

Allocation of Funds

The majority of funds from the Flexible-Use Category should be allocated by formula and the remainder through a discretionary process.

Examples of the factors that might be considered in developing suitable formulas for allocating these funds include transit ridership, use of all forms of shared-ride services, vehicle occupancy data, motor fuel tax receipts attributable to a region, motor fuel sales, motor vehicle registrations, and others. The major objective in developing a formula is to ensure that funds flow in relation to need, but also in relation to the specific goals to be accomplished, i.e., increased vehicle occupancy and transit use.

Federal Discretionary Investments

The proposed Transit Category as well as Flexible-Use Category are designed to function predominantly as formula programs supported primarily from dedicated federal funds drawn from motor fuel and related user fees. For a variety of reasons, however, it will remain important to maintain a discretionary source of funds at the federal level to support both the Transit and as the Flexible-Use Categories.

The most important rationale for federal discretionary spending on transportation is to ensure there is a resource available to support the extraordinary costs of individual

projects that otherwise could not be funded through an annual formula apportionment of funds. Many, many examples of such projects can be drawn from recent transit and highway experiences.

Though it is desirable to make capital investments within the Transit Category program on a regular, recurring cycle through better planning and capital programming, these investment needs will continue to be "lumpy" by their very nature. The availability of discretionary funds at the federal level within this category will continue to provide a means to respond to this need.

While the discretionary program must provide for the "lumpiness" problem, it should also focus on projects that provide demonstrable, positive impacts on the solution of problems declared to be of national significance. Obvious examples include: reduction in vehicle-miles-traveled (VMT) growth, congestion relief, reduction of mobile-source emissions, reduction of safety hazards, direct encouragement of economic development activities, expansion of services to the elderly, those with disabilities or the disadvantaged, or attraction of added sources of non-federal funding.

INVESTMENT REQUIREMENTS

Overview

Estimates from a variety of sources confirm the need to increase total federal investment in transit and highways by more than 100 percent. Today U.S. Department of Transportation spending includes $16.7 billion annually, $3.2 billion for transit and $13.5 billion for highways. We believe a total federal investment of not less than $25 billion per year and as much as $34 billion is needed, based on combined estimates of transit and highway needs.

Transit Investment Requirements

Federal investment for public transportation should be increased to at least $11 billion annually, including roughly $6.5 billion for essential reinvestment and $4.5 billion for capacity expansion. In arriving at the recommendation that federal transit investment should be set at $11 billion annually, a conservative set of assumptions was used, reflecting:

- a commitment to reduce the current backlog of transit reinvestment requirements and ensure a regular cycle of rehabilitation and replacement based on industry projections from current capital programs;

- a commitment to fund costly mandates imposed at the federal level including increased accessibility for the elderly and disabled, and introduction of cleaner buses and other clean air measures;

- a commitment to more than double U.S. transit ridership to a level comparable to current per capita transit use in Canada;

- a commitment to increasing the proportion of transit trips on vanpools, carpools, high-occupancy lanes and other shared-ride services to at least 15 percent of all transit trips;

- cost factors that reflect the current median costs of various service options.

A more ambitious set of ridership goals and cost estimates, adjusted for future inflation, would require a level of federal investment in transit significantly above the $11 billion annual figure.

Even without a national commitment to substantial increases in transit ridership, however, the federal transit program must be increased from $3.2 billion to at least a range of $6 billion to $8 billion per year. This minimum level of federal transit investment is necessary to meet the reinvestment requirements of existing systems and services, to continue major new projects that are already in the advanced stages of planning and development, and to fulfill new federal requirements for services to the disabled, introduction of low emissions technology and a host of other federal mandates - in essence this amount is needed merely to be, in real dollar terms, where the federal funding level was some ten years ago.

Costs of Implementing the American with Disabilities Act

While final disposition of the pending Americans with Disabilities Act has yet to occur, based on the Senate passed bill, APTA has estimated the possible cost implications of that bill. S. 933 would require that all new buses and rail vehicles be accessible to handicapped individuals, including those who use wheelchairs, and that public transit operators offer paratransit services as a supplement to fixed route public transportation.

In addition, the bill includes a requirement relating to the accessibility of mass transportation facilities. Specifically, all new facilities, alterations to existing facilities, intercity rail stations, and key stations in rapid rail, commuter rail, and

light rail systems would have to be accessible to handicapped persons. It is estimated that the total costs of implementing S. 933 over the next 20 years could be as follows:

	Million 1989 Dollars
Motor Bus	
Capital	1,050
Operating	850
All rail modes	
Capital	4,299 to 6,384
Operating	1,608 to 3,328
	7,807 to 11,612

In short, it is estimated that the costs of compliance for rail and fixed route bus transit could amount to $7.8 billion to $11.6 billion over the next 20 years. The additional costs of paratransit services are more difficult to estimate, but they could be as much as $13 billion in capital and operating expenses over the next 20 years.

There appears to be little disagreement that additional costs will be imposed on transit operations to accomplish the provisions of the ADA requirements. However, as noted below, estimates do vary as to their exact size. The Congressional Budget Office (CBO) estimates as follows:

o	Cost of new lift equipped buses (added costs caused by S. 933)	$30 million/yr
o	Increased maintenance cost	$15 million/yr
o	Expanded bus fleet because wheel chairs use more space on bus	not estimated
o	Cost of increased paratransit svcs.	"Significant"
o	Transit facilities	"Hundreds of million of dollars"
o	Retrofiting rail stations and vehicles	$1.4 to $1.7 billion
o	Increased rail Operating and Maintenace Costs	$14 million to $21 million/yr

Costs of Implementing Clean Air Act Provisions

As with the Americans with Disabilities Act, no final conclusions have been reached scope and requirements of a new

Clean Air bill. However, should the industry be required to convert over to alternatively fueled vehicles other than diesel, the following estimated costs to the industry may result:

- $700 million to convert the 230 garages in the affected areas to accommodate new fuel storage

- $100 to $150 million per year increase over the current annual vehicle replacement costs because alternatively fueled buses are more expensive

- $500 million to $900 million increase per year in fuel costs.

Finally, even if the current alternative fuel mandate is expanded to include "Clean Diesel Engine Systems," as has been urged by the transit industry, there will be significant new costs to transit. We believe many transit systems will convert to alternative fuels and the technology to produce clean diesel engines is costly and will require additional maintenance.

Highway Investment Requirements

Depending on the assumptions used, figures compiled by the American Association of State Highway and Transportation Officials (AASHTO) indicate a need for urban federal highway reinvestment that ranges from over $8 billion annually to nearly $13 billion. Federal support for highway capacity expansion could require an additional $10 billion per year if scenarios for "fully improved service" on the nation's highways are to be pursued.

The Rural Transit Program

Metropolitan areas of the country are not alone in their struggle to enhance mobility and make progress in achieving other local and national goals. The transportation needs of residents of small urban and rural areas across the country are as immediate and as complex as those that confront the residents of our largest metropolitan areas.

In considering how best to support the transit needs of small urban and rural residents, there appears to be little reason to consider wholesale restructuring of the current federal Section 18 program. Through this program, federal funds are apportioned to the states, which then make funds available to local jurisdictions and transit operators to support programs designed at the local level and reviewed by the state. The funds are available to support either capital or operating investments,

at the discretion of the local recipient, via consultation with the state.

The most important change necessary to the Section 18 program is an increase in the funding levels. Clearly the small urban and rural transit assistance program could benefit easily from at least doubling of federal investment.

Although major restructuring of the small urban and rural transit program does not seem to be necessary, essential changes are needed in federal policy that will make the rural transit program more effective, and make more efficient use of federal funds. One of the most important actions that can be taken to increase the effectiveness of available rural transit funds is to streamline and coordinate the use of UMTA Section 18 funds with the federal (and state and local) human services programs for transportation of specific client groups. Recent experience repeatedly reveals that efforts at integrating rural transit services, combining available resources, and consolidating program management and administration are thwarted by myriad program-specific requirements that often are contradictory or irreconcilable once funds are in the hands of local program sponsors and managers.

SOURCES OF FUNDS

Increased Federal User Fees

Federal motor fuels taxes and associated user fees have been the primary source of funding for the nation's highway program and a major source of support for transit since 1982. Increased federal funding necessary to support the levels of transit and highway investment envisioned in the future should continue to come from this basic source. Increases in federal motor fuels taxes are, therefore, required and should be enacted permanently, in 1991, concurrent with reauthorization of the federal Surface Transportation Assistance Act to support transportation and not be diverted to deficit reduction or other non-transportation uses.

Support for a $25 to $34 billion level of federal investment would require a motor fuels tax increase of equivalent to 8 to 16 cents. To ensure federal transit investment of $11 billion annually would require 7 cents of the motor fuels taxes increased to be available for transit investment in addition to current levels of federal transit support. To bring federal transit investment up to minimum need levels - $6 to $8 billion per year - will require the equivalent of another nickle of federal motor fuels taxes dedicated to transit.

Deliberations over how to restore investment in our public infrastructure and how to meet transportation needs, traditional transportation user fees must be increased immediately and rededicated exclusively to transportation investment.

Non-Federal Finance

Direct federal investment in transit and highways must serve two purposes. First, federal funds must directly underwrite major projects and improvements. As importantly, however, federal investment must serve as a catalyst to attract stable and reliable financial commitments from local and state government and the private sector. The goal of bringing added non-federal resources to transportation should be a prominent part of a new national program and can only be achieved if significant increases in federal investment are provided.

The most effective way to attract non-federal investment is to incorporate into federal policy and programs a comprehensive series of fair and equitable incentives to attract greater state and local funding, increased financing from private sources, and increased financial participation by users and beneficiaries.

As part of this effort, consideration should be given to new pricing mechanisms that recover more of the costs of services and facilities, particularly the costs of auto and highway use. In addition, federal allocation mechanisms must reward increased investment without disadvantaging communities that may be struggling economically.

An effort must also be made to remove the current disincentives to increased transportation investment that exist in federal policy. Transit agencies, for instance, must allowed, encouraged, and rewarded for seeking increased revenues from non-traditional sources, including new types of services, real estate and development activities and other sources.

Future transportation needs - both transit and highways - require a comprehensive financial strategy guided and underwritten by increased direct federal investment.

Federal Tax Provisions

Current federal tax provisions limit overall investment in and the effectiveness of transportation facilities, particularly public transportation services. A host of federal tax provisions discourage private investment in transportation facilities, greatly restrict the financing powers and options available to state and local governments, and raise the cost of state and local borrowing for infrastructure investment.

Current tax provisions governing state and local bonding ceilings, limitations on private participation in public facility finance, arbitrage restrictions, sale/leaseback transactions — among others should be reviewed carefully and refashioned to support new national transportation goals and policies.

In addition, fringe benefit provisions of the federal tax code provide a significant economic incentive for auto use and a disincentive to increased transit use. Current tax law allows employer-subsidized free parking, which may be valued at several hundred dollars per month, to go totally untaxed while those who receive employer-subsidized transit passes are fully taxed once the value of monthly employer support exceeds $15 dollars. This imbalance must be remedied.

As part of the effort to rewrite the federal surface transportation programs, federal tax law must be rewritten to support rather than undermine greater investment and use of public transportation.

On March 14, 1990, representatives of the transit industry testified before the House Committee on Ways and Means on tax matters affecting the industry. The focus of the hearing was on the tax impacts on environmental quality. The suggested tax changes discussed with the Committee were those that would influence greater availability, use and investment in transit as a fundamental clean air strategy. A copy of our statement is attached to further elaborate on the types of issues that need attention in the tax code.

ISSUES AND PROPOSALS AFFECTING A NEW TRANSPORTATION POLICY

Land Use and Development Coordination

Land development patterns dictate the nature of our travel demands. To enhance mobility and freedom of movement, greater attention must, therefore, be paid to how land uses and development are arrayed across the landscape. It is imperative that we provide incentives for development that can be served by public transportation more easily and effectively. Concentrating development, more mixed-use development, supportive parking requirements, policies and pricing, and attention to a host of critical site and building design features are all required.

Across the country there are a growing number of examples of how this is being done. New federal transportation programs should encourage these efforts and ensure that both transit and highway investments are premised on the existence and implementation of effective land use plans and development controls.

Clean Air Policy

The nation's Clean Air Act will soon be revised and extended to provide new direction in restoring the quality of the nation's air. Historically, federal clean air initiatives have concentrated exclusively - and effectively - on the technological means for reducing tail pipe emissions but have been largely silent on the impacts of growing travel demand.

Within the next five years, however, growth in vehicle-miles of travel will result in increased emissions that will not be off-set by new tail pipe technology. As a consequence, air quality will worsen.

A pronounced shift in our transportation - air quality strategy must be made to deal more aggressively with travel growth and travel behavior. Both clean air policies and transportation policies should be coordinated to embrace actions that reduce vehicle-miles of travel (VMT) where possible, restrain the growth in vehicle-miles of travel and aggressively promote options to single-occupancy vehicle use. Particularly in areas now suffering the most severe air pollution, federal transportation funding ought to be shifted to investments that more directly accomplish these ends.

APTA supports a number of provisions now being discussed in the House and Senate versions of the Clean Air Act. Among these are provisions aimed at:

1. Reducing vehicle-miles of travel in non-attainment areas;

2. Strengthening the conformity of clean air and transportation plans;

3. Redirecting federal transportation funds to cleaner, high-occupancy facilities and services if clean air planning and responses are lagging;

4. Focusing on emissions, standards as opposed to mandating specific fuels and technology thereby allowing the market-place to determine the most cost-effective and efficient means of meeting stringent emissions.

Despite these measures, however, progress will be in doubt unless adequate funding is in place, and proper incentives are built into the transportation investment decision-making process at the local level.

National Energy Policy

Among the most significant factors affecting our choice of transportation options is the cost of various modes of travel. Today, as an expression of unstated national policy, we price gasoline at levels far below those that exist in other countries around the world. We subsidize and, therefore, directly encourage low-occupancy automobile use.

At the same time that artifically low energy prices act as an economic incentive for increased low-occupancy automobile use, we fail to recover the full cost of auto use or account fully for the consequences of reliance on low-occupancy, personal vehicle use.

We have held the price of energy artificially low and have grossly underestimated the costs that must be borne for use of petroleum fuels.

National energy policy must be carried out, in part, through provisions in our surface transportation program, particularly through increased availability and use of transit.

Proposals From Other Transportation Interests

Virtually every transportation interest, nationwide, has begun to offer and promote views on how our transit and highway programs should be restructured. All promote major change; all support the need for additional federal investment; and, all promote the need for greater flexibility on how recipients can use available funds.

There are differences, however, among proposals you have heard and will hear in the weeks and months ahead. In addition to offering our proposals, we would like to indicate also those ideas and concepts with which we would raise cautions.

National Transportation Policy

We are encouraged that the Bush Administration has recognized the necessity of a national transportation strategy for the 1990s and beyond. The new policy acknowledges the need for attention to our aging transportation infrastructure and points to mass transit as a key element of our national transportation system.

The policy, however, is long on advice and short on help. We are very disappointed with its view that the federal government should reduce its promotion and funding of mass transit

service and turn over to cities and states the main responsibility for dealing with this critical issue.

We had high expectations during last year's nationwide series of public hearings when dozens of individuals and groups called on the federal government to take a higher profile on mass transit.

Those witnesses called for an aggressive national policy to deal with worsening traffic congestion, air pollution, depletion of our energy resources and a policy to pay for the repairs and expansion of our transportation infrastructure. More and better bus, subway, car pool and other ride sharing services were identified as important solutions to those problems.

Environmentalists, business people and an ever-widening community of interests are in agreement that there should be an increased role for mass transit in our society. If we can agree on the need for mass transit, then surely we can come together with the federal government on a program of action.

The Administration's policy would give Uncle Sam junior partnership in the traditional intergovernmental alliance that has underwritten mass transit for more than 25 years. By delegating to cities and states the increased financial responsibility for transit service, the Administration is opting for the inevitability of higher state and local taxes in overburdened state capitals and city halls, more passenger fare increases or service reductions.

Measured against the identified needs, the Administration's policy falls short by:

- Not establishing a national goal of more mass transit use as an alternative to the private automobile;
- Not proposing increased federal investment in mass transit and ride sharing service;
- Not offering to cover the expense of costly federal mandates affecting transit, such as the provision of accessible service and tailpipe emission improvements;
- Not proposing Tax Code changes which would encourage private investment in transit and give equal treatment to transit and auto parking employment benefits.

We suggest a better approach including:

- Expenditure of the full amount in the Mass Transit Account of the Highway Trust Fund, including the

balance of unobligated funds, annual income and interest;

- o A commitment to new funds equivalent to a seven-cents increase in the federal gasoline tax, or highway user fee.

This degree of funding is necessary to recover the loss of 50 percent in federal transit aid during the 1980s, to repair outdated facilities, replace old vehicles and to expand transit service in the face of growing demand.

An investment of this nature is urgently needed to make mass transportation truly competitive with the private automobile. It will help unclog our roads, clean our air, reduce our dependence on overseas oil stocks and rev the economic engine of prosperity.

To that end, the mass transit community will continue to advance the recommendations of its futures policy group, the Transit 2000 Task Force, within the Administration and Congress, among our coalition partners and the general public.

Trust Fund Balances

Much confusion has developed recently about the "surpluses" that exist in the Highway Trust Fund for both highways and transit. The discussion has prompted recommendations that our investment needs can be met through release of these "surpluses" without the need for increased user fees.

The arithmetic of calculating trust fund balances and surpluses is often confusing, but our analysis and the analysis by the Government Accounting Office (GAO) clearly indicate that whatever balances do exist are totally insufficient to meet our agreed upon investment arguments.

The Administration has recognized the inadequacy of the trust fund balances as a sufficient, long-term funding source. In its recently issued National Transportation Policy report, they state that, " The total uncommitted balances represent significantly less than one year of Federal spending on highways, aviation and transit."

APTA has prepared an assessment of the Trust Fund balances and has submitted a background paper on the issue for the record. We agree, however, that in future years, beginning with reauthorization of the federal surface transportation program, all available revenues in the Trust Fund, including annual receipts, accumulating interest and current balances must be committed fully for the uses they were intended, including transit. To do otherwise would continue to break faith with the nation's tax-

payers who rightfully expect-and need-to see their taxes put to immediate, productive use.

Unfortunately, the Administration's National Policy fails to adequately commit the federal government to this important proposition. Congress must step forward to ensure full use and availability of all Trust Funds revenues as well as immediate increases in the user fees that flow into the Trust Funds.

Incomplete Transit Needs Estimates

In addition to the transit investment requirements contained in the Transit 2000 work, others have sought to estimate the level of federal investment required for transit. Uniformly, however, these estimates fall far below the levels we believe are required. They fail to take into account the full costs of sustaining adequate levels of reinvestment and maintenance of existing services and facilities; they fail to incorporate the substantial costs of implementing new federal requirements including those for reduced emissions and service to the disabled; and, they fail to incorporate investment levels needed to significantly expand transit services and increase the share of travel demand on transit. Most importantly, they fail to take into account that the federal transit program has declined by 50% in real terms over the decade of the 80s.

APTA strongly believes that aggressive goals must be set and adequate resources provided at the levels we have indicated if public transit is to achieve its full potential in addressing actual national goals.

Systems of 'National Significance'

In restructuring federal surface transportation programs, the scope of eligible projects and aid systems logically must be reconsidered. Some transportation interests have advocated precise redefinition of a "system of national significance," particularly to guide the use of federal highway funds.

Great care should be taken in adopting such a concept, however. The transit industry and supporters of increased federal assistance for transit believe that designation of a 'system of national significance' might be unduly influenced by budgetary constraints rather than by transportation needs. One consequence could be a dramatic reduction in the scope of a highway network on which dedicated federal funds could be used. Such a reduction might result in dramatic increases in the street and highway mileage that would be the responsibility of state and local government to finance.

Should state and local financial responsibility be increased dramatically, there could be considerable pressures to ignore essential transit investments in the search for adequate roadway funding. National policy and programs must be crafted in away that does not shift the intergovernmental financing responsibili ty so dramatically that greater unbalance in modal investments is introduced.

A second objectionable feature of the concept of a "system of national significance" is the process by which such a system would be defined and designated. Proponents of such a system suggest that the states and the federal government should establish criteria for system redesignation and act bilaterally to carry out the redesignation, with local and regional officials being subordinate participants in the process.

We believe the process should be reversed, and that local officials, acting through a regional decision-making process, should have primary responsibility for designating elements they believe should be incorporated in any 'national system'. Redesignation of a federal aid system at the local level must reflect the necessary trade-offs on system size and financing that directly serve local goals and reflect state and local financing capacity. State and federal collaboration in this process is obviously needed but should not alone dictate the results. Through such a locally driven process, the resulting regional systems could be combined into a more meaningful 'national system'.

Finally, a 'system of national significance' is often interpretted as an attempt to support major additions to the Interstate Highway System. If this definition is accurate, and federal responsibility and funds are dedicated only to interstate expansion, we will have lost the ability to solve our congestion problem, better manage economic growth and reduce air pollution at the local and regional level. Adequate federal funds must be available <u>across</u> the metropolitan system, not in a limited position of it, if our problems are to be solved.

<u>Matching Levels</u>

Some have advocated substantial reductions in the share of project costs to be met from federal funds. We believe that matching levels should remain unchanged for transit projects, and that the federal matching requirements for both transit and highway projects be equalized to avoid distortions in programming.

Regulations

No statement on reauthorization would be complete without consideration of those administrative requirements that implement authorizing provisions. The regulations of the Urban Mass Transportation Administration (UMTA) are only those of one of at least 12 government agencies that affect the mass transit industry. In addition, UMTA also issues numerous program guidance circulares which govern the day-to-day grant-making activities of UMTA.

Whether issued as a program guidance circular or a "regulation" in the Federal Register, federal requirements are an everyday fact of life in the mass transit industry. More and more regulations are being imposed on the mass transit industry. Congress and the executive agencies issuing these regulations must be aware of the impacts of regulations on local transit properties, especially smaller properties. They frequently increase costs, reduce or restrict revenue raising prospects and restrict ridership growth generally. Many regulations limit the policymaking and administrative discretion of the states and local public bodies in discharging their traditional governmental functions.

In considering the re-authorization of the UMTA program, Congress must ensure that existing regulatory requirements are reviewed and that any new requirements are fully evaluated in terms of cost, revenues and ridership impact so that it can be confident that transit operators throughout the United States are not over-burdened by the regulations to such an extent that they cannot provide essential transit services to their customers.

In issuing regulations, all Federal agencies, and especially UMTA, must carefully provide the affected industry with the opportunity to comment on proposed regulations; and the Federal agencies must give strong consideration to the views of the affected industry when final rules are issued.

APTA will be reviewing the existing regulatory arena affecting transit, and make specific recommendations to this Committee concerning revisions to the statutory framework behind these regulations to ensure that transit can serve its customers in the most effective means possible.

Research and Development

In addition to technologies that can be introduced directly into the transit market, technological innovations that impact the economy, personal lifestyles, and other transportation modes will affect public transit as well. "Smart cars-smart roads"

programs, other communications technologies, and magnetic levitation, along with a host of other emerging technologies may influence or alter travel patterns or the means by which we serve them.

In addressing the prospect and pace of technological innovation, a major issue to be explored in a new national transportation policy is how the research and development process will be directed, monitored, and underwritten. The promise of technological innovation is only as bright as the strength of the commitment to research and development.

Unfortunately, the economic incentive for private suppliers to innovate aggressively on a broad scale for the public transit market is extremely weak. The lack of a strong federal commitment to research and development, the decline and uncertainty in federal transit funding generally, and that fact that domestic suppliers of transit equipment frequently are subsidiary organizations operating under larger corporate umbrellas, means that the transit market often is viewed as high-risk, low payoff, and fraught with uncertainty. These circumstances require a renewed and expanded federal commitment to basic technological, planning and service provision research on behalf of public transportation.

The need for such a commitment extends beyond the usefulness of new technologies to transit operators. The precarious nature of the transit industry as a market for sales of equipment and services has a more far-reaching, negative economic consequence of national proportions-the potential demise of the domestic transit supply industry. In addition to the growing importance of transit, federal support of research and development can be justified to ensure the survival of a vigorous domestic supply industry and the jobs and revenues that industry creates. Stepped-up federal support for basic research and development in partnership with suppliers of equipment and services should be a major feature of a new national transportation policy and program.

A recent report form the Transportation Research Board, entitled, "Research for Public Transit: New Directions," outlines the scope and content of such a program. The recommendations of this report should be used as a blueprint to develop a new federal initiative on transit research and development. The report identifies a number of areas where expanded research will be essential, including human resources, service configuration and marketing, service delivery models, internal efficiencies, maintenance, equipment, and finance.

CONCLUSION

Transportation in the United States is at a key crossroads. The federal highway and transit policies of the 1950s and 1960s essentially have fulfilled their goals. And yet, despite this record of significant accomplishment, we face severe transportation problems in many parts of the country. Worsening congestion is sapping our economies, polluting the air supply, squandering natural resources, and detracting from the overall quality of life.

Today marks the development of an important new generation of national transportation policies that will be forged. These policies will not only influence our ability to restore basic mobility in the future; they also will determine how well or how poorly transportation serves major national goals of economic prosperity and environmental quality.

It is our conclusion that policies and programs at the federal level must be changed and service delivery at the state and regional level must be redefined if we are to preserve and enhance mobility. As a nation, we must make a commitment to reduce our dependence on the automobile and to increase the share of travel demand on convenient high-occupancy, shared-ride services of all kinds.

Towards these ends, the American Public Transit Association and its membership pledge to assist you in the days and months ahead as you shape a new federal strategy for transportation to serve this nation into the twenty-first century.

SUBMISSIONS FOR THE RECORD

THE BLADE

One Of America's Great Newspapers

TOLEDO, OHIO, MONDAY, DECEMBER 25, 1989

YOU CAN'T GET THERE FROM HERE

By HANK HARVEY

Blade photo illustration by Dave Zapotosky

Rural residents becoming more isolated as public transportation passes them by

First of a series

Oh, what a wonderful world of mass transportation technology awaits in the 21st century, planners tell us.

Wheel-less 200-mph "bullet trains" will whisk between cities, powered by magnetic fields that hold cars to overhead rails. There may even be shuttle rockets to the moon and other planets.

But a stark fact is emerging amid the rosy projections — nearly half the U.S. population is sliding into an isolation greater than that of the early 20th century, when nearly every community of 5,000 or more had rail-passenger service.

Rural Americans, especially the poor, are losing their ability to travel because public and private transit agencies in both prosperous and impoverished states are relegating unprofitable intercity public transportation services to the back burner.

The promise of long-range policy changes seems always just around the corner, but most of the near-term emphasis by state and federal governments is on building wider highways and bigger airports.

Toledoans can fly to most U.S. cities and to the four corners of the earth. But they cannot get to Wauseon, Fostoria, Paulding, or Tiffin by train, bus, or other public transportation.

In the 1950s, most airlines cut out flights to medium-sized cities such as Lima and Marion, O., because they were unprofitable. Although many states, such as Ohio, have subsidized airport construction in rural areas, airlines have not instituted scheduled service there because of high operating costs and few customers.

While 49 per cent of all Americans live in rural areas and small cities, such areas receive less than 10 per cent of transit assistance from the Urban Mass Transit Administration.

▶ Rural areas alone account for 38 per cent of the nation's population, but receive 3.5 per cent of the transit funds, according to UMTA.

▶ Rural motorists pay about 41 per cent of the federal gasoline taxes, but get back 4 per cent in transit aid, according to the U.S. Department of Transportation.

▶ Before the federal and state governments deregulated intercity buses in 1982, more than 16,000 communities had bus service. By last year, service had shrunk by more than a fourth, with buses now serving fewer than 12,000 communities.

When the 42,500-mile interstate highway network is completed in two years, the current Surface Transportation Act will expire. That law says where and how federal highway tax money, now about $12 billion a year, is spent.

Transportation Secretary Samuel Skinner earlier this year set up a series of eight public forums, from Idaho to Maine, to get suggestions for a national transportation policy into the 21st century.

The meetings were part of a process to determine how well the rural transportation systems were serving the public need.

Rural needs prevail

H. Joseph Rhodes, a federal transportation official who headed the meetings, said the 500 or so people who attended showed little interest in intercity transportation, either bus or rail.

"Most of the interest was in getting in from rural areas to urban centers for shopping or social visits. And many smaller communities wanted air service, and only three of four state transportation departments bothered to show up," he said.

Both urban and rural transit agencies will get about $2.2 billion in federal funds this year, down from $2.6 billion in 1987.

The reduction reflects Congressional "sequestering" of about 5 per cent of the money allocated each year so as to make the federal budget deficit appear smaller, according to the American Public Transportation Association. About half the mass transit money comes from fuel-tax proceeds, and the remainder is from the federal general fund.

"The government, somewhat belatedly, has recognized that something must be done," said David Raphael, executive director of Community Transportation Association of America (CTAA), a nonprofit Washington-based consumer alliance.

In setting up meetings in 1988 and this year, the U.S. Transportation Department noted that before 1960 rural families and communities were largely self-sufficient, so transportation played a smaller role.

But this is changing, and rural areas no longer are farming communities. The Agriculture Department's economic research service shows that only about a quarter of the nation's rural counties are dependent on farming. Off-farm income now accounts for 40 to 55 per cent of the average net income of farm households.

Statistics disclose plight in country

How bad is the rural transportation situation in the United States?

According to the Department of Agriculture, Bureau of the Census, and the Urban Mass Transit Administration:

▶ Federal transit funding amounts to about $1 for each rural resident, but it exceeds $28 a person in urban areas such as Toledo.

▶ Thirteen per cent of all American households don't own a car; more than half of the rural poor do not have a car, and nearly 60 per cent of the rural poor are not licensed to drive.

▶ Fewer than 1 per cent of rural residents use public transit to get to work, compared with about 10 per cent of metropolitan residents.

▶ Half the nation's 2,441 rural counties lost population in the 1980s, more than double the rate of loss in the 1970s.

More dependent on autos

Rural areas are far more dependent on automobiles for local transport at a time when the concentration of elderly, poor, and handicapped in these communities is higher than in urban areas, according to Mr. Rhodes.

Rural areas have suffered from the decline of intercity bus and rail passenger service, yet many communities have air service supported through federal subsidies, he added.

The federal transportation department suggests that "the private sector is one possibility for providing a service where there is a need."

This is suggested because budget constraints imposed by the high federal deficit keep federal funding limited. The hearings are aimed at determining where the private sec-

"Congress should redirect mass transit subsidies . . . to address the crisis in rural transportation. Maintaining essential services is a far more cost-effective way than allowing the abandonment to occur and then trying to restart the service after facilities have been closed, equipment sold, and traffic patterns changed."

Ronald Carter, vice president, Antelope Valley Bus, Inc., Lancaster, Calif., at a U.S. Department of Transportation hearing August, 1988.

tor might step in and help, Mr. Rhodes said.

But Ronald Carter, vice president of Antelope Valley Bus, Inc., Lancaster, Calif., said at one of the 1988 hearings, "Maintaining essential services is a far more cost-effective way than allowing the abandonment to occur and then trying to restart the service after facilities have been closed, equipment sold, and traffic patterns changed."

Buried by other problems

Still, political policy makers give public intercity transportation low priorities because of more pressing problems, including the federal deficit, said Charles Lave, chairman of the economics department at the University of California-Irvine.

"Historically, public transportation has been incredibly inefficient, since it covers only about 40 per cent of the cost. In some areas, the policy makers have not written it off, but in most places it has low priority because of the number of people served," Mr. Lave said.

Another problem facing subsidized service is that elected officials fail to separate politics from operations, and government ends up running a wasteful system.

In England, the government decides if bus service to small cities is needed, then accepts bids from private companies. The company that will provide service with the smallest subsidy then runs the business, with no interference from government, Mr. Lave said.

Mr. Rafael said that rural transportation is "only seeking equity with other forms of transportation for public support."

CTAA was formed last [illegible] through the merger of Rur[illegible]eri-ca and the National Association for Transportation Alternatives, two organizations advocating for transportation

Air transport favored

The government, through airport construction funds and maintenance of the air traffic control system, is subsidizing airlines. Air travel jumped dramatically after the 1978 deregulation of the industry.

But the government provided no extra money to help rural communities hang on to intercity transportation after the bus industry was deregulated in 1982, Mr. Rafael said.

"What good does it do to build a new highway into a community if half the people who live there can't use it?," he asked.

Areas hit hardest by loss of intercity transportation in Ohio and other states surveyed have two things in common.

They are off the interstate highway network and have unemployment rates higher than the national average. Some are pockets of poverty, but others are prosperous and have existed for years without public transportation.

Western states have been hard hit, especially Kansas, Nebraska, the Dakotas, and Colorado. The entire northeastern third of Missouri, a large chunk of western Illinois, southeastern Kentucky, and southern West Virginia have lost all passenger service.

CTAA researchers have found that in some areas without transportation, families are under strain, Mr. Raphael said.

"People become dependent upon relatives with cars, and this means they must live with them, or near enough to get some help."

THE BLADE

TOLEDO, OHIO, TUESDAY, DECEMBER 28, 1982

With no way in, out, thousands just get accustomed to isolation

OTTAWA, O. — Adolfo Flores stands near a harvested cornfield along State Rt. 613, waiting for a ride.

He says he is going to Defiance, O., and a cousin was supposed to pick him up at 9 a.m. It's now near 10, and he's trying to hitch a ride.

Mr. Flores, 23, of West Leipsic, has no car. His possessions are in a worn shopping bag.

"I will try to find work in Defiance. If no luck, I will go home to my sister's [in San Benito, Tex.] for the winter. I will be back next summer," he said.

No other way in, out

Unless Mr. Flores, a farm worker, can buy a car, he will have to hitchhike back to Putnam County next year. There is no other way to get in or out.

Putnam County, a prosperous farm-industrial county about 60 miles south of Toledo, has no intercity transportation and hasn't had any since passenger trains quit running in 1971.

More than 233,000 people in six northwestern Ohio counties are in similar straits. Fulton, Paulding, Seneca, Crawford, and Mercer counties also have no intercity transportation. Three other counties — Ottawa, Sandusky, and Huron — depend on an on-demand van service connecting with Greyhound buses in Sandusky. Two others, Hardin and Van Wert, have just one bus a day.

Similar pockets of isolation exist around Ohio, since 32 of 88 counties have no intercity transportation.

Other states have similar areas with no public intercity transportation, according to Brenda Rice, rural transit coordinator for the Community Transportation Association of America.

Areas widening

"Thousands of communities have lost and are continuing to lose service. It's not quite as bad as a decade ago, but the areas are still widening."

Thousands of square miles in Missouri, Kansas, Nebraska, Colorado, western Illinois, the Dakotas, Idaho, Wyoming, and West Virginia have "huge gaps in their transportation systems," Ms. Rice said.

The problem is not confined to the West. Upper New York, Maine, and northern Pennsylvania are without intercity transportation, she added.

It is not that Ohio has no transit agencies. The state has 21 urban area systems comparable to the Toledo Area Regional Transit Authority and 35 intracounty and rural systems. Add to this 265 nonprofit elderly and disabled service providers, chiefly churches and social-service agencies.

But these agencies cannot cross county lines because of government regulations, and only the elderly and handicapped can use them.

With the easy availability of $300 used automobiles and years of reliance on the highways, "there just isn't much of a need" for intercity transportation, Richard Edelbrock, Ottawa mayor, said.

"People have become too mobile today," he said.

Transportation for the elderly and handicapped is provided by the county council on aging through a contract with the county office of human services. There is a big need for transportation for people who are over 60 or handicapped, but few requests for out-of-county travel, Morris Vander Embse, human services director, said.

If a person needs out-of-county transportation for medical purposes, the county can pay 20 cents a mile in expenses to a friend or relative, Diane Chamberlin, the department's transportation coordinator, said.

Mel Arthur, head of the Putnam County office on aging, said the lift-equipped and regular vans average about 50,000 miles a year carrying seniors and handicapped on shopping trips and to medical appointments.

"There is a need, especially if you are under 60 and cannot drive for one reason or another. Autos are fine, as long as you can drive one," he said.

The agency receives very few calls for transportation help from needy people, and it turns those over to social service agencies such as the Salvation Army.

In neighboring Paulding County, the least-populated in the area, the last bus pulled out for good almost 35 years ago.

Mary Lou Cramer said her father, Paul, drove the daily roundtrip from Paulding into Fort Wayne, Ind., several years. He died in 1953, and the owner kept the service another two years, she said.

"It stopped at all the small towns between here and Fort Wayne. You had to go to Fort Wayne to get anywhere," she said.

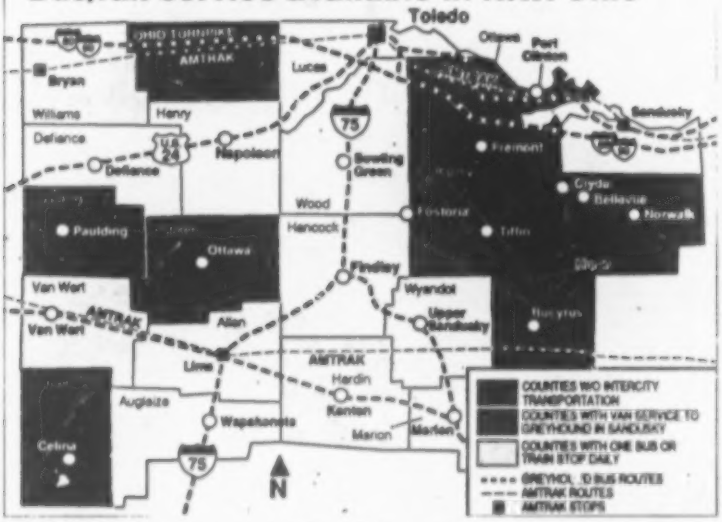
The last train through Paulding between Jackson, Mich., and Cincinnati quit shortly after World War II.

Paulding Mayor Vera Miles said people in the village of 2,500 have grown used to isolation.

"They know from birth that if you don't have a car, you don't leave town," she said.

The county has no taxi service, and anyone needing to get somewhere usually depends on friends or relatives, she said.

Bus/rail service available in N.W. Ohio



At the county human services office, Director Sally Gross said transportation for the noneldery and able-bodied "is definitely a problem."

The department contracts with the Paulding County Senior Center to provide transportation for those over 60, but if someone not qualified needs help, "we have to seek a private donation."

One local auto dealer, active in the Salvation Army and who wanted to remain anonymous, said stranded travelers and families are given financial help to get to their destination. But such requests are rare, he said.

Tiffin in Seneca County (population 19,000) and neighboring Fostoria (population 15,700) are the largest cities in the area without intercity transportation. Rail passenger service ended in 1971; the buses left in 1983.

Tiffin has adjusted to the loss of service because it is a small town and "people here are used to helping each other," Mayor David Martien said.

Heidelberg College and Tiffin University, with a combined enrollment of more than 1,800, have also had to adapt.

Bob Olson, Heidelberg's vice president for student services, said two vans take out-of-state students to airports in Columbus and Cleveland before breaks. Most students have access to a car, he said.

About 35 students are bussed to Cleveland and 25 to Columbus, with the college paying for the service. Students also make use of a "ride board" in college buildings, where ride availability and needs are posted.

"There is some difficulty in being without public transportation. Our Japanese students, in particular, are amazed when they find out we don't have any," he said.

Tiffin University often provides transportation to campus for new students without cars and then works to find them rides home when needed, Geoff Schott, public information spokesman, said. "They make friends and soon have some way to get around," he said.

Service Cab Co. in Tiffin gets about two calls a month to take someone to the nearest bus station, Wayne Radebaugh, a dispatcher, said. College students use cabs to get to Toledo sometimes. It costs $65 a cab to Toledo Express Airport.

Cabs also take passengers to Findlay, the nearest city with bus service, Robert Ottler, cab company owner, said. He charges $35, but the service is not a money-maker because he cannot carry anyone back.

"Buses are not the answer for a city this size. You have to get government approval, millions in liability insurance, and there is not enough demand for it," he said.

Transportation outside Seneca County for people not eligible for handicapped or elderly service is usually provided by family or friends, Jennifer Mains, director of the county office on aging, said.

"If we look hard enough, something will come up," she said.

THE BLADE

TOLEDO, OHIO, WEDNESDAY, DECEMBER 27,

2 states a world apart in public mass transit

FLINT, Mich. — A state line and 100 miles can make a big difference in public transportation.

A passenger arriving on the daily Amtrak/VIA "International" from Chicago or Toronto steps off into a new rail station. A Flint Mass Transit Authority bus waits outside to take passengers a few blocks downtown to a new, $4 million glass and aluminum bus station, which serves both transit and intercity bus riders.

From there, you can catch a bus to anywhere in Genesee County or to any city in Michigan and other states via Greyhound and Indian Trails lines.

Both stations opened in June and are in sharp contrast to what exists in Toledo. In Toledo, a passenger leaves a train at Conrail's Central Union Terminal and walks about 300 feet past peeling paint and rusting platforms up one floor, then another 300 feet through the nearly deserted station to the driveway in front of the station at 415 Emerald Ave.

TARTA buses used to stop there, but service was discontinued several years ago because no one was using it. The nearest bus stop is a block away on Broadway, over crumbling sidewalks and past the abandoned former Page Dairy Co., a haven for transients.

There is no sign at the Amtrak station directing passengers to either TARTA buses or the Greyhound station. The bus station is either a one-mile walk or a $4 to $5 cab ride away.

The difference between the two cities?

Money.

Michigan spends it on subsidizing Amtrak trains, intercity buses, and new and improved tracks and stations.

Ohio does not.

Michigan is light years ahead of Ohio in establishing local and rural agencies. Eighty-one of its 83 counties have some form of public transportation, and 56 have countywide transportation systems.

"Michigan is the premier state when it comes to supporting intercity service," said David Highsmith,

executive director of the Community Transportation Association of America, a national organization coordinating efforts to improve access to rural areas.

Michigan last year spent $161 million on nonhighway projects; Ohio spent $54.9 million. Unlike Ohio, Michigan used fuel tax revenue (about $90 million), plus another $35 million from state sales taxes and other tax sources.

Michigan spent about $1 million last year subsidizing Amtrak service, $2.3 million on intercity bus service, and another $3.3 million to build or renovate bus stations.

Ohio spent nothing.

All major Michigan cities have at least one Amtrak train daily; two trains and an extra weekend run link Chicago with Kalamazoo, Battle Creek, Jackson, Ann Arbor, Dearborn, and Detroit. One of the trains continues on to Toledo.

Columbus, Ohio's capital and largest city, doesn't have rail passenger service. Dayton, Akron, and Youngstown don't, either. Toledo and Cleveland have one train a day, and Cincinnati is served by an every-other-day train between Chicago and Washington.

The new Flint bus-transit station is an airy, attractive building designed to attract people, not merely serve existing business, said Robert Foy, Flint's metro transit director.

Moving in soon will be a doughnut shop, a newsstand, and a police substation. Bus tickets or transit tokens also are sold there.

Passenger volume rising

Mr. Foy said about 11,000 people use the station daily, and bus ridership has risen 13 per cent since it opened.

In Kalamazoo, Albion, and Battle Creek, Amtrak stations also serve both intercity and local transit buses. Work has begun to combine bus-transit-train facilities in Ann Arbor — perhaps next year — and in Jackson, Grand Rapids, and Port Huron later, said Scott Hertig, rail passenger director for the Michigan department of transportation.

Michigan's involvement with intercity bus transportation dates to the late 1970s, when a loan pool was created for carriers to buy buses at low interest rates, said Jerome Rudnick, administrator of the Michigan transportation department's intercity bus division.

"We lost 31 per cent of our intercity bus service after bus deregulation in 1982. We stepped in to subsidize some lines, to help out until new operators could be found," Mr. Rudnick said.

Greyhound split off many routes to private operators. Today, only the Bay City-Alpena line is subsidized at a cost of about $92,000 a year. It is the only bus route along the eastern part of the state.

Funds for subsidies and capital improvements come from state gas tax revenue.

Improvements under way

Both Amtrak and the state have embarked upon a major rebuilding of the Detroit-Chicago corridor, including installation of warning lights and other improvements at 143 crossings. Mr. Hertig said the state plans to have lights at every crossing along the 246 miles of the corridor in Michigan.

Ridership has decreased along the corridor for nearly three years because a massive rail-replacement and roadway-rebuilding project made the trains late most of the time. Amtrak owns the western 100 miles; Conrail has the remainder.

But with most work completed, business is coming back, Mr. Herzig said. When track work is completed, trains can operate at speeds of up to 80 mph, cutting substantial time off Chicago-Detroit trips, he said.

About 500,000 passengers a year use Amtrak trains in Michigan, compared with 100,000 during the first two years the system operated, Mr. Herzig said.

Michigan, like Ohio and other eastern and midwestern states, is part of a high-speed rail compact aimed at developing 100-mph-plus train service between Chicago and the east coast over the next two decades.

But Mr. Herzig said Michigan years ago embraced the idea of a balanced system, funding conventional service until a more futuristic system is developed.

Michigan is one of eight states that get extra Amtrak service by paying 50 to 75 per cent of train costs. New York, Pennsylvania, Illinois, Missouri, California, Wisconsin, and Alabama do, also.

Michigan's department of transportation also promotes Amtrak service as an alternative for motorists by posting representatives at rest areas on interstate highways. Two of them were at the I-75 rest area in Monroe County earlier this month.

"We did a questionnaire at the Lansing rest area, and 50 per cent of the people interviewed didn't even know Michigan had passenger trains," Mr. Herzig said.

Michigan also has committed up to $200,000 in federal money to start up and promote Greyhound's "rural connection" with county transit agencies. So far, seven counties provide the service, and others may be added, Mr. Rudnick said.

In Ohio, only one publicly supported bus agency provides connector service, and a private operator is maintaining an on-demand service to a three-county area around Sandusky.

Jackson County, Michigan, 60 miles northwest of Toledo, has had a successful Greyhound connector line since September, 1988. It is operated by the Jackson Transportation Authority, a publicly supported agency.

Gordon Szlachetka, general manager, said the Greyhound connector has been averaging 80 runs a month.

Anyone in Jackson County needing transportation to or from the Greyhound station may call 24 hours in advance for a bus or van ride, Mr. Szlachetka said. Requests are handled on a first-come, first-served basis.

Fares range from $1.50 to $2 for the connector service.

JTA, like the Toledo Area Regional Transit Authority, does not serve all the county because not all governmental units support it.

Earmarked state funds allow the agency to participate in the Greyhound connector program, Mr. Szlachetka said.

Michigan's biggest bus project is to be completed by the fall of 1991: a $5.9 million Greyhound terminal at Sixth and Howard streets in downtown Detroit. Under the agreement, the bus company will rent the building and guarantee bus service for the next 20 years.

Next: Amtrak — sick with success.

Stations in Albion and Flint (below) serve both bus and train passengers

A world apart

THE BLADE

TOLEDO, OHIO, FRIDAY, DECEMBER 29 1989

Already isolated, West Virginia town prepares for life without bus service

WELCH, W. Va. — Driver Don Hambrick eases the big Greyhound bus around a sharp curve on U.S. 52. The tires make a squishing sound in the rain.

The valley of Elkhorn Creek in southwestern West Virginia hums with activity. Heavy trucks and cars crowd the two-lane highway, and up to 50 Norfolk & Western trains rumble through each day, carrying millions of tons of West Virginia coal to Tidewater docks.

But the Appalachian Mountains push in on all sides, giving the valley a sense of isolation that will soon become real.

This is the only bus into the valley, and on Jan. 3, Greyhound will end the route. The company said only 112 people rode the bus last year, and the entire run, from Roanoke, Va., to Welch, is being dropped because it is losing thousands of dollars a year.

When the bus leaves for good, McDowell County (pop. 40,000) and the 4,600 people of Welch will have no way to get to the outside world by public transit. Greyhound will retain buses to the larger cities of Princeton and Bluefield, about 35 miles away.

"These people are the finest in the world. They don't deserve this," Mr. Hambrick, a driver since 1961, says.

Aboard the bus this day are six passengers. Larry Bryant and Mildred Crozier and her two children, Wayne, 3, and Darnell, 5, are on the last leg of a bus ride back home from Seattle. Albert Mullens of Roanoke, is on his way to visit his sister in Welch, and Addie Wallace, from Columbia, S.C., is en route to see relatives in Gary, W. Va.

The bus arrives in Welch, a town squeezed into a narrow valley. The dilapidated Trailways station is on a street so skinny that Mr. Hambrick has to turn the bus and back in.

McDowell County has been hard hit in recent years. Its population was 100,000 in 1950, but automation and lower levels of coal production have decimated the work force.

Unemployment last month was 16.1 per cent, the highest in the state. Its welfare case load of 2,400 families is the second highest in the state.

"With this kind of economic situation, people obviously don't travel very much," said Louie Palmer, state human services division director for McDowell and neighboring Wyoming County.

People needing transportation usually rely on family or friends with cars. There is no taxi service in Welch, and the state sometimes pays private drivers 17 cents a mile to take the county's elderly or sick people to a state-supported clinic in Welch or hospitals in Bluefield and Princeton.

The bus passes through once-thriving towns, now boarded up and decaying. Houses cling to the sides of the wounded and scarred mountains. Bramwell, Maybeury, Northfork, Keystone, and Kimball. Trailways (taken over by Greyhound in 1987) once had five or six runs daily through here that went all the way to Huntington on the Ohio River. They gradually were cut back until only this one remained.

The cutbacks are at odds with a pledge made by Fred Currey, Greyhound chairman, when his company bought Trailways in 1987:

"The Greyhound acquisition of Trailways will guarantee continuance of bus service to the cities and towns served by Trailways. It will save jobs and it will improve service."

Company's totals questioned

Mr. Hambrick challenged figures Greyhound used to determine that the line loses money.

"There aren't many on the bus today, but on the entire run, there are at least an average of 22 people that use it," he said.

Public hearings were held by regulatory agencies in both states last year. At a nine-hour hearing July 7 in Welch, citizens and virtually every public agency in the area told of the need for the bus.

At a hearing in September in Roanoke, riders, public agencies, and officials of Virginia Tech University in Blacksburg, Va., testified that the bus is needed. It is the only bus serving the university's 24,000 students.

However, the West Virginia Public Service Commission approved the discontinuance of service in October and the Virginia Corporation Commission approved it Nov. 16.

Had the states turned down the request, Greyhound could have appealed to the Interstate Commerce Commission. But under the 1982 bus deregulation act, the public cannot appeal to the ICC.

Mayor sees dim prospects

Across the street from the soon-to-be-vacant bus station, in the city hall — one of the few new buildings in town — Mayor Martha Moore is asked if there is any public agency or private firm willing to step in and take over public transportation.

"Look around. Do you see any way this town can come up with the money?" she replied.

Mrs. Moore said she thinks Greyhound has tried to discourage passengers since it took over the Trailways line.

"Look at the schedule. The bus comes over here in the morning and goes right back. They should have it going into Bluefield in the morning and coming back in the afternoon. Then people would use it," she said.

Back at the station, a solitary man sits in the waiting room, smiling, holding a white cane in both hands.

Mary Cox, who manages the station as an independent contractor, also challenged Greyhound figures. She has sold $37,000 worth of tickets and express business so far this year. When Greyhound had two buses, business was about $100,000 a year, she said.

But Randy Isaacs, a Greyhound spokesman in Nashville, Tenn., said that since 1982, when the government deregulated buses, only income from cities along the local bus route has been been counted as revenue.

If Mrs. Cox sold a ticket from Welch to a city in California, only the $5.50 fare to Princeton would be counted as revenue, he said.

It is time for the bus to leave. No one was there to meet Mr. Mullens, so he reboards the bus back to Roanoke. A mother and daughter get on for the trip to Keystone.

What about the man in the waiting room?

Mr. Hambrick says he is Calip Giles. A former coal miner blinded in an accident, he comes down to the station each day.

"He just likes to hear the sound of different voices. I wonder what he's going to do when the bus doesn't come any more."

Next: A ray of hope in the Potomac Valley.

Loss of bus will be costly

Black map by Larry Gorman

Rail, bus, air: a brief look

AMTRAK — Serves 500 communities; has 220 daily trains; carried 21.34 million passengers in 1988; had revenues of $1.25 billion; current federal subsidy is $615 million, including $85 million in capital improvements.

GREYHOUND — Serves 10,000 communities; has 3,949 buses; 1988 revenues totaled more than $923 million; 1988 net loss was $17.3 million.

U.S. AIRLINES — Serve 477 cities; 1988 operating revenues were $64.5 billion; operating profit, $3.4 billion; annual federal subsidy (airport construction, air traffic control system), $4.8 billion.

West Virginia's intercity transportation vanishing

West Virginia's intercity transportation system could best be described as a basket case.

That is not surprising in a state whose economy has been devastated by a shrinking market for Appalachian coal due to inroads made by lower-sulfur coal from western states into the once-exclusive markets that included many Great Lakes electric utilities.

As a result, West Virginia has been losing population and subsequently, its transportation system.

Because of mountainous terrain, only two interstate highways — I-77 and I-64 actually cross the state.

I-77 runs south from Parkersburg — across the Ohio River from Marietta, O. — to Bluefield, W. Va., and the Virginia border.

I-64, completed only two years ago, slants across the southern part of the state, roughly from Huntington east to Charleston, the state capital, then south and east to White Sulphur Springs, on the Virginia border northeast of Roanoke.

I-79, the only other interstate in West Virginia, runs only from Charleston north to Morgantown and then to Pittsburgh.

There is no interstate highway across the state's northern section, except where I-70 crosses the narrow panhandle to connect Ohio with southwestern Pennsylvania.

Before Amtrak's formation in 1971, three railroads operated daily passenger trains through the state.

Today, service is limited to one train every other day, linking Charleston and Huntington with Washington and Chicago. This service is threatened by CSX Transportation's plans to abandon track in Virginia that provides access to Washington.

Eighty-seven West Virginia communities lost bus service in the four years following bus deregulation in 1982. Today, Greyhound buses generally follow the interstate system.

The federal government subsidizes airlines that fly into Clarksburg, Elkins, Morgantown, and Bluefield/Princeton. The subsidies last year cost $1.2 million and averaged $166 per passenger at Elkins in north-central West Virginia.

The state has only four urban mass transit systems, and therefore is shortchanged in getting federal aid. It gets back less than 10 per cent of money it sends to Washington from the 1-cent gas tax allocated for mass transit.

— HANK HARVEY

The waiting room at the Greyhound station in Welch, W.Va., is empty except for Calip Giles, a handicapped man who visits the station daily

THE BLADE

TOLEDO, OHIO, SATURDAY, DECEMBER 30, 1989

Bus service on hard road in highlands

YOU CAN'T GET THERE FROM HERE

DAY SIX

PETERSBURG, W.Va. — Here in the scenic Potomac River highlands, a small transportation agency is struggling to hold together the only public bus service in one of the most isolated areas east of the Mississippi River.

The Potomac Valley Transit Authority was one of the first federally funded efforts in rural transportation, and the agency's 20 small buses zip up and down narrow two-lane roads in five counties, taking people to work, hospitals, and doctors' offices, shopping centers, and housing developments.

Since Sept. 1, the buses have had a new role: crossing into adjoining Maryland and Virginia to take people to and from cities where Greyhound buses still run.

The Highlands, as it is known, is fairly prosperous compared with the worn-out coal fields in southeastern West Virginia, the Mountain State. But only 70,000 people live in its valleys and along the sides of the 3,000-foot-high Appalachian ridges that run north and south.

Without the transit authority, there would be no public transportation in an area nearly as big as the part of Ohio that lies west of I-75 between Toledo and Cincinnati.

J. Douglas Carter, a native of Pemberville, O., director of the system since 1977, says it is getting tougher to keep the rural network together.

Mr. Carter, 42, who has a degree in sociology, became interested in transit operations while driving a campus bus at Kent State University.

"Costs keep going up, and there is a continuing problem of lack of money or any assurance of a long-range federal program to keep us going," he said.

The state formed Potomac Valley in 1977 as part of an effort to cover the entire state with 11 transit authorities. But the plan was cut back to four districts a year later when the state's economy took a nose-dive and revenue plunged. Changes in state administrations also brought shifts of direction for the program, Mr. Carter said.

It costs $420,000 a year to run the system. Forty per cent comes from the federal government, 35 per cent from the state, 20 per cent from fares, and 5 per cent from Mineral, Hampshire, Grant, Hardy, and Pendleton counties. The authority is run by a board of trustees from the counties.

Coming up with more local funding has been especially difficult because of the area's low tax base and the phase-out of federal revenue sharing a few years ago. Forty-five per cent of Pendleton County, the second poorest in the state, is owned by the federal government. Most of the federal property is in national forest land.

And all nonschool tax issues in West Virginia require 60 per cent voter approval.

Potomac Valley ridership is declining. In 1980, its buses ran 600,000 miles. Mr. Carter estimates they will travel about 380,000 miles in 1990. Several small factories have c[illegible] and gasoline prices have dropped.

But Mr. Carter hopes to turn things around through a combination of marketing and the Greyhound rural connection program.

Greyhound stopped running buses through the area after a drivers strike in 1983. The Potomac Valley Transit Authority then received Interstate Commerce Commission approval to operate from West Virginia to Greyhound stations in Virginia and Maryland.

The authority also added bus runs within its own service area — either weekly or thrice weekly — to replace the loss of Greyhound's local service.

Use of the Greyhound rural connection has been limited so far; only a handful of people used the service in September and October. But passenger volume is expected to build and provide income through ticket sales. Greyhound pays the authority $1.50 to $3 for each ticket the agency sells to and from Greyhound terminals.

Promotion of the service is difficult because the area has only two radio stations, one daily newspaper, and four weeklies, Mr. Carter said.

"Mass transit in this area is still basically thought of as being exclusively for the old and poor. We really need to attract the 35-to-50-year-old rider," he said.

Buses run in the morning from outlying areas into towns of Keyser, Romney, Petersburg, Cumberland, and Winchester and return in the evening. PVTA transports about 100 out of 600 plant workers to and from Hanover Shoe Co. about 32 miles south of Petersburg.

Fares are 60 cents for first 5 miles, and 5 cents a mile beyond that. Senior citizens and the handicapped pay half fare.

On an afternoon run from Keyser over the Potomac River to a Cumberland, Md., shopping center, driver Sandy Batten had only three passengers. Two were employees of a sheltered workshop near Keyser.

At the shopping mall, 11 people got on for the 25-minute run back to Keyser. All were elderly. Mr. Carter said the transit agency is allowed to provide local service across the state line between Keyser and Cumberland, which is just across the river from West Virginia.

One woman said she could ask a neighbor for a ride but did not want to be a bother.

"People in these parts are independent, but they also worry about taking the bus and getting stranded. Some feel is it better to just stay home than get stranded. But we haven't left anyone yet," Mr. Carter said.

Blade photo by Don Strayer

Greyhound agent Lee Wood shovels snow outside Sandusky station

Lack of public funding said to deter bus service

Greyhound's 2-year-old "rural connection" program has helped public agencies establish 75 connecting services in 20 states, but a program of involving independent entrepreneurs is lagging.

Randy Isaacs, who heads Greyhound's effort from an office in Nashville, Tenn., said the connection has involved 75 county or regional agencies, similar to the Potomac Valley Transit Authority in West Virginia, in maintaining service from rural areas to the nearest Greyhound stations.

These public agencies, aided by state and federal funds, also can provide Greyhound package service. Greyhound's participation extends to allowing the local agencies to use its depots, ticketing facilities, and a listing in Russell's Official Bus Guide of all U.S. and Canadian bus schedules.

Ohio has not shown much interest in the rural connection program, Mr. Isaacs said. Only the Muskingum Authority of Public Transit in Zanesville, which started three months ago, has signed up for it.

And only four private Greyhound shuttle services have been launched in the country, although two others are expected to begin operating soon, Mr. Isaacs said. Such operations generally are not eligible for public funds.

Two van services tried

In Ohio, two Greyhound station agents have tried van service between outlying areas and a bus terminal. One is still in business; the other shut down in September.

Lee Wood, Greyhound agent in Sandusky, started Arrow Express about two years ago, linking Sandusky with Fremont, Bellevue, Clyde, Norwalk, and Port Clinton. He was denied special entrepreneurial funds from the federal Urban Mass Transit Agency because he established the service before asking for the money.

"We're still hanging in and breaking even," he said.

Jack Dyer, Greyhound agent in Youngstown, dropped a money-losing van service to Hubbard, O., and Sharon and Mercer, Pa., after a year.

"Not enough business. We charged $4 for a 28-mile trip, and there was never enough income," he said.

Mr. Dyer did not apply for state or federal money. "There was too much red tape, and they tied your hands," he said.

Government funds lacking

Federal regulations are aimed at discouraging new bus operators, Mr. Dyer said. The Interstate Commerce Commission required that he obtain $1.5 million in liability insurance. Premiums cost $5,000 a year, and he did not have one claim during the year, he said.

Brenda Rice, rural transit coordinator for the Community Transportation Association of America, said rural connection programs are spreading gradually, but a big drawback is lack of government funds to extend connections on a regional basis.

CTAA is setting up connector services in Arkansas, Kentucky, Tennessee, Mississippi, and some other states through rural public transit agencies. But most of these are limited to one county, she said.

"If any program is to be successful, it must have citizen involvement on the local level first. Then they have to get across the message that government must share some of the responsibility for providing transportation," Ms. Rice said.

GENERAL RESOLUTIONS SUBMITTED TO THE
49th CONVENTION OF THE AMALGAMATED TRANIST UNION
ANAHEIM, CALIFORNIA - SEPTEMBER 18-22, 1989

RESOLUTION A

Submitted by Amalgamated Transit Union

Mass Transit Policy

WHEREAS, a strong, dynamic and well funded federal mass transportation program, operated in partnership with state and local governments is essential to advancing our country's economic growth and prosperity, improving its air quality, and providing mobility for all citizens; and

WHEREAS, effective mass transportation services enables us as a nation to respond to our growing traffic congestion and energy conservation problems, while expanded investment in our transportation infrastructure provides the underpinning for increasing industrial competitiveness and improving our urban and rural areas responses to social and other related concerns; and

WHEREAS, to achieve these national goals we must reverse the radical and destructive mass transportation policies of the Reagan Administration implemented over the last eight years which have resulted in significant reductions exceeding 50% in federal transit funding; and

WHEREAS, the U.S. Congress and the Federal Department of Transportation are seeking to define a new national transportation policy for the 1990's and beyond through a consensus among a broad coalition of both business and labor leaders, legislators and public officials, environmentalists and other representatives of society who benefit from improved transportation; and

WHEREAS, this consensus must be based on recognizing the mutual needs of all who provide as well as benefit from transportation services, and thereby reject the policies pursued by the Reagan Administration designed to undermine collective bargaining job rights and employee protection guarantees to transit workers; and

WHEREAS, we are opposed to a federal transit policy advocating an increased competitive environment and the periodic rebidding of transit services, which has the effect of only encouraging the transfer of jobs and services from union to nonunion, low waged rated companies, thereby undercutting the living standards and economic security of thousands of workers throughout the industry; and

WHEREAS, a newly defined federal mass transportation policy should encompass legislation ending long standing efforts within the U.S. Transportation and Labor Departments to weaken the collective bargaining and negotiation rights of workers in the transit industry, especially in such areas as job preservation guarantees, first opportunity of employment in new jobs and restrictions upon subcontracting of bargaining unit work; and

WHEREAS, these and other rights guaranteed to transit industry workers for over twenty five years under Section 13(C) of the original Urban Mass Transportation Act must remain at the heart of the consensus among labor and industry representatives and other organizations as they fashion their new transportation policies; and

WHEREAS, the basis for strengthening the existing federal urban mass transportation program should remain the structure recently reaffirmed under Title III of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (H.R. 2), known as the Federal Mass Transportation Act of 1987; and

WHEREAS, a sound national transportation policy should have as its goal to increase transit ridership by at least 50% in the 1990's and to keep fares at reasonable levels so as to provide a safe efficient reliable means of mobility for the millions of Americans who are dependent upon mass transportation; and

WHEREAS, the Congress in reauthorizing the federal program in 1987 reaffirmed the allocation of one-cent of the federal motor fuel tax for mass transportation services, but held total authorized program levels through fiscal year 1990 to approximately $4 billion when annual industry needs actually exceed $6 billion annually;

THEREFORE BE IT RESOLVED, that the ATU participate in designing a strengthened National Transportation policy for the 1990's and support Federal legislation designed to increase funding for both operating and capital assistance in legislation essentially comparable to the 1987 Federal Mass Transportation Act, including at least $6 billion dollars annually in federal subsidies; and

BE IT FURTHER RESOLVED, that the ATU express support for proposals to increase existing Federal highway user fees, i.e., federal gasoline taxes earmarked for public transportation and placed in the Mass Transportation Account of the Highway Trust Fund, with the condition that such revenues should be used to supplement and not substitute for the general revenue funding portions of the federal transportation program; and

FURTHER BE IT RESOLVED, that the ATU inform Congress that any program of expanded federal aid for mass transit must be premised on the continuation of collective bargaining rights and the preservation of a free collective bargaining process on all

mandatory subjects of bargaining, based on the right to strike or the use of arbitration to settle unresolved disputes; and

FURTHER BE IT RESOLVED, that the ATU undertake appropriate legislative and political efforts to insure that the policies and procedures for administration of the Section 13(c) employee protection provisions under the Federal Urban Mass Transportation Act in effect prior to the unwarranted changes either implemented or proposed by the Reagan and Bush Administrations be reaffirmed in the interest of affected employees; and that Congress reject and set aside any proposals for adverse changes in Section 13(c) policies and procedures; and

FURTHER BE IT RESOLVED, that the ATU inform Congress that the labor protection provisions of the Urban Mass Transportation Act should not be transferred to the Department of Transportation, but must remain the exclusive responsibility of the Department of Labor; and

FURTHER BE IT RESOLVED, that the ATU undertake efforts to insure that the Congress maintain provisions guaranteeing that labor standards including the payment of prevailing wages to all workers engaged in the construction or operation of mass transportation facilities involving federal financial assistance, and that such standards also guarantee to rail and transit workers the first opportunities of employment arising from federal transit funding; and

FINALLY, BE IT RESOLVED, that the ATU insure that new authorizing legislation include provisions to recognize that decisions about private sector participation in transportation including decisions to employ competitive bidding, privatization or subcontracting with private operators, if warranted, should be made at the state and/or local level free from any federally imposed standards, guidelines, policies or grant conditions; and that private sector involvement in public transportation remain a local decision to be employed only when such service is complementary to the existing public transit network and only where there can be a partnership of public and private providers protective of employee interests and the riding public.

RESOLUTION B

Submitted by Amalgamated Transit Union

Privatization of Public Mass Transportation Services

WHEREAS, the governments of the United States and Canada, reflecting a worldwide conservative anti-labor trend are instituting policies and programs to "privatize" essential public services, including public mass transit operations; and

WHEREAS, these anti-labor privatization policies and competitive service solutions place in jeopardy thousands of ATU members' jobs and livelihood; and

WHEREAS, in Canada, certain segments of the transit industry are pressuring city governments and transit systems to increase the level of privatization of public mass transportation services; and

WHEREAS, The U.S. Department of Transportation through a series of Urban Mass Transportation Administration policies and guidelines is compelling transit grant recipients to competitively bid or privatize new and/or existing transit services as a condition for the receipt of federal transit aid; and

WHEREAS, the U.S. Department of Transportation through its privatization initiatives is intruding into the local transit planning and decision making process, as to the choice of public or private providers of mass transit services, thereby violating the long standing federal policy of neutrality as to the choice of service providers; and

WHEREAS, such privatization initiatives will only lead to the dismantling and fragmentation of regional transit services, which are better suited to providing high quality, safe and effective service while meeting the public's broad based community transit needs; and

WHEREAS, the U.S. Department of Transportation through its privatization program is advocating the use of private operators paying cut-rate wages and benefits under the misguided belief that such operators can produce long term savings while maintaining reasonable service; and

WHEREAS, the alleged cost savings from privatization are overstated, and often non-existent when the full cost of service is taken into account, including the continuation of high quality maintenance, safety and service standards, contract administration and other overhead costs; and

WHEREAS, using private firms to deliver public transit services often results in higher cost and reduced quality and efficiency of services, accompanied by an unresponsiveness to public service needs and inadequate public control mechanisms and;

WHEREAS, historically the private sector has failed in its mission to provide long term quality service;

THEREFORE BE IT RESOLVED, that the ATU oppose Congressional and U.S. Department of Transportation efforts to condition, delay or prioritize transit grants to applicants based on the extent or amount of service provided by private transit operators; and

FURTHER BE IT RESOLVED, that the ATU oppose Canadian transit industry and government policies favoring increased privatization of public mass transit services; and

FURTHER BE IT RESOLVED, that the ATU support the negotiation of collective bargaining provisions limiting the right of transit agencies to contract work to private non-union operators, in a manner which causes job losses and otherwise interferes with existing collective bargaining rights and obligations; and

FURTHER BE IT RESOLVED, that ATU locals work with their local transit planning and decision makers to ensure that decisions involving the integration of private operators in the provision of public transit services are designed to meet local transit needs in a manner which protects our members' jobs and collective bargaining rights; and

FURTHER BE IT RESOLVED, that the ATU distribute the recently completed EPI privatization study entitled "The Emperor's New Clothes: Transit Privatization and Public Policy" to all local unions with any additional information necessary for use in combatting federal and state legislation or local policy initiatives to privatize, or to competitively bid public transit services; and

FURTHER BE IT RESOLVED, that the ATU will launch a national campaign to work with its local unions, state and regional conference boards to develop the necessary information, tactics, publicity campaigns, lobbying, educational/conference/workshop activities, coalitions, and legislation to use in opposition to privatization and/or competitive bidding proposals involving public transit services.

AFL-CIO

RESOLUTIONS

Numbers 1 to 222

Eighteenth Convention

1989

Resolution No. 18
Transportation
(E.C. Report, Pages 186-191)

The nation's transportation system is an inter-related web essential to the health of the economy and the nation's security. Each element of the national system—subways, urban and intercity buses, airplanes, trucks, railroads, maritime—contributes to the effectiveness of the whole, fulfilling a broad national purpose. Fostering and maintaining this system depends both upon the private and public sectors since no single mode of transport or sector of society can do the job alone. Nor should it.

Transportation is not a service which can be left to private enterprise alone and unchecked market forces. Government has a vital role in funding as well as establishing and enforcing rules and standards to assure there is enough and the right kind of transport, that workers are protected, that there is wide access to transportation services, and that the public interest is protected through reasonable overall regulation and control. Considerations of national security, clean air, safety and the welfare of consumers—to name a few—are considerations which cannot be left to chance, or solely to the private sector and the marketplace.

The AFL-CIO supports the development of a national transportation policy. The development of such new national policy should involve worker representatives in the industry so that it benefits the lives and interest of all American consumers and workers and strengthens America's position in world trade.

Maritime

For more than a decade, the maritime industry suffered greatly from willful government inaction.

The AFL-CIO believes that the time has come to revitalize all segments of the maritime industry. Positive action must be undertaken to insure that the nation's economic and security interests are not jeopardized further through an inadequate merchant fleet and shipbuilding capability. The deficiencies in strategic sealift must be corrected and steps taken to implement a policy of industry renewal. The Congress must advance legislation which will enhance existing support programs or lead to the development of new initiatives that will permit the U.S. fleet to compete in the decade ahead. The following measures are basic for the broadest possible industry recovery:

- Federal agencies responsible for the overseas movement of government cargo must maximize the use of U.S.-flag vessels at rates that fully compensate for services rendered.

- To prevent further encroachment by foreign shipping interests the Administration representatives to the Uruguay round of GATT negotiations should reject any proposals to include maritime services in any final agreement on services.
- The U.S. should encourage development of bilateral maritime agreements that would insure adequate levels of commercial cargoes for American-flag carriers. Endorsement of the existing international cargo sharing arrangement contained within the United Nations Conference on Trade and Development Code of Conduct for Liner Conferences would provide immediate relief to American-flag operators.
- A cabinet level maritime liaison charged with responsibility for monitoring compliance by various government agencies of a Presidential sealift policy should be created. This office would coordinate inter-agency activity in furtherance of the goal of insuring maintenance of a domestic sealift capability. Vessel construction programs that will permit maintenance of a shipyard mobility base supported by an infrastructure of marine industrial operations should be enacted. Vessels constructed under any "build and charter" program should be made available for operation at rates that would promote active participation by American-flag carriers.
- The Administration should rescind regulations which have allowed foreign-flag cruise ships to undercut domestic cruise fleets. Where necessary, legislation should be developed to ensure that foreign-flag carriers that rely upon the American tourist trade for their survival are subject to the same requirements as American cruise vessels.
- We advocate funding programs for the construction and operation of American-flag vessels in the nation's foreign commerce.
- A "Buy American" program for U.S. financial aid to foreign nations that would limit abuses of the cash transfer program should be developed. It also would insure that American producers of manufactured goods and agricultural products benefit from our nation's generosity. The program would also enhance domestic flag shipping operations.
- Reactivation of the Title XI ship loan guarantee program is necessary for ship operators to secure financial backing necessary for the construction of new tonnage in domestic shipyards.
- Government recognition of the important economic and military sealift benefits derived from a U.S.-flag fleet engaged exclusively in domestic shipping operations must be underscored. To enhance maintenance of this fleet, the Administration must broaden its support for Jones Act operations beyond existing services. In this regard, we call for extension of domestic cabotage requirements to all marine operations performed within the nation's 200 mile Exclusive Economic Zone.
- The Federal Maritime Commission should be encouraged to utilize its strengthened investigatory authority to examine complaints of unfair shipping practices by foreign nations. The FMC also should be assured cooperation by the Administration that it will be permitted to take a positive action against nations that maintain barriers to U.S.-flag operations.
- For over a decade the nation has benefited directly from the energy

resources of Alaska's North Slope coastal plain. The current Alaska oil export restrictions expire in September 1990 and timely action is essential to insure these energy resources are reserved for domestic purposes.

No single solution exists that will restore the maritime industry's ability to fulfill its legislatively mandated dual role of maintaining a commercial presence worldwide while insuring the availability of strategic sealift. Timely implementation of these recommendations, however, will spur the investment necessary for a comprehensive industry revival.

Trucking

The continuing deregulation of the interstate trucking industry has led to the following adverse consequences:

1. High level of bankruptcies—over 100 large (class 1 & 2 ICC) regulated motor carriers of general freight have terminated operations since July 1, 1980—the date of enactment of the Motor Carrier Act of 1980.
2. High unemployment—at least 130,000 trucking industry workers have lost their jobs since July 1, 1980.
3. Decline in safety on the highways for truck drivers and the motoring public.
4. Large shippers continue to profit from their exercise of market power at the expense of motor carriers, employees and the traveling public—with no evidence that the lower trucking rates enjoyed by large shippers are passed onto the public in the form of lower prices to consumers.

We firmly believe that the adverse impact of trucking deregulation will accelerate unless Congress and the Administration take proper and reasonable steps to ease the adjustment process.

We support strict enforcement of all safety related laws and regulations by federal and state governments with meaningful and realistic penalties to deter violations. Staffing and funding for truck safety enforcement must be increased at both the federal and state levels. All motor carriers must receive "satisfactory" safety ratings from the U.S. Department of Transportation in order to haul goods in interstate commerce. Shippers must bear responsibility for the acts of motor carriers they utilize to transport their products.

Employees who have lost their jobs because of trucking deregulation should be able to receive adjustment assistance or labor protection provisions administered by the U.S. Department of Labor.

In addition, all employees, including owner-operators on lease to I.C.C. regulated motor carriers, must have the right to organize and bargain collectively. The so-called independent contractor exemption to the nation's labor laws must be ended.

In the past, public policy has been made without adequate and reliable information. The Congress should require that the Interstate Commerce Commission mandate that all interstate motor carriers file annual financial and operating reports. Moreover, the U.S. Department of Transportation should be required to develop and maintain comprehensive accident and safety statistics.

We urge that the Hazardous National Transportation Act be strengthened to better protect transportation workers as well as the general public. We believe too much emphasis is being placed on the role of the truck driver in the quest for truck safety and not enough attention is being focused on the safety responsibilities of the motor carriers and the shippers, particularly the large shippers.

In light of the devastating effects of the deregulation of interstate transportation, we oppose efforts to extend deregulation to the intrastate level. There should be a full-scale reexamination of federal labor policy for all transportation industry employees. Finally, truck drivers and related personnel working for airlines should not be covered under the Railway Labor Act.

Railroads

The U.S. needs a balanced transportation network which includes a fully-functioning rail system for the convenient and economical movement of goods and people. Industry deregulation and budget cuts have eliminated many jobs in the rail industry and are likely to cause more job and income losses in the future.

To avoid regulations, which already have been cut down excessively, many short lines have been spun off to small, often family-run, operators. Because these moves dismantle rail networks, render service less reliable, push down wages, and undermine fundamentally important regulations, the AFL-CIO calls for legislation to control and limit such spinoffs.

The AFL-CIO supports the President's Commission on railroad retirement. We are pleased that this question is getting the attention it deserves and we look forward to recommendations of the Commission to insure the continued existence of the railroad retirement system.

The AFL-CIO calls on Congress for: continued governmental support of AMTRAK to assure passengers continued rail service; support of AMTRAK workers and its unions in their determination to achieve pay equity with other rail workers; and examination of the counterproductive tactics of management which are detrimental to this important service.

Mass Transit

The AFL-CIO supports a strengthened National Transportation policy for the 1990's and supports federal legislation designed to increase mass transit funding for both operating and capital assistance.

We call for legislation comparable to the 1987 Mass Transportation Act including at least $6 billion annually to assist local communities and transit authorities in the purchase and upgrade of equipment and facilities. Special emphasis should be placed on "Buy American" programs which would help reverse the decade-long decline of our public transportation equipment manufacturing industry.

Any program of expanded federal aid for mass transit must be premised on the continuation of collective bargaining rights and the preservation of a free collective bargaining process on all mandatory subjects of bargain-

ing, based on the right to strike or use of arbitration to settle unresolved disputes.

Appropriate legislative and political efforts ought to insure that the policies and procedures for administration of the Section 13(c) employee protection provisions under the Federal Urban Mass Transportation Act in effect prior to the unwarranted changes either implemented or proposed by the Reagan and Bush Administrations be reaffirmed in the interest of affected employees; and that Congress reject and set aside any proposals for adverse changes in Section 13(c) policies and procedures.

The labor protection provisions of the Urban Mass Transportation Act should not be transferred to the Department of Transportation, but must remain the exclusive responsibility of the Department of Labor.

The Congress should maintain provisions guaranteeing that labor standards include the payment of prevailing wages to all workers engaged in the construction or operation of mass transportation facilities involving federal financial assistance, and that such standards also guarantee to rail and transit workers the first opportunities of employment arising from federal transit funding.

Authorized legislation should include provisions to recognize that decisions about the terms and conditions for private sector participation in transportation, including decisions to employ competitive bidding, privatization or subcontracting with private operators, if warranted, should be made at the state and/or local level free from any federally imposed standards, guidelines, policies or grant conditions; and that private sector involvement in public transportation remain a local decision to be employed only when such service is complementary to the existing public transit network and only where there can be a partnership of public and private providers protective of employee interests and the riding public.

The AFL-CIO opposes efforts to condition, delay, or prioritize transit grants to applicants based on the extent or amount of service provided by private transit operators.

Airlines

The AFL-CIO believes that Congress should investigate the repeated misuse of the bankruptcy laws, such as that occurring in the Eastern proceeding. The AFL-CIO supports legislation that would enable creditors, including unions and employees, to go after assets that were previously transferred by a debtor, such as Eastern, to a parent company and related subsidiaries.

Concerns about safety and the jobs of American workers were heightened when the Department of Transportation (DOT) issued a Final Rule, effective December 1988, that would allow U.S. airlines to contract out airline aircraft maintenance, repair and overhaul work to foreign repair stations. The DOT's Federal Aviation Administration is currently understaffed and has neither the manpower nor resources to monitor maintenance performed abroad. The AFL-CIO supports legislation to reverse the DOT's action.

The Administration has continued to forestall attempts to impose labor protective provisions (LPPs) to moderate hardships inflicted upon workers as a result of mergers. Although the House and Senate approved LPP legislation in the 100th Congress, the effort to send such legislation to the White House failed in 1988 when the LPP provisions were dropped from a Department of Transportation's Appropriations Conference Report. Now, authority to consider imposition of LPPs in airline merger cases has been transferred from the DOT to the Justice Department. The AFL-CIO continues to support imposition of LPPs in airline merger cases either by the Justice Department or, if necessary, through legislation.

Referred to the Committee on Resolutions.

American Public Transit Association March 10, 1990

The Highway Trust Fund "Surplus"

Spend out of the so called "surpluses" in the Mass Transit Account and Highway Account of the Highway Trust Fund is frequently viewed as a source of increased federal funds for surface transportation. These proposals are based on a cursory examination of the financial status of these trust funds where unexpended balances of revenues are misinterpreted as funds that can be used for obligations. Statements are made that there will be an "surplus" of $7 billion in the Mass Transit Account and a "surplus" of $18 billion in the entire Highway Trust Fund by the end of FY 1990. Unfortunately "surpluses" this large do not exist.

By the end of FY 1990 the Mass Transit Account of the Highway Trust Fund is projected to have an unexpended balance of $6.9 billion dollars. Of this amount $4.0 billion is the obligated balance of funds to pay for grants that have been approved by the Urban Mass Transportation Administration (UMTA). An additional $0.5 billion is the unobligated balance of contract authority in excess of appropriated obligation limits. This leaves a total of $2.5 billion in income that is not committed to current or future obligations.[1] This calculation is shown in the first column of Figure One. Thus the "surplus" in the Mass Transit Account is $2.5 billion, an amount that would fund the urban mass transportation program at levels proposed by the APTA Legislative Committee for reauthorization in FY 1992 for a period of only two and one-half months.

The surplus, however, only exists when the Mass Transit account and the Highway Account are treated separately. Commitments to the Highway Account of the Highway Trust Fund are so large that they overwhelm the small "surplus" in the Mass Transit Account. By the end of FY 1990 the entire Highway Trust Fund is projected to have an unexpended balance of income of $17.9 billion. The Fund will also have an obligated balance of $26.0 billion and an unobligated balance of $11.4 billion resulting in an uncommitted balance of negative $19.5 billion, i.e., the federal government has made obligations or has contract authority to make commitments to spend $19.5 billion more than there is currently in cash in the Highway Trust Fund. This calculation is shown in the third column of Figure One and described in the Glossary beginning on page 3.

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[1] Calculated from data in Budget of the United States Government, Executive Office of the President of the United States, U.S. Government Printing Office, Washington, annual.

Figure One:
Projected Balances in Highway Trust Fund, FY 1990
(End of Year, Billions of Dollars)

	Mass Transit Account	Highway Account	Total Highway Trust Fund
Unexpended Balance	$ 6.94	$ 10.98	$ 17.92
Obligated Balance	− $ 3.97	− $ 22.02	− $ 25.99
Unobligated Balance	− $ 0.48	− $ 10.95	− $ 11.43
Uncommitted Balance	= $ 2.50	= ($ 21.99)	= ($ 19.49)

In 1989 the U.S. General Accounting Office (GAO) was asked by the U.S. Senate to determine if "the balance in the Highway Account exceeds amounts needed to meet outstanding commitments."[2] The GAO found that "the balance in the Highway Account at the end of fiscal year 1988--about $9 billion--is needed to pay commitments to states. The balance, therefore, is not a surplus. These funds, along with projected future revenues, will be used to pay about $31 billion in commitments that were outstanding as of fiscal year 1988." The GAO did not examine the Mass Transit Account but application of the same procedure, as done above, shows that the bulk of the balance in the Mass Transit Account is also committed and cannot be considered a surplus.

The Federal Highway Administration (FHWA) is permitted to have commitments equal to the existing uncommitted balance of income in the Highway Account plus two years worth of projected revenue. This provision, known as the "Byrd Amendment" was included in the original Highway Trust Fund legislation to ensure that sufficient funds would be available to liquidate commitments. As revised in 1982, the amendment would allow FHWA at the end of FY 1990 to have commitments equal to the current unexpended balance of $11 billion plus the projected income from FY 1991 and FY 1992 of approximately $29 billion for a total commitment of $40 billion. This means that the uncommitted balance which is projected to be a negative $22 billion at the end of FY 1990 on Figure One could legally be as high as a negative $29 billion, that is, $40 billion in commitments minus $11 billion in unexpended balance of income equals $29 billion in commitments in excess of existing funds.

The positive uncommitted balance in the Mass Transit Account results from interest income, it is not a result of any failure to provide budget authority for anticipated tax income. From the beginning of the program in FY 1983 through projections to the end of FY 1990, $9.018 billion income from the gasoline tax will have accrued to the Mass Transit Account. During the same period cumulative budget authority will equal $9.032 billion, a difference of less than two-tenths of one percent. The $2.5 billion uncommitted balance thus results from interest income earned from the unexpended balance of the Account.[3] This relationship is

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[2] United States General Accounting Office, Highway Trust Fund. Condition and Outlook for the Highway Account, Washington, May 1989.

[3] An increase in unexpended balance of $194 million for FY 1986 is shown in the Budget of the United States Government, Appendix, 1988. The additional prior period income necessary for this accounting change is not identified by source. If this income were from tax revenues, cumulative tax revenues would exceed cumulative budget authority by 2.0 percent rather than the 0.2 percent shortage reported above.

illustrated in Figure Two.

The large amount of interest income accrued to the Mass Transit Account results from the low outlay rate of obligated funds in the Account. Annual outlays have equalled approximately 20 percent of sum of the obligated balance plus newly incurred obligations each year from FY 1985 through projected FY 1990. Outlays for the Highway Account, in contrast, have been nearly 40 percent of this value over the past three years. The low outlay rate of the Mass Transit Account has allowed the build up of an unexpended, even though committed, balance that accrues interest. The relative size difference of the unexpended balances results in 30 percent of Mass Transit Account income being from interest while only 7 percent of Highway Account income is from interest. If all uncommitted balances in the Mass Transit Account were committed and quickly outlayed, the percent of income from interest would drop to the level experienced by the Highway Account and the "surplus" would disappear. Thus the quick obligation and spend out of the uncommitted balance of the Mass Transit Account could be expected to be a one time event with a new "surplus" not accumulating.

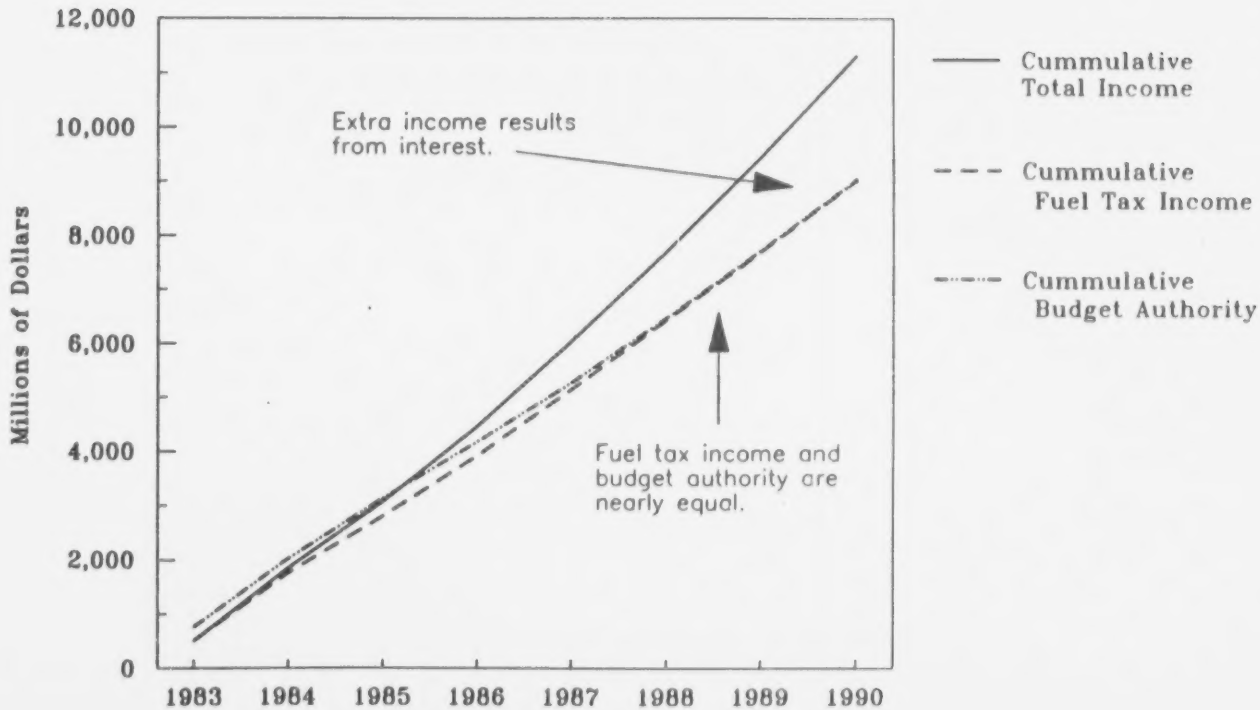
Glossary of Line Items in Figure One:

This glossary describes the four line items presented in Figure One in generalized terms in order to explain basic relationships.

Unexpended Balance: The unexpended balance is the accumulation of income in an account that has not been outlayed, i.e., cash or U.S. government securities that have been received but have not been spent. Income is received either as revenue from an excise tax such as the gasoline tax or as interest on investment of the unexpended balance.

Minus the Obligated Balance: In order for revenue to be spent several actions are required. Legislation must be passed authorizing a government agency to incur an obligation. An obligation is a promise by the government to pay for some service or product. This occurs in the transit program when UMTA makes a grant to a transit system to make a capital purchase or for operating assistance. In the case of the capital grant UMTA has promised the transit agency to pay for a percentage of the capital item when it is delivered or constructed. This promise is an obligation. The obligated balance is the total value of obligations made that have not yet been outlayed, i.e., that have not yet been paid for. This is money that will be requested from the government and will then be taken from the unexpended balance.

Figure Two:
Mass Transit Account Budget Authority
Compared to Income, 1983 - 1990



Minus the Unobligated Balance: The unobligated balance is the amount that has been authorized by legislation as contract authority for a government agency to obligate but has not yet been obligated. This can result for two reasons: (1) an appropriation that sets a limit on the amount of authorized contract authority that can be obligated is made each year and that limit in some years is less than the full amount of authorized contract authority or (2) the obligated limit of contract authority has not yet actually been obligated because of delays in the obligation process, but can be expected to be obligated within a short time period.

These amounts cannot be totally differentiated from balances reported in the annual Budget of the United States Government. Based on data from the Budget and from appropriations documents, virtually the entire amount of unobligated balance in the Mass Transit Account projected at the end of FY 1990 is the difference between authorized contract authority and appropriated obligation limits on authorized contract authority.

Equals Uncommitted Balance: This is the amount of the unexpended balance that is not committed, that is, the amount of accrued income that is not required to meet existing obligations or contract authority. For the Highway Account and The Highway Trust Fund as an entity this is a negative figure, i.e., the amount the government is obligated to pay or has as contract authority will be over $19 billion greater than cash and securities in the Highway Trust Fund by the end of FY 1990.

TRANSIT 2000

Managing Mobility:
A New Generation of National Policies for the 21st Century

REPORT OF THE
AMERICAN PUBLIC TRANSIT ASSOCIATION
TRANSIT 2000 TASK FORCE

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TRANSIT 2000

Managing Mobility:
A New Generation of National Policies for the 21st Century

REPORT OF THE
AMERICAN PUBLIC TRANSIT ASSOCIATION
TRANSIT 2000 TASK FORCE

November, 1989

APTA

APTA

American Public Transit Association
1201 New York Avenue, N.W.
Washington, DC 20005
Phone (202) 898-4000
FAX (202) 898-4070

Jack R. Gilstrap
Executive Vice President

Chairman
Daniel T. Scannell
Vice Chairman
Alan F. Kiepper
Secretary-Treasurer
Richard J. Simonetta
Immediate Past Chairman
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Janis Vaughn Pierce, Governing Boards
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Roger Snoble, Management and Finance
Turner M. Spencer, Human Resources
John L. Wilson, Small Operations

November 29, 1989

Dear Reader:

Transportation in the United States is at a key crossroads. The federal highway and transit policies of the 1950s and 1960s essentially have fulfilled their goals. And yet, despite this record of significant accomplishment, we face severe transportation problems in many parts of the country. Worsening congestion is sapping our economies, polluting the air supply, squandering natural resources, and detracting from overall quality of life.

In the near future, an important new generation of national transportation policies will be forged. These policies will not only influence our ability to restore basic mobility in the future; they also will determine how well or how poorly transportation serves major national goals of economic prosperity and environmental quality.

This is the backdrop for the final report of the Transit 2000 Task Force. It is our conclusion that policies and programs at the federal level must be changed and service delivery at the state and regional level must be redefined if we are to preserve and enhance mobility. The report describes our recommendations in more detail. The central theme, however, is this: As a nation, we must make a commitment to reduce our dependence on the automobile and to increase the share of travel demand on convenient high-occupancy, shared-ride services of all kinds.

With the publication of this report, the Transit 2000 Task Force completes the mission we were given by the transit industry in 1987. I express my appreciation to every member of the task force for their generous commitments of time and the creativity of their ideas. The strength of the final report lies in the wide cross-section of transit leaders who participated so actively over the last two years.

The next step is up to us in the transit industry and all others who care about the intertwined issues of mobility, economy and environment. I believe that our concerns over these issues are shared by a broad spectrum of individuals and organizations. I urge you to consider the call for change and the ideas that we have expressed in the final report. The task force invites you to join us in helping to shape a new transportation agenda for America.

Robert R. Kiley

TRANSIT 2000

TASK FORCE ON PUBLIC TRANSIT FOR THE 21st CENTURY
Robert R. Kiley, Task Force Chairman and
Board Chairman, New York Metropolitan Transportation Authority

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INTRODUCTION

Across America public transportation serves over nine billion trips annually. Today's public transit systems range in size from several thousand vehicles, both bus and rail, operating in our major metropolitan areas, to systems operating one or two vans serving rural residents.

These systems and services are an integral part of the national transportation network that keeps America moving. Without them, major portions of our street and highway system would become gridlocked, our bridges and tunnels would be impassable, and urban and rural residents alike would be isolated from essential services and job opportunities. In addition to supporting the mobility needs of millions, today's public transit services directly support basic economic activity, reduce damage to our environment, and maintain the cohesiveness of our neighborhoods and communities.

Support for public transit is provided through a long-standing partnership involving riders, federal, state, and local governments, and the private sector. Over the past two decades, transit has evolved into a mature, vitally important public service industry through the impetus of a federal transit assistance program that began in 1964.

Looking ahead to the twenty-first century, it is evident the nation is moving rapidly into an era that will bring new pressures and challenges to bear on our businesses, our governments, our communities, and our people. None of these threats more directly places the quality of life in our urban and rural communities at risk than the continuing decline of mobility.

The combined effects of explosive growth in travel demand, inattention to transportation investment needs, the harmful consequences of piecemeal land use decisions, and our insatiable appetite for automobile use are overwhelming our transportation systems and facilities. In turn, the increasing inability of those transportation systems to handle the efficient movement of people and goods steadily is eroding our regional economies, reducing our international competitiveness, and diminishing dramatically the quality of our environment.

Today, we face these challenges without a coherent, coordinated national transportation policy. Current federal transportation programs that promote separation in the planning and funding of interrelated transportation facilities increasingly are unresponsive to emerging needs and the broader consequences of transportation investment decisions. The inflexible, categorical nature of existing programs limits how we deploy available resources and decreases the cost-effectiveness and efficiency of our investments. In addition, we are bound by a traditional preoccupation with accommodating *vehicles* and inattention to accommodating *people*. Finally, existing programs have become ineffective due to the lack of adequate funds, generally, and insufficient support for public transportation, specifically.

In face of these flaws, it increasingly is apparent that our existing national transportation policies and programs are not up to the task of moving us into the twenty-first century.

In the coming months, however, a series of converging opportunities exist to restore our vision of what constitutes a productive, livable community, and to put in place national transportation policies and programs that can help make this vision a reality in the decades ahead.

Our existing national transportation policies and programs are not up to the task of moving us into the twenty-first century.

Square & Respreen → Street 4/1

Formulation of A New National Transportation Policy

Initiatives by the U.S. Department of Transportation to craft a new national transportation policy represent an opportunity to look broadly at the issues we confront, to be bold and visionary in response, and to establish a broader coalition in support of sound transportation investment. This important policy debate will allow exploration of broader perspectives than otherwise might be addressed in the traditional federal budget and legislative arenas.

Reauthorization of the Surface Transportation Assistance Act

The completion of the Interstate highway system, the expiration of the federal gasoline tax, and the expiration of federal authority to invest in highways and transit will lead to legislative initiatives to renew the federal commitment to surface transportation in 1991. The opportunity to reformulate and redirect federal programs provides a unique avenue to promote new, forward-looking ideas and concepts.

Reauthorization of the Clean Air Act

The nation's 18-year old commitment to clean air also must be renewed in the coming months. This provides a new opportunity to integrate transportation and clean air goals, policies, and programs in a comprehensive way. Transportation investments must be viewed as a tool in our pursuit of clean air.

New Budget Initiatives

Continued progress to reduce the federal budget deficit likely will require major action to raise revenues and further revise the tax code. Consideration of energy and motor fuel tax increases as part of this debate seems inevitable and provides a critical opportunity to restore transportation investment to levels necessary to support a vibrant economy, enhanced mobility, and a cleaner environment.

In recognition of these opportunities, the APTA Transit 2000 Task Force has sought to explore what we must accomplish as a nation, and to promote a better understanding of how a renewed and strengthened commitment to public transportation can help in pursuit of enhanced mobility and the achievement of other major national goals.

The report that follows highlights the conclusions and recommendations of APTA's Transit 2000 Task Force. The recommendations center on the need to:

1. More closely integrate transportation and other national goals and policies;
2. Provide viable options to dependence on the automobile;
3. Retool and redirect federal transportation programs; and,
4. Increase investment in the nation's transportation systems and services.

THE TRANSIT 2000 TASK FORCE

The APTA Transit 2000 Task Force was convened in 1987 and is made up of nearly 50 members, including general managers and transit board members representing both the largest transit systems in the world as well as some of the smallest. Also included are top corporate executives from private businesses that supply and advise transportation professionals, worldwide.

The mission of the task force has been to outline the steps necessary for the nation's public transit industry to achieve its greatest potential in the years ahead. In pursuing this mission, the task force has explored the full range of issues that affect public policy in transportation, travel demand and industry operations. The activities of Transit 2000 have been carried out through a number of working groups. These have focused on the changing external environment in which transit and transportation decisions must be made, the long-range mission of the industry, finance and intergovernmental partnerships and other factors that must shape future decisions on how our national transportation network is to be rebuilt and expanded. The efforts of the various working groups have been incorporated into a number of supporting documents listed in the appendix.

The conclusions of the task force lay the groundwork for evolution of the nation's transit industry and reauthorization of federal transit and highway programs. In offering these findings, it is the intention of the Transit 2000 Task Force to outline bold, aggressive, and innovative policies that will allow our nation's public transportation systems and services to meet fully the challenges and opportunities that lie ahead.

1. THE FORCES OF CHANGE

Transit 2000 has explored in detail the numerous forces, factors, and trends that will influence the setting in which public transportation will operate in the coming decades. To a considerable degree, these forces call into question how we make our transportation investment decisions, how we manage future economic growth, and how we ensure the quality of life in our communities and the nation.[1]

Congestion and Automobile Dominance

Congestion is a common feature of urban and suburban travel. Delays on the existing street and highway network already have reached crisis proportions in major travel corridors and during the busiest times of the day. New highway facilities, even in the suburbs, are jammed immediately. The inability to keep the current transportation network in an adequate state of repair contributes to mounting congestion. The consequence is economic loss and increasing safety problems for urban and rural residents alike.

The most conservative estimates indicate that total travel is expected to increase approximately 2% per year. This would add to the current roadway system over the next 32 years the same amount traffic that has been added in the last 32 years. In faster growing communities, total travel will grow three times this amount annually.

As a consequence, over the next 20 years, congestion will increase more than 400% on the nation's freeway systems and over 200% on non-freeways, according to the Federal Highway Administration. In areas under one million population, freeway congestion will increase over 1000%.

An estimate of the staggering cost of congestion on our urban freeways alone, published in a recent Transportation Research Board report, concluded that in the next 20 years annual delay in travel time will increase by 5.6 billion hours, excess fuel consumption will increase by 7.3 billion gallons per year, and total costs to travelers will increase by $41 billion per year.

Congestion is a direct function of continuing reliance on private vehicles. Today, average work-trip automobile occupancy is 1.15 persons per vehicle, nationwide. Household automobile ownership is expected to increase past the point where, on average, an automobile will be available for every employed person.

As consumers, we currently spend more than $336 billion a year on user-operated transportation. This represents more than the amount we spend on groceries and nearly the same amount we spend on medical care. Expenditures for automotive advertising alone totaled nearly $5 billion in 1986, an amount that exceeds the total of *all* capital investment in public transit facilities and equipment.

Despite the questionable nature of current vehicle use patterns and transportation priorities, the private automobile will remain America's central means of mobility in the coming years. There is considerable doubt, however, whether continued dependence on single-occupancy, private vehicles can or should be accommodated indefinitely.

Estimates by state highway officials indicate a need for 102,000 new lane miles of highway on new alignments. Expectations are that it will not be possible to construct all or even most of these facilities. If 20% cannot be built, the demand for public transportation will double.

Automobile availability and use will continue to increase, but the convenience of single-occupancy, personal vehicle travel is likely to deteriorate significantly in more and more areas of the country, heightening the need for new options and strategies to enhance mobility.

The convenience of single-occupancy, personal vehicle travel is likely to deteriorate significantly in more and more areas of the country, heightening the need for new options and strategies to enhance mobility.

[1] A variety of detailed background papers were prepared highlighting major trends and factors that will affect the provision of transportation services in the future. These background papers are listed in the appendix to this report.

Square & Recreen H/T

The Suburban Problem

The rapid pace of suburban growth and development continues to represent one of the most perplexing transportation problems in the years ahead. The suburban phenomenon has been characterized by low densities, a patchwork of buildings and land uses, the separation of jobs from willing workers, and the absence of effective coordination between real estate development, transportation, and other infrastructure investments.

Rapid suburbanization has resulted in highly scattered trip-making with near total dependence on single-occupancy vehicles to accommodate suburban travel needs. The explosive growth in suburban travel now overwhelms street and roadway capacity and, in many instances, cannot be accommodated economically by traditional transit services.

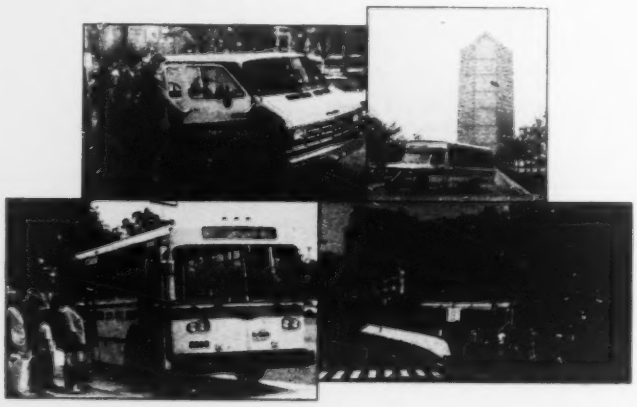
Although the high rate of suburban growth is expected to continue into the next century, the suburban transportation problem is becoming more complex and multifaceted. The traditional form of suburban development now is being altered by mounting concerns over congestion and declining mobility. There is increased unwillingness to accept the environmental and other consequences of unrestrained development and traffic. These concerns have led to two contrary reactions around the country.

On one hand, there is heightened competition and often predatory behavior by communities in pursuit of economic development. On the other hand, concern over deteriorating quality of life has led to anti-growth measures that threaten to slow economic development. As an example, there were 47 "slow-growth" initiatives on California ballots in 1986; two-thirds of these initiatives passed. Both responses indicate that current development policies, land use controls, and public investment strategies are failing and that wiser ways must be sought to promote and accommodate economic growth.

Some change is beginning to occur. The elimination of tax incentives has dampened the helter-skelter boom in suburban office growth. In addition, states, regions, and localities are adopting often controversial plans and strategies that aggressively guide development in a manner designed to avoid the transportation and related problems that now are occurring.

As a result, the pace and form of suburban development is beginning to change. New, major multi-use centers and "urban villages" are emerging as an overlay on the traditional, low-density, suburban landscape. In many instances, these "urban villages" now approach the densities of typical downtowns. These development patterns require a much broader range of transportation solutions to attract "choice" riders and serve the particular needs of suburban travelers, emerging corridors and activity centers, and specific trip purposes.

Transit services that served older central areas have growing application in many suburban settings, including radial route networks, internal circulators, shared-ride services, park-and-ride facilities, preferential treatment of high-occupancy vehicles, and others. Clearly, a broader range of high-occupancy, shared-ride services will be critical in our suburban areas in the years ahead.



A broader range of high-occupancy, shared-ride services will be critical in our suburban areas in the years ahead.

Central Cities

Despite the concentration of travel demand growth in the suburbs, central cities and central business districts (CBDs) continue to be the dominant single focal point for urban travel, and they remain the economic engine and employment bellwether of the nation. Trips to and from CBDs continue to increase, requiring maximum effectiveness from the transit and highway systems already in place.

Strong service industry growth in central cities along with growing labor force shortages indicate an increased focus will be placed on employment locations that are accessible from throughout a metropolitan region. These and other factors suggest there will be continued strong growth in central cities and CBDs where services, infrastructure, amenities, and a large labor pool already exist.

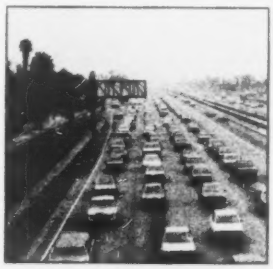
Travel demands in central cities require that maximum use be made of traditional forms of public transit, including rail services, bus services, busways and transitways, and a variety of high-occupancy, express services. Where natural markets already exist for these services, or where natural markets are certain to emerge, transportation policy must encourage maximum use of traditional transit services. Failure to do so will diminish further the effectiveness and efficiency of the entire transportation network.

Where natural markets already exist or where they are certain to emerge, transportation policy must encourage maximum use of traditional transit services.

Air Pollution and Environmental Quality

Worsening air quality represents a growing crisis for the nation. The facts that relate air pollution to motor vehicle use and particularly, reliance on single-occupancy vehicles, are undeniable.

Sixty-eight cities are too polluted to meet federal standards for ozone; 59 cities fail to meet standards for carbon monoxide pollution; over 100 suburban areas exceed current pollution standards.



Success in reducing air pollution will require strategies to encourage travel behavior that better supports achievement of air quality goals and standards.

Mobile sources cause over 30% of carbon dioxide emissions, the pollutant that promotes global warming via the "greenhouse" effect. In addition, motor vehicles contribute 40% to 60% of the hydrocarbons that produce our urban ozone and smog problem, and cause 70% to 80% of our carbon monoxide emissions.

Persistent or worsening air pollution now is known to affect everyone, not just those with respiratory problems. Nearly 150 million Americans now live in areas where air quality is below acceptable standards. The American Lung Association estimates the national health care bill for air pollution illnesses is $40 billion per year.

The effects of worsening air quality extend beyond human health. Ozone accumulation at ground level threatens the long-term economic viability of entire industries. Crop losses due to ozone, smog and other air pollutants in the United States each year equals $1.3 billion.

Reduced vehicle emissions are essential in the effort to improve air quality. Emission reductions from new tailpipe standards and technology, however, will be offset by increased emissions from growth in total travel demand beginning in the mid-1990s. Success in reducing air pollution, therefore, will require strategies to encourage travel behavior that better supports achievement of air quality goals and standards.

Source of Research #17

Threats to Energy Independence

As a nation, we now risk becoming more dependent on foreign sources of petroleum than at any time since the early 1970s. Major factors responsible for this growing dependency include our increased appetite for petroleum stemming from growth in travel demand and our continued reliance on low-occupancy, private vehicles. In 1986, autos and small vehicles consumed over 100 billion gallons of gasoline—more than 400 gallons a year for each man, woman, and child in the nation.

Transportation accounts for 65% of petroleum use today and petroleum imports have risen to 35% of total supply. Over 50% of imported petroleum comes from OPEC countries. Imports may increase to 60% of the nation's annual gasoline requirements by the year 2000. The U.S. Department of Energy considers the current situation, and the likely future situation, a threat to national security.

Despite today's abundant supply and low prices, some forecasters project as much as an eight-fold increase in petroleum prices after the year 2000. Today, however, gasoline prices in North America, and in the United States particularly, remain well below world levels, and act as an incentive for consumption rather than conservation. The 1987 average price per gallon of gasoline in the United States was 82¢ including an average 25¢ in total taxes. In five western industrial nations—America's economic competitors—the 1987 average price was $2.78 per gallon, including $1.84 in taxes.

Our energy future remains clouded by today's ready supply of petroleum fuels and relatively low prices. But we are short-sighted and unprepared for change. A coherent long-term energy policy must be put in place aimed at wiser ways to accommodate future travel demands.

Inadequate Infrastructure Investment

The proportion of public spending on basic infrastructure has dropped precipitously. During the 1960s, public works capital investment totaled $14-$15 billion for every $100 billion of private investment. Today, the figure is $7 billion for every $100 billion of private investment.

Since the mid-1960s, federal investment in transportation, as a percent of GNP, has been cut in half. Adjusted for inflation, federal spending on public transit has declined nearly 50%, just since 1980.

Americans now are witnessing and experiencing the consequences of this declining investment in the form of deterioration and collapse of facilities, a growing backlog of investment needs, mounting safety problems, and declines in productivity. Failure to meet the ever-increasing costs of restoring basic transportation facilities and providing new capacity will lead to greatly increased costs in future years.

The trend of declining infrastructure investment, particularly in transportation and public transit, remains a mounting threat to our economy and quality of life. Greater investment is essential.

This pattern of declining investment and the implied willingness to consume, without replacing, the transportation system that supports our economy and that of future generations stands as one of the strongest testimonials to the short-sightedness of recent public policy.

Dozens of analyses have been conducted in recent years on the scope of the infrastructure crisis. Each sounds the same theme: that increased infrastructure investment is essential and high quality public services and facilities are an absolute necessity for economic growth and increased productivity.

In February 1988, The National Council on Public Works Improvement recommended overall infrastructure investment be doubled within the next 10 years.

Analysis from the Federal Reserve Bank of Chicago indicates the tumbling rate of infrastructure investment coincides directly with declines in both the level of private capital investment and the rate of return on private capital investment. The analysis is unequivocal in pointing out the powerful effect of public infrastructure investment on the strength of our overall economy.

Most recently the National Governor's Association issued a report of its Task Force on Transportation Infrastructure. In referring to the state of the nation's transportation systems, the report suggests, "the vitality of both transportation and commerce is now threatened by a pattern of underinvestment and neglect."[2]

[2] "America in Transition: the International Frontier," Report of the Task Force on Transportation Infrastructure, National Governor's Association, 1989.

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Chronic underinvestment in infrastructure is compounded by various provisions of the federal tax code. Many of the tax reform measures enacted in 1986 discourage rather than encourage investment in public facilities by making it more difficult and more costly for state and local governments to borrow to support these vital investments.

The trend of declining infrastructure investment, particularly in transportation and public transit, remains a mounting threat to our economy and quality of life. Greater investment is essential.

Demographic Change

A number of socio-economic and demographic trends will have a major effect on the need for enhanced mobility in the coming decades.

The number of persons over age 65 will grow from 25.7 million in 1980 to more than 65 million in 2030; the growth rate of the very elderly population over 75 will be even more pronounced. The number of women in the work force will increase from 45.5 million in 1980 to more than 65 million in the year 2000.

Minorities, predominantly blacks and hispanics, will account for nearly 60% of the population growth through the year 2000; 25% to 30% are projected to have incomes below the poverty level. By the year 2000, the black labor force will expand 31% and the hispanic labor force will expand by more than 80%.

The elderly, those with disabilities, women, minorities, and the economically disadvantaged will remain highly dependent on public transportation.

While automobile availability and use by these groups will rise, the elderly, those with disabilities, women, minorities, and the economically disadvantaged will remain highly dependent on public transportation. By virtue of their sheer numbers, greater attention must be paid to the particular travel preferences and patterns of these groups, and the availability of options to the use of private vehicles must be increased substantially.

Summary and Implications

These forces and trends have powerful implications for future travel behavior, for the formulation of a new generation of national transportation policies and programs, and for the role of public transportation in the decades ahead.

In response to these forces and challenges, a fundamental strategic choice lies ahead. One option is to limit our actions to cope only with the consequences of various trends as they occur.

We may choose, as we have in the past, to meet mobility needs that arise from myriad independent development decisions *after* development has occurred. Similarly, with respect to worsening air quality, our strategy may be focused on remedial actions to relieve the most severe problems *after* the nation's air has been fouled and our collective health and economy put in further jeopardy.

It is the view of the Transit 2000 Task Force, however, that by simply allowing these current trends to play themselves out with only a limited, remedial response is short-sighted and surely will damage our long-term economic, environmental, and social interests. In taking this view, Transit 2000 proposes a new strategic path to the future, a path that requires aggressive use of public policy, including transportation policy and investment, as a tool to restrain and reverse forces that threaten our well-being.

Our problems and challenges are national in scope; they demand a broad-based national strategy and action plan. As part of this strategy, transportation investment must become a national priority and a clear, long-term commitment must be made to expand our transportation options. Greater use of all forms of transit and high-occupancy, shared-ride services must be a fundamental element of this strategy and a goal for the nation.

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2. MOBILITY: THE MISSION OF PUBLIC TRANSPORTATION

The trends and forces that will shape our future require not only reformulation of national transportation goals, policies, and programs but also reexamination of the transit industry's long-range mission, goals, and strategies.

Our domestic goals as a nation are clear. We desire a strong, growing, and competitive economy with opportunity for all to share in the benefits of economic prosperity. We desire an improved quality of life and a clean environment. And, we desire greater personal mobility in the pursuit of enhanced opportunities. Finally, we wish these goals to be accomplished not only today, but on behalf of future generations.

The fundamental mission of the transit industry parallels exactly our national goals.[3] The transit industry is dedicated to the goal of enhancing mobility and personal freedom of movement. The commitment to mobility, however, must be pursued in new ways, including diversification in the types of services offered and greater attention to the diverse actions necessary to better manage mobility.

A Strategy of Diversification

In considering how to provide enhanced mobility, the industry faces a choice of whether to consolidate the scope of its activities or to diversify and expand the nature of public transportation in response to the changing needs of existing and potential customers.

In considering this choice and its implications, it is clear that the future of our communities and the nation will *not* be well served by a strategy that narrows and withdraws. Enhanced mobility for transit riders and others, increased economic vitality, and improved environmental quality can be achieved only if the role of public transportation expands and diversifies, matching more intelligent service design to changing customer markets and wiser patterns of growth and development.

The pursuit of a diversification strategy represents a logical evolution for the industry. In communities where a broader range of services now are being provided by transit agencies, and the role of transit agencies has been expanded, the quality and use of public transportation has risen. As a consequence, transit system performance, and the support of the community, business leaders, and elected officials has been strengthened greatly.

A diversification strategy will have widely differing meaning, however, for systems large and small. Nonetheless, two basic perspectives have emerged that constitute a new direction for the industry, and for formulation of national transportation policy in the future. First is the need to broaden the definition of transit. Second is the need to expand efforts to better manage mobility.

Broadening Transit's Definition

Emerging markets and external forces beyond the control of transit managers require an expanded mix of transportation choices. All forms of high-occupancy and shared-ride services must be incorporated in the broader definition of public transportation, including rail, bus, car- and vanpools, preferential treatment for high-occupancy vehicles, employer-sponsored programs, and other forms of ride-sharing.

In embracing this broader definition, the transit industry must commit itself to:

- Increased efforts to maintain, upgrade, and adapt existing systems and services to better meet the needs of current riders and markets;
- Development of new high-capacity systems and services in the highest density corridors of our major metropolitan areas; and,
- Increased experimentation, introduction, and integration of innovative, cost-effective, service options in urban, suburban, and rural areas where mobility needs cannot be met fully by traditional transit services.

To reinforce this commitment within the transit industry, national policies and programs must encourage and directly support both maximum use of traditional transit services in markets where they are most effective and a broader mix of transit investments in markets where traditional services may not be fully effective.

In addition, the charter of the federal Urban Mass Transportation Administration (UMTA) should be expanded to reflect both the breadth of this mission and the expanded definition of transit.

[3] A more indepth discussion of the mission of public transit is contained in a background paper listed in the appendix of this report.

The New Role: Managing Mobility

Operating a wider range of public transportation services represents only one response in providing greater mobility and pursuing broader community and national goals. A second, equally important response includes actions that go *beyond* the operation of on-street services and directly enhance our ability to manage mobility on a more comprehensive basis.

Today, no single agency has responsibility for managing mobility. Within this vacuum, the transit industry must become a catalyst in creating an environment—both physical and institutional—that will promote a wider range of choices in travel and greater use of traditional transit and other high-occupancy, shared-ride services.

The transit industry's broadened role in the overall management of mobility includes assuming greater responsibility for a wide range of activities. Transit agencies must act increasingly to:

- Convene, coordinate, contract, broker, and promote services and approaches beyond those traditionally operated by public agencies as a means to restore and maintain a balanced and efficient transportation system. Ridesharing, high-occupancy programs, transportation management organizations, guidance and counsel to business and development interests must all be viewed as central to the expanding role of the transit agency of the future;
- Educate citizens, community leaders, and local officials on the range and nature of service options, the need for new roles and leadership by public transit agencies, and the unacceptable consequences of uncoordinated policy planning, and development; and,
- Promote and ensure stronger integration of land use, air quality, and transportation decisions so our urban areas develop in a form that can be served more effectively by public transportation services.

Elevating these new roles and establishing a new, comprehensive approach in managing mobility in the regional setting is a major focus for public transit agencies and national policy in the future.

All forms of high-occupancy and shared-ride services must be incorporated into the broader definition of public transportation.

WHAT PUBLIC TRANSIT CAN DELIVER

Congestion Relief

Every bus full of passengers at rush hour removes 40 cars from traffic; every full rail car removes 75-125 cars from traffic; every van full of passengers removes 13 from traffic.

Reduced Highway Cost

One high-occupancy vehicle lane carries the same amount of people as three regular highway lanes.

Major highways can cost $100-120 million per mile; busways can be built for $4-12 million per mile; light rail for $10-20 million per mile and heavy rail for costs comparable or lower than major highways.

Energy Conservation

A savings of ten to 15 gallons of gasoline is realized every time 40 single-passenger-car drivers take a 10-mile trip to work on the bus.

30-40 million gallons of gasoline would be saved each day if average commuter vehicle-occupancies were increased from 1.1 passengers per vehicle to 2.1 passengers per vehicle.

Air Quality

When one commuter leaves the car behind and uses transit to travel to and from work for one year, the health of millions of Americans can be improved through the removal of nine pounds of hydrocarbons, 63 pounds of carbon monoxide, five pounds of nitrogen oxides and one pound of particulates, annually.

Safety

The highway death toll—46,644 in 1988—can be reduced, along with 1.8 million annual auto-related injuries.

Economic Growth

Every $10 million in transit capital investment supports 770 jobs; every $10 million in transit operating investment supports 960 jobs.

Every $10 million in transit capital investment produces $33 million in business revenues.

Every $10 million in transit operating investment produces $30 million in business revenues.

3. TEN PRINCIPLES TO GUIDE NATIONAL TRANSPORTATION POLICY AND PROGRAMS

As an initial step in reformulating national transportation policy and recrafting federal transportation programs, consensus must be reached on basic principles. The following 10 principles are offered as a guide to reformulate the nation's surface transportation programs.

1. THE FEDERAL SURFACE TRANSPORTATION PROGRAM SHOULD BE RESTRUCTURED SUBSTANTIALLY IN ORDER TO ADDRESS MORE INTELLIGENTLY THE MOBILITY NEEDS OF THE NATION AND ENSURE PROGRESS IN MEETING OTHER NATIONAL GOALS.

Rationale: Current highway and transit programs are not adequately responsive or flexible to address current and emerging needs and problems. Substantial restructuring makes sense only if done in combination with the addition of significantly increased federal resources.

2. THE CONCEPT OF TRANSIT SHOULD BE BROADENED TO ENCOMPASS AND PROMOTE INCREASED AVAILABILITY, USE AND COORDINATION OF TRANSIT AND OTHER HIGH-OCCUPANCY, SHARED-RIDE SERVICES IN ORDER TO BETTER SERVE DIVERSE TRAVEL NEEDS, AND TO REDUCE GROWTH IN VEHICLE-MILES OF TRAVEL WHILE ACCOMMODATING INCREASED PASSENGER-MILES OF TRAVEL.

Rationale: Federal goals must be stated clearly. Doing so invites closer linkage between mobility goals and broader national goals, broadens the transit constituency, promotes investment in new mobility strategies and a broader range of services, and encourages relaxation of existing program restrictions. Each step, in turn, increases the attention paid to serving people rather than vehicles.

3. EXISTING REGIONAL DECISION-MAKING AUTHORITY OVER THE USE OF FEDERAL TRANSPORTATION FUNDS SHOULD BE ENHANCED AND STRENGTHENED.

Rationale: The local ability to assess needs, set priorities and deploy resources in a regional context must be strengthened to better serve transportation and other major national and regional goals.

4. GREATER FLEXIBILITY SHOULD BE ALLOWED IN THE USE OF FEDERAL FUNDS AND A STRONGER MULTI-MODAL APPROACH TO PLANNING, FUNDING AND DECISION-MAKING MUST BE ESTABLISHED.

Rationale: Better integration of transportation decisions, planning, and funding is necessary to make appropriate trade-offs between multiple goals and objectives on the local and regional levels, to make more cost-effective use of resources, and to reduce federal micromanagement of resource decisions and administrative actions that restricts the ability to respond to emerging needs and problems.

5. THE RELIABILITY AND PREDICTABILITY OF FEDERAL FUNDING MUST BE IMPROVED THROUGH INCREASED RELIANCE ON FORMULA ALLOCATION, INCREASED RELIANCE ON DEDICATED SOURCES OF FUNDING AT THE FEDERAL LEVEL, AND EXPANDED USE OF MULTI-YEAR FEDERAL FUNDING COMMITMENTS.

Rationale: Recipients of federal funds must be able to project and depend on stable sources of support to design and carry out multi-year projects and programs. Annual uncertainty and delays in establishing the level of federal support for transit and highways must be eliminated.

6. THE COSTS ASSOCIATED WITH MANDATED FEDERAL ACTIONS AND THE SUBSTANTIAL CONTRIBUTION OF PUBLIC TRANSPORTATION TO THE ACHIEVEMENT OF OTHER MAJOR NATIONAL GOALS PROVIDES JUSTIFICATION FOR CONTINUING FEDERAL SUPPORT FROM ALL SOURCES.

Rationale: The costs of actions required by federal law or policy are substantial and increasing. All sources of support for transit investment should be brought to bear in the years ahead. The linkage of mobility goals to other federal goals is made stronger by the commitment of both dedicated and general funds to support mandated actions.

7. SUBSTANTIAL ADDITIONAL FEDERAL FUNDING SHOULD BE PROVIDED FOR PUBLIC TRANSPORTATION TO FULLY CARRY OUT THE GOAL OF SIGNIFICANTLY INCREASING THE PROVISION AND USE OF HIGH-OCCUPANCY, SHARED-RIDE SERVICES.

Rationale: Federal transit funding has been reduced 50% in the last eight years in real terms. All indications are that historic disinvestment in transportation, the current condition of facilities, and future travel demands require *at least* a doubling of the total transit investment. The increase should be borne by all funding partners, led by the federal government.

8. AN IMMEDIATE GASOLINE TAX/MOTOR FUELS TAX INCREASE SHOULD BE ENACTED CONCURRENT WITH REAUTHORIZATION OF THE SURFACE TRANSPORTATION ASSISTANCE ACT, AND FEDERAL MOTOR FUEL TAXES SHOULD BE MADE PERMANENT TO SUPPORT NEEDED TRANSIT AND HIGHWAY INVESTMENT; FULL REVENUES FROM THE TAX SHOULD BE COMMITTED ANNUALLY.

Rationale: Needs are immediate. The traditional source of transportation funding should continue to be the basic resource for increased investment. Aggressive claims will be made by other interests on gasoline tax increases, and action on federal revenue increases, including the gasoline tax, likely will take place sooner rather than later.

9. THE FEDERAL TAX CODE SHOULD BE REVISED TO PROMOTE PRIVATE AND NON-FEDERAL INVESTMENT IN TRANSIT, AND TO ELIMINATE THE TAXATION OF EMPLOYER TRANSIT SUBSIDIES AND OTHER DISINCENTIVES TO TRANSIT USE.

Rationale: Other federal policies should strongly support direct investment in and use of public transportation rather than frustrate achievement of the goals that federal transit funding is intended to meet.

10. FEDERAL TRANSPORTATION POLICIES AND PROGRAMS SHOULD REQUIRE CLOSER INTEGRATION OF TRANSPORTATION INVESTMENTS AND LAND USE DECISIONS IN ORDER TO PROVIDE AN ENVIRONMENT THAT IS CONDUCIVE TO AND ENCOURAGES INCREASED PROVISION AND USE OF HIGH-OCCUPANCY, SHARED-RIDE SERVICES; OTHER FEDERAL POLICIES AFFECTING TRANSPORTATION DEMAND AND INVESTMENT SHOULD INCORPORATE THIS SAME OBJECTIVE.

Rationale: Unless development practices and policies at the local level are consistent with and supportive of basic federal transportation goals, the effectiveness of direct federal investment will be diminished greatly, along with the opportunity to advance other national goals. Federal attention to how land uses and development are arrayed across the landscape is necessary to reinforce these linkages.

4. NEW FEDERAL TRANSPORTATION PROGRAM FOR THE 21ST CENTURY

Rebuilding and expanding the nation's highway and transit systems to ensure they are responsive to the enormous demands that lie ahead require that national transportation policy be reshaped and federal surface transportation programs restructured substantially.

The preceding chapters have highlighted the need for major change, the goals that must be embraced and the principles that should be followed in fashioning a new surface transportation program. The concepts highlighted below provide the outline of a new federal program designed to be responsive to the needs of the twenty-first century.

THE METROPOLITAN TRANSPORTATION PROGRAM

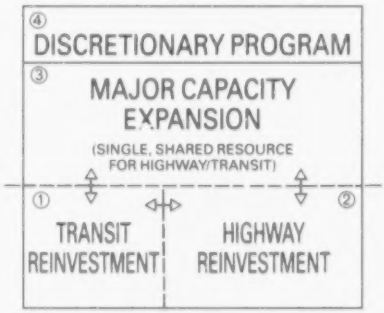
In response to widely varying metropolitan needs and circumstances, federal transportation resources should be provided directly to metropolitan areas under a new and simplified Metropolitan Transportation Program at the federal level.

A metropolitan focus has become essential. At the metropolitan level, the complex and interrelated issues of central city and urban-suburban travel can be attacked comprehensively. At a metropolitan level the full spectrum of regional social, economic, and environmental relationships can best be addressed. At a metropolitan level we have the greatest breadth of data and information to help design our strategies and measure our success.

Figure 1 provides a graphic depiction of the four major components of a Metropolitan Transportation Program that would address both highway and transit needs. These components include:

1. A formula program to support continuing reinvestment in existing public transit systems and services;
2. A formula program to support continuing reinvestment in our existing highway system;
3. A federal source of formula funds for major expansion of *either* transit or highway capacity, giving local officials the flexibility to decide what mix of projects and investments best suit the local need to expand capacity; and,
4. A federal discretionary program targeting federal investment to major capital projects, either transit or highways.

Figure 1
METROPOLITAN TRANSPORTATION PROGRAM



A new federal Metropolitan Transportation Program should include four major program elements: a multi-modal formula program to support transit and highway capacity expansion; separate formula programs to support transit and highway reinvestment; and, a discretionary program to meet extraordinary needs and address issues of national priority.

The Metropolitan Transportation Program features several key distinctions in how federal funds are provided. First is the distinction between basic reinvestment and major capacity expansion. Second is the distinction between shared or pooled funds and the continuation of categorical funding for both transit and highways. Third is the increased flexibility available in the use of federal funds.

Each of these distinctions and the specific characteristics of the four components of the Metropolitan Transportation Program are described in more detail on the following pages and in the accompanying graphics.

REINVESTMENT

One of the most profound problems facing our nation's transportation system is the degree of deterioration that has been allowed to take place. Very simply, we are failing to fund the maintenance our current systems and facilities at adequate levels.

This fact is evident to anyone who travels anywhere across the country, and it certainly is not a problem unique to our metropolitan areas. The cost of deferred maintenance is enormous: our personal safety is jeopardized increasingly; the efficiency with which we move people and goods is diminished and the time lost increases the cost of doing business, effecting the competitive posture of our entire economy. We pay larger amounts to maintain vehicles properly, and the ultimate cost of repairing or replacing our transportation facilities increases substantially as maintenance is deferred.

No element of our surface transportation system is immune. The backlog of investment requirements for maintenance and upkeep is both staggering and mounting. Because of the scope of the problem, the fact that it can be measured easily, and its high visibility and far-reaching consequences, a new federal transportation program must provide resources *specifically targeted* for critical maintenance and reinvestment.

In providing funds targeted for reinvestment, it is appropriate to continue to allocate funds directly by mode. The various types of transit and highway reinvestment can be measured precisely, there are relatively few reinvestment expenditures that should not be made, and there is little rationale for trading off one type of reinvestment against another under current circumstances.

Reinvestment in and maintenance of our existing transit and highway facilities and services should be a national priority supported by the direct flow of federal funds.

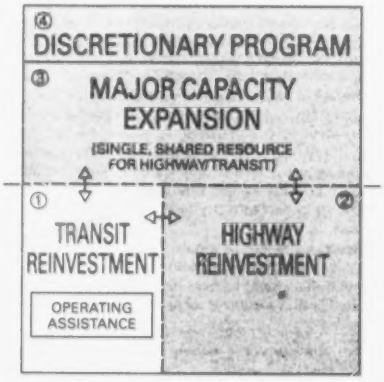
Reinvestment in and maintenance of our existing transit and highway facilities and services should be a national priority supported by the direct flow of federal funds.

To provide greater emphasis on reinvestment, the Metropolitan Transportation Program provides a separate flow of federal funds for metropolitan transit reinvestment and a separate flow of federal funds for metropolitan highway reinvestment.

1. The Transit Reinvestment Program

The proposed Transit Reinvestment element of the program would support federal capital investment in existing transit facilities and services as well as continue federal support for transit operations.

Figure 2
TRANSIT REINVESTMENT
Metropolitan Transportation Program



A new federal Metropolitan Transportation Program should include a formula program to fund basic transit reinvestment requirements directly. The Transit Reinvestment element of the program would support both capital and operating needs for existing systems and services.

Definition of Reinvestment

For public transportation, "reinvestment" would be defined as all capital investment required to replace, rehabilitate, or upgrade existing plant and equipment, along with the capital investment necessary to retain the existing transit market share of trips.

Providing the capital funding to maintain transit's current market share from the Transit Reinvestment program would allow modest increases in services on a scale commensurate with local or regional population growth. These additions to capital plant and service levels are differentiated from "major capacity expansion" that would be funded from a shared, multi-modal source of federal funds.

It is anticipated that the majority of transit systems across the country would have their capital needs fully met at the federal level from the funds made available through the Transit Reinvestment element of the program.

Operating Assistance

The Transit Reinvestment element includes the continuation of federal support for transit operations. There are a variety of strategies that might be considered to redefine the eligible elements of operating cost, provide incentives to reduce operating costs and/or limit the federal exposure or responsibility for operating costs. These options should be explored fully in reauthorizating the federal program.

Recipient

The recipient of federal Transit Reinvestment funds would be the current "Designated Recipient" of UMTA assistance. For the purpose of reinvesting in existing transit facilities and services, the current designated recipients—most often the local or regional transit agencies—are best qualified to formulate plans, and construct and carry out necessary capital improvement programs.

In addition, in the formulation of a new federal surface transportation program, it is important to minimize the disruption to long-standing intergovernmental relationships. At the present time there is no compelling need to totally redesign the intergovernmental decision-making process with respect to basic reinvestment in existing systems and facilities. The current designated recipient mechanism allows for both continuing consultation among local and state officials and for potential change in the designated recipient should state and local officials consider it desirable.

Allocation of Funds

Federal funds available for Transit Reinvestment would be allocated by formula, using the existing UMTA Section 9 formulas that reflect urbanized area population, population density, and transit system service factors.

The existing formula provides an effective basic allocation mechanism. In the absence of any compelling reason to alter this long-standing formula, it is important again to minimize change and disruption to current practices wherever possible and to build upon the strengths of current processes.

Flexibility

Funds available for transit operations would be limited. However, consideration should be given to removing the distinction between operating and capital expenditures for systems serving small- and medium-size communities.

These communities require the most flexibility in the use of all available funds. The value of transit "block grants" for small areas has been demonstrated fully in the existing UMTA Section 18 program which provides transit funds to communities of under 50,000 population for either capital or operating expenditures.

An additional degree of flexibility is proposed for the Transit Reinvestment element by allowing some limited amount of transit reinvestment funds to be used for either highway reinvestment or for major capacity expansion projects. Such a feature would promote more collaboration and integrated design in the improvement of existing facilities and services.

Projects that currently are not the clear responsibility of any particular agency, and that have great potential for improving mobility might be carried out more easily if there is an ability to transfer or combine funds in some limited way. Examples include various forms of preferential treatment for transit and other high-occupancy vehicles, park-and-ride lots, and services provided under contract with the private sector.

The degree of transferability might be limited to a set proportion of the funds received through the Transit Reinvestment element of the program.

2. The Highway Reinvestment Program

The proposed Highway Reinvestment element of the program is designed along the same lines as the Transit Reinvestment element. Federal funds would be available to support the full scope of reinvestment activities necessary to adequately maintain and operate a designated metropolitan highway system.

Definition of Reinvestment

For highways, "reinvestment" would be defined as all capital projects on a designated metropolitan system *short* of adding additional lanes to existing facilities or on new rights-of-way. The addition of new lane-miles of street or highway would be considered a "major capacity expansion" project to be funded through that element of the metropolitan program.

Figure 3
HIGHWAY REINVESTMENT
Metropolitan Transportation Program

A new federal Metropolitan Transportation Program should include a formula program to fund basic highway reinvestment requirements directly. The Highway Reinvestment element would consolidate current categorical highway programs and provide maximum flexibility in the use of federal funds on the existing street and highway network.

Funding Operational Improvements

In addition to funding standard capital projects, the Highway Reinvestment funds would be eligible for use on projects that increase the operating efficiency of the existing facility, and for maintenance of bridges on the designated system.

Expanding the use of federal funds for these purposes represents a major departure from past practice. However, the urgency of the nation's bridge maintenance problem and the inter-modal nature of bridge needs demands broad-based attention and the use of all available resources. Also, systematic efforts must be made to increase the operating efficiency of all components of the metropolitan highway system. This equally urgent need calls for a broadening of the traditional definition of highway capital investment.

The expansion of eligibility in these two areas also provides an important parallel between transit investments, where the federal government, since 1975 has provided support for operations, and highway investments where support for operational improvements has been extremely limited in the past.

Recipient

The recipient of metropolitan Highway Reinvestment funds would be the state, with a requirement that the funds be directly passed through to metropolitan areas of over 50,000 population for programming. The programming agency, in turn, would be the regional agency designated to develop and approve transportation and related capital improvement programs required by federal law.

Again, the intention is to vary as little as possible from current intergovernmental practice in the design of the Metropolitan program.

Allocation of Funds

Federal funds for Highway Reinvestment would be allocated by formula to the states, using the existing Federal Aid Urban System (FAUS) formula. The existing formula provides an effective basic allocation mechanism and there is no compelling rationale for significantly altering the distribution mechanism, particularly for reinvestment on the current highway system.

Flexibility

Increased flexibility in the use of Highway Reinvestment funds would result first from the elimination of traditional categorical distinctions. In addition, the same approach to transferring funds into and out of the Highway Reinvestment element of the program would be taken as proposed for the Transit Reinvestment element, i.e. some limited percentage of Highway Reinvestment funds would be available for transit-related reinvestment or capacity expansion.

The amounts or proportion of reinvestment funds that could be devoted to operating efficiency improvements or to bridge maintenance could be set or controlled in any of several ways. Again, a limit could be established so that funds, not to exceed some percentage of those apportioned, could be used for these purposes.

An added element of flexibility is included by allowing some proportion of the available Highway Reinvestment funds to be used to carry out projects of high local priority that are not on the designated metropolitan system. This feature would add an important new degree of flexibility for local officials seeking to bring as many resources to bear as possible on their unique local problems.

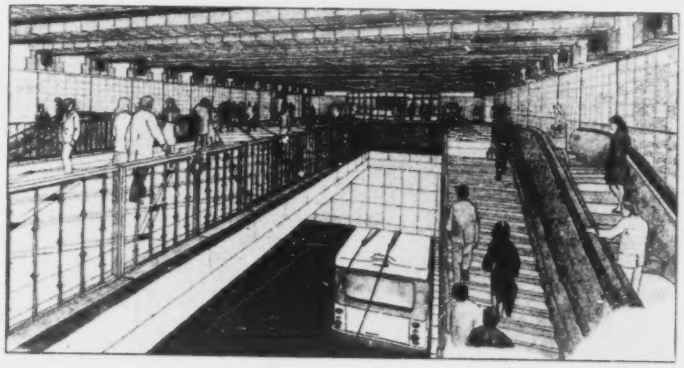
3. The Capacity Expansion Program: A Shared Funding Source

While long-deferred maintenance and reinvestment require greater attention and emphasis as part of a new federal program, these needs *cannot* be pursued to the exclusion of efforts to expand both transit and highway capacity. Travel demands already overwhelm our systems and will continue to increase in the years ahead. Additional capacity will be essential to maintain a mobile America into the next century and beyond.

Therefore, the proposed Metropolitan Transportation Program includes a separate element designed to support major capacity expansion on our metropolitan systems. Unlike federal funds provided for reinvestment, federal funds to support major capacity expansion would be made available to the metropolitan area as a shared or pooled resource, without regard to mode.

The single, multi-modal source of funds for major capacity expansion is intended to encourage much stronger integration of transit and highway planning and programming than historically has been the case through today's highly separate programs. The use of a common resource for financing major capacity expansion also is intended to promote more rational tradeoffs between various types of investments and more highly integrated project designs. More cost-effective facilities and services should result.

The approach proposed for supporting major capacity expansion, however, is markedly different than that proposed for reinvestment. The Major Capacity Expansion element of the program has been designed to promote a high degree of multi-modalism whenever metropolitan areas are considering how their systems should be enlarged. The major feature of the program is the shared, pooled, or common source of federal funds from which all major capacity expansion projects, both highways and transit, would be supported in the metropolitan area.



Additional capacity will be essential to maintain a mobile America. Funds to support major capacity expansion should be made available to metropolitan areas to determine which investments are needed.

Figure 4
MAJOR CAPACITY EXPANSION
Metropolitan Transportation Program

A new federal Metropolitan Transportation Program should include a formula program to fund major capacity expansion projects. Project selection and trade-offs between modes would be made at the regional level by local officials in consultation with state officials, and would be funded from a single, multi-modal source of federal funds.

Definition of Major Capacity Expansion

The Major Capacity Expansion element of the program is intended expressly to be the source of funds for all transit projects typically included in the current UMTA definiton of "major capital investments," other than rail modernization. The definition would include new rail systems, transitway and busway projects as well as extensions to existing systems and major expansions of service area. The expansion of bus fleets and services, beyond those needed to maintain transit's current market share also would be funded from this combined federal resource.

The addition of lanes and the construction of new highway facilities on new rights-of-way on the designated Metropolitan system also would be supported from the Major Capacity Expansion element of the program.

Capital Investment Only

Funds for Major Capacity Expansion would be available for capital projects only.

Recipient

The recipient of Major Capacity Expansion funds should be the regional agency designated to develop and approve transportation and related capital improvement programs. Under this arrangement, the lead responsibility for both highway reinvestment and major capacity expansion would reside with the same regional organization.

An option to this approach might be to provide federal funds for major capacity expansion to the states, with project commitments made only after agreement at the metropolitan level on the mix of projects and investments to be undertaken.

Under either option, committed funds would be made available to and/or through the appropriate operating or implementing agency to actually carry out the approved projects.

Allocation of Funds

Federal funds for major capacity expansion would be allocated by formula. The formula must reflect the need for new capacity by using factors that represent growth in total travel demand being experienced in a region. The formula also must reward increased occupancy of all vehicles operating on the transportation network. In constructing a suitable formula, greater weight should be given to factors reflecting increased vehicle occupancy to avoid providing an incentive for increased vehicle-miles of travel.

A variety of factors and data could be used to reflect both travel-demand growth and the increasing use of higher-occupancy vehicles. To the maximum extent possible, data should be available annually and in an easily auditable form to ensure uniformity and to reduce time lags.

Examples of the factors that might be considered in development suitable of formulas for allocating capacity expansion funds include transit ridership, use of all forms of shared-ride services, vehicle occupancy data, motor fuel tax receipts attributable to a region, motor fuel sales, motor vehicle registrations, and others. The major objective in developing a new formula is to ensure that funds flow in relation to need and also in relation to the specific goals to be accomplished.

4. Federal Discretionary Investments

The proposed Metropolitan Transportation Program is designed to function predominently as a formula program supported from dedicated federal funds drawn from motor fuel and related user fees. For a variety of reasons, however, it will remain important to maintain a discretionary program at the federal level.

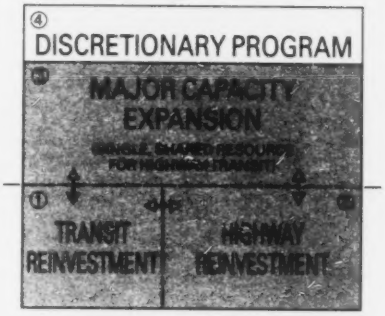
The most important rationale for federal discretionary spending on transportation is to ensure there is a resource available to support the extraordinary costs of individual projects that otherwise could not be funded through an annual formula apportionment of funds. Many, many examples of such projects can be drawn from recent transit and highway experiences.

Though it is desirable to put transportation capital investments on a regular, recurring cycle through better planning and capital programming, transportation investment needs will continue to be "lumpy" by their very nature. The availability of discretionary funds at the federal level provides a means to respond to this need.

The Metropolitan Transportation Program envisions a discretionary program of limited size, perhaps no more than 10% of the total Metropolitan program funding base. The discretionary program would be multimodal and multi-purpose, and available to support worthy projects for transit reinvestment, highway reinvestment, or major capacity expansion.

Finally, the discretionary program has as its focus, projects that provide demonstrable, positive impacts on the solution of problems declared to be of national significance. Obvious examples include: reduction in vehicles-mile-traveled (VMT) growth, congestion relief, reduction of mobile-source emissions, reduction of safety hazards, direct encouragement of economic development activities, expansion of services to the elderly, those with disabilities or those disadvantaged, or attraction of added sources of non-federal funding.

Figure 5
DISCRETIONARY ELEMENT
Metropolitan Transportation Program



A new federal Metropolitan Transportation Program should include a discretionary element to support projects that cannot be advanced with formula funds alone, and to focus federal resources on projects that address national priorities.

The Metropolitan "System"

Administration of a metropolitan program of the type described will require the identification of a specific metropolitan "system" on which federal funds can be spent. In the case of funds to be used for public transportation, the program envisions that federal funds be available for all forms of transit investment, using the broadened definition of transit highlighted throughout this report.

In the case of federal funds for highways, the program envisions re-evaluation of the current federal aid system in each metropolitan area, and establishment of a new metropolitan system eligible for federal funding.

The process of redefining a metropolitan federal aid system should be guided by local and regional officials, including the selection of criteria for designation, actual route designation, and any subsequent amendments or alternations to the metropolitan system. National guidelines should be provided to assist local officials in this process, with state and federal officials participating fully.

The proposed program assumes that all existing and future segments of the federal Interstate highway system in a metropolitan area would be incorporated into a newly designated metropolitan aid system.

A RURAL PUBLIC TRANSPORTATION PROGRAM

Metropolitan areas of the country are not alone in their struggle to enhance mobility and make progress in achieving other local and national goals. The transportation needs of residents of small urban and rural areas across the country are as immediate and as complex as those that confront the residents of our largest metropolitan areas.

In considering how best to support the transit needs of small urban and rural residents, there appears to be little reason to consider wholesale restructuring of the current federal Section 18 program. Through this program, federal funds are apportioned to the states, which then make funds available to local jurisdictions and transit operators to support programs designed at the local level and reviewed by the state. The funds are available to support either capital or operating investments, at the discretion of the local recipient, via consultation with the state.

The most important change necessary to the Section 18 program is an increase in the funding levels. Clearly the small urban and rural transit assistance program could benefit easily from at least doubling of federal investment.

Although major restructuring of the small urban and rural transit program does not seem to be necessary, essential changes are needed in federal policy that will make the rural transit program more effective, and make more efficient use of federal funds. One of the most important actions that can be taken to increase the effectiveness of available rural transit funds is to streamline and coordinate the use of UMTA Section 18 funds with the federal (and state and local) human services programs for transportation of specific client groups. Recent experience repeatedly reveals that efforts at integrating rural transit services, combining available resources, and consolidating program management and administration are thwarted by myriad program-specific requirements that often are contradictory or irreconcilable once funds are in the hands of local program sponsors and managers.

The entire system of transportation assistance to small urban and rural residents, regardless of its purpose, needs to be reviewed and better coordinated. Enormous increases in the cost-effectiveness of federal rural transportation investment appear to possible.

A CONSOLIDATED TRANSPORTATION TRUST FUND

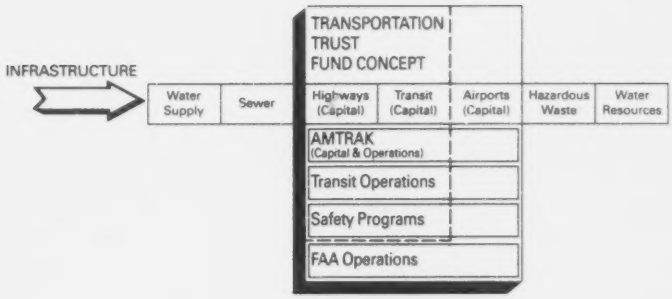
Current transportation programs at the national level are characterized by a high degree of separateness between modes and the existence of separate, and often competing, sources of federal funding.

The existence of separate programs and funding sources for each mode prohibits effective intermodal and/or multi-modal planning and decision-making to a considerable degree. In addition, modal transportation interests historically have been preoccupied with protecting and enlarging their individual funding base at the expense of other transportation interests. As a consequence, inadequate attention is paid to the overall priority of transportation within the federal budget. The result is that transportation investment at the federal level has diminished as a national priority at a time when its importance should have been promoted aggressively by the entire community of transportation interests.

At the same time that the priority of transportation investment has declined at the federal level, mounting concern over the condition of all forms of public infrastructure has prompted growing efforts to create a broad class of federal infrastructure assistance and support. One possible consequence of heightened interest in federal support for infrastructure generally, is that transportation investments and funding sources may be diverted to a wide range of other infrastructure systems and facilities.

The work of the Transit 2000 Task Force and other groups suggests strongly that transportation investment should receive greatly increased priority in the years ahead. The challenge is to design a policy and programmatic framework that strengthens rather than diminishes or diffuses the priority of transportation and at the same time, provides for increased flexibility in the use of available funds. The previously described Metro-

Figure 6
CONSOLIDATED TRANSPORTATION TRUST FUND CONCEPT



politan Transportation Program meets these challenges; but there are other, more far-reaching ideas that deserve consideration.

One approach may be to create a consolidated transportation trust fund at the federal level. Figure 6 graphically depicts the basic structure of such a program.

A consolidated transportation trust fund could provide a means to join multiple transportation interests and better serve the specific transportation needs of the nation without trading-off or subordinating those needs to other legitimate infrastructure demands. A consolidated trust fund could provide fully dedicated funding for most programs now included within the current U.S. Department of Transportation budget, with the exception of the Coast Guard. A variation would exclude the federal aviation program—both capital and FAA operations—and maintain federal air transport system investments through a separate program.

Relaxation of the rigid ties between discrete sources of funds and the transportation uses to which they can be put is a major feature of the Consolidated Transit Fund concept. Separating decisions over the mix of revenue sources to be raised from decisions over how funds are to be allocated might result in a more rational debate over the transportation needs and priorities and the means by which those needs should be met.

The concept of a Consolidated Transportation Trust Fund at the federal level would introduce a host of complex and difficult questions. The potential complexities of transitioning to such a program, however, have been addressed in a number of states where similar programs already are in place.

Whatever new program structure emerges, it is time for the separateness of modes and funding sources to be relaxed at the federal level. The experience of the several states with consolidated transportation funds, and other forward-looking approaches to transportation investment, represents a model that should be considered in restructuring the federal surface transportation assistance programs.

5. INVESTMENT REQUIREMENTS

The most important tool in addressing the goals and objectives of a new federal transportation program is the amount of direct investment made in the nation's transportation systems and services—both highways and transit.

The Past Decline in Federal Investment

By any measure, the priority and level of federal investment in transportation, has declined in recent years. The pattern is most pronounced, however, in the trend of federal investment in public transportation.

In 1981, the federal transit budget was $4.6 billion; today it is less than $3.2 billion. The reduction in absolute dollars translates into a loss of more than 50% of actual purchasing power when the effects of inflation are considered. As a result, the federal government now provides barely 20% of all transit investment, while a decade ago the federal government provided nearly 40%.

Despite the decline of federal support, total national investment in transit has risen over the decade. In 1987 over $16 billion of transit investment was made compared with a total of $12 billion in 1981. This was made possible by an increase in state transit funding of nearly 100% and an increase of 50% in local transit funding over the same period. Clearly, public transit remains a high priority at the state and local levels, in stark contrast to the retreat from transit reflected in recent federal budgets. Balance in the transit funding partnership must be restored and major increases in transportation and transit investment sought in the future.

How the federal surface transportation assistance program is restructured is dependent directly on the amount of funding that is made available through the program. Little or no change in the overall level of federal investment in transit and highways makes substantial restructuring of the programs difficult, if not impossible. Without increased investment, programmatic change will be limited to marginal or incremental adjustments to current programs. This approach likely would not advance the goals or solve the problems that we now confront.

In a very important respect, therefore, a major infusion of additional federal investment is necessary, not only to meet urgent facility and service needs, but to foster major reorientation of federal policy and programs of the magnitude proposed in the Metropolitan Transportation Program.

While there is debate over the timetable for providing increased federal investment, there is strong consensus and justification for the proposition that overall investment should be doubled, and that the relative share of investment flowing from federal sources should not be reduced below levels reflected in current federal policy.

A Target for Increased Investment: Expanding Transit's Role and Ridership

Increased transportation investment will require a clear statement of what must be accomplished with additional resources. Linking transit use to the achievement of national goals provides a new and essential clarity of purpose.

One key to progress in meeting the broad range of national goals is to increase vehicle occupancies by accommodating *major* increases in the use of transit and other forms of high-occupancy, shared-ride services in the years ahead. Substantial increases in total ridership and market share must be sought.

To better size the overall investment that will be necessary to expand transit use and meet these goals, the Transit 2000 Task Force analyzed a series of alternative scenarios linking aggressive goals for expanding ridership to estimates of the investment required to meet these goals. The scenarios were built around alternative assumptions about the amount of increased transit ridership that might be sought, the varying mix of traditional and non-traditional services that might be required to effectively serve a substantial increase in riders, and the estimated investment that would be necessary to expand the mix of services.

One key to progress in meeting the broad range of national goals is to increase vehicle occupancies by accommodating major increases in the use of transit and other forms of high-occupancy, shared-ride services.

Ridership Goals

Present transit ridership in the U.S. is approximately nine billion trips per year.

Five different approaches were taken to establish goals for increased ridership beyond current levels between 1990 and 2020. Alternative ridership goals focus on increasing the transit market share of work trips to 10% and 15%, respectively, with proportional increases in non-work trips; expanding ridership to achieve levels equivalent to the seventy-fifth percentile for urbanized areas based on current population, population density, and ridership; accommodating all travel growth that is projected to take place under congested conditions through 2005; and, achieving the same level of per capita transit use that now is being accommodated in Canadian cities, adjusted for population size.

These alternative ridership goals involve attracting and serving from 9.7 billion additional trips a year, to attracting and serving an additional 17.4 billion trips per year under the most ambitious assumptions. This range of ridership goals requires more than doubling current levels of transit use.

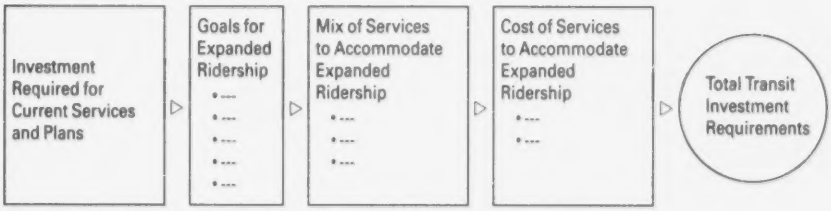
Mix of Transit Services

To accommodate the alternative levels of increased transit use, three different approaches were taken to identify the mix of transit services that might be provided. The three approaches included maintaining the existing pattern of use among transit and other shared-ride services provided by transit agencies in the U.S., adjusting current ridership to reflect more directly the type and mix of services currently available in individual urbanized areas, and assigning a substantially increased share of the additional trips to vanpools, busways, HOV lanes, and other non-traditional types of services to better serve the increasing travel demands in suburban-type settings where traditional transit services might not be expected to attract substantial increases in ridership.

Investment Requirements

Each scenario describing alternative ridership goals and mix of services was analyzed with respect to the direct capital and operating investment necessary to support the projected ridership increases. Cost estimates were based on a mid-range estimate using current average costs per passenger and a low cost estimate using costs per passenger at the twenty-fifth percentile.

Figure 7
TRANSIT INVESTMENT REQUIREMENTS



FEDERAL INVESTMENT: THE METROPOLITAN PROGRAM

Transit 2000 estimates confirm the need to increase total federal investment in transit and highways by more than 100%. Today, U.S. Department of Transportation spending includes $16.7 billion annually, $3.2 billion for transit and $13.5 billion for highways. The recommended Metropolitan Transportation Program calls for a total federal metropolitan transportation investment of not less than $25 billion per year and as much as $34 billion, based on combined estimates of transit and highway needs.

Transit Investment Requirements

As part of the Metropolitan Transportation Program, federal investment for public transportation should be increased to at least $11 billion annually, including roughly $5.7 billion for essential reinvestment and $5.2 billion for capacity expansion. In arriving at the recommendation that federal transit investment should be set at $11 billion annually, a conservative set of assumptions was used, reflecting:

- a commitment to reduce the current backlog of transit reinvestment requirements and ensure a regular cycle of rehabilitation and replacement based on industry projections from current capital programs;
- a commitment to more than double current transit ridership to a level comparable to current per capita transit use in Canada;
- a commitment to increasing the proportion of transit trips on vanpools, carpools, high-occupancy lanes, and other shared-ride services to at least 15% of all transit trips served by transit agencies; and,
- cost factors that reflect the current median costs of various service options.

A more ambitious set of ridership goals and cost estimates adjusted for future inflation would require a level of federal investment in transit significantly above the $11 billion annual figure.

Even without a national commitment to substantial increases in transit ridership, however, the federal transit program must be increased from $3.2 billion to *at least* a range of $6 billion to $8 billion per year. This *minimum* level of federal transit investment is necessary to meet the reinvestment requirements of existing systems and services, to continue major new projects that are already in the advanced stages of planning and development, and to fulfill new federal requirements for services to those with disabilities, the introduction of low emissions technology, and a host of new federal mandates.

An annual investment of $6 billion to $8 billion is necessary to restore recent declines in the purchasing power of federal assistance as a result of inflation and funding reductions since 1981. In 1981, federal transit assistance totaled $4.6 billion. Simply adjusting that level of support to 1989 dollars would require a *minimum* federal program of $6.5 billion annually to meet a combination of reinvestment and capacity expansion needs.

Highway Investment Requirements

Depending on the assumptions used, figures compiled by the American Association of State Highway and Transportation Officials (AASHTO) indicate a need for urban federal highway reinvestment that ranges from over $8 billion annually to nearly $13 billion. Federal support for highway capacity expansion could require an additional $10 billion per year, if scenarios for "fully improved service" on the nation's highways are to be pursued.

FEDERAL INVESTMENT: THE RURAL TRANSIT PROGRAM

As indicated earlier, the need for public transportation services in the nation's small urban and rural areas far exceeds current resources. Federal assistance directly to rural public transit should be at least double the $70 million to $80 million now provided annually. In addition, the substantial amounts of transportation spending from federal human services programs should be combined more effectively with direct investment by the U.S. Department of Transportation.

The scope of our nation's transportation needs is enormous. The consequences for the nation of not acting aggressively to meet them is increasingly serious. As a result, the federal government must be called on once again to take the lead role, not only in setting goals and establishing new policy direction, but in providing the necessary financial resources to spur overall transportation investment.

SOURCES OF FUNDING

Federal Investment: Increased User Fees

Federal motor fuel taxes and associated user fees have been the primary source of funding for the nation's highway program and a major source of support for transit since 1982. Increased federal funding necessary to support the levels of transit and highway investment envisioned in the future should continue to come from this basic source. Increases in federal motor fuels taxes therefore, are required and should be enacted permanently, in 1991, concurrent with reauthorization of the federal Surface Transportation Assistance Act.

Support for a $25 billion to $34 billion level of federal investment would require a motor fuels tax increase equivalent to 8¢ to 16¢. To ensure federal transit investment of $11 billion annually within a new Metropolitan Transportation Program would require 7¢ of motor fuels taxes be available for transit investment in addition to current levels of federal transit support. To bring federal transit investment up to minimum need levels—$6 billion to $8 billion per year—will require the equivalent of another 5¢ of federal motor fuels taxes dedicated to transit.

As deliberations proceed over how to solve the nation's budget deficit, how to restore investment in our public infrastructure, and how to meet transportation needs, traditional transportation user fees must be increased immediately and rededicated exclusively to transportation investment.

Non-Federal Finance

While increased direct federal transportation investment must be the centerpiece of a new national policy, overall transportation investment has been, and must remain, a partnership among federal, state, and local governments, the private sector, users, and others that benefit from enhanced mobility and high quality systems and services.

Direct federal investment in transit and highways must serve two purposes. First, it must directly underwrite major projects and improvements. As importantly, however, federal investment must serve as a catalyst to attract stable and reliable financial commitments from local and state government and the private sector. The goal of bringing added non-federal resources to transportation should be a prominent part of new national policies and programs.

The most effective way to serve this goal is to incorporate into federal policy and programs a comprehensive series of fair and equitable incentives to attract greater state and local funding, increased financing from private sources, and increased financial participation by users and beneficiaries. As part of this effort, consideration should be given to new pricing mechanisms that recover more of the costs of services and facilities, particularly the costs of automobile and highway use. In addition, federal allocation mechanisms must reward increased investment without disadvantaging communities that may be struggling economically.

In addition to the provision of more effective financing incentives, an effort must be made to remove the current disincentives to increased transportation investment that exist in federal policy. Transit agencies, for instance, must be allowed, encouraged, and rewarded for seeking increased revenues from non-traditional sources, including new types of services, real estate and development activities, and other sources.

Future transportation needs—both transit and highways—require a comprehensive financial strategy guided and underwritten by federal policy and direct investment.

Federal investment must serve as a catalyst to attract stable, reliable financial commitments from state and local government and the private sector.

6. SUPPORT FOR TRANSPORTATION INVESTMENT

It is increasingly important that direct investments in transit be supported strongly by other public policies and that efforts be made to maximize transit use. Today unfortunately, a number of public policies, including federal tax provisions, national energy policy, and local land use and development controls severely undermine the effectiveness of our transportation investments and greatly damage the efficiency of our entire transportation system. Those policies should be eliminated and incentives to increase the use and effectiveness of our transportation investment should be adopted.

In other areas such as technology, human resources, research and development, we have failed to address fully transit and transportation needs.

New federal transportation programs and other federal policy and legislative initiatives must resolve these contradictions and be more responsive if our direct transportation investments are to be effective.

Federal Tax Provisions

Current federal tax provisions limit overall investment in and the effectiveness of transportation facilities, particularly public transportation services. A host of federal tax provisions discourage private investment in transportation facilities, greatly restrict the financing powers and options available to state and local governments, and raise the cost of state and local borrowing for infrastructure investment. Current tax provisions governing state and local bonding ceilings, limitations on private participation in public facility finance, arbitrage restrictions, sale/leaseback transactions among others should be reviewed carefully and refashioned to support new national transportation goals and policies.

In addition, fringe benefit provisions of the federal tax code provide a significant economic incentive for automobile use and a disincentive to increased transit use. Current tax law allows employer-subsidized free parking, which may be valued at several hundred dollars per month, to go untaxed totally, while those who receive employer-subsidized transit passes are taxed fully once the value of monthly employer support exceeds $15 dollars. This imbalance must be remedied.

As part of the effort to rewrite federal transportation programs and policies, federal tax law must be rewritten to support rather than undermine greater investment and use of public transportation.

Land Use and Development Coordination

Land development patterns dictate the nature of our travel demands. Therefore, to enhance mobility and freedom of movement, greater attention must be paid to how land uses and development are arrayed across the landscape. It is imperative that we aggressively promote and provide incentives for development that can be served by public transportation more easily and effectively. Concentrating development, more mixed-use development, supportive parking requirements, policies and pricing, and attention to a host of critical site and building design features all are required.

Better coordination of transportation and private development presents enormous opportunities to manage travel demand, reduce public investment requirements, share costs, and achieve greater use and efficiency from all transportation facilities and services.

Better coordination of transportation and private development through local planning and development controls presents enormous opportunities to manage travel demand, reduce public investment requirements, share costs, and achieve greater use and efficiency from all transportation facilities and services.

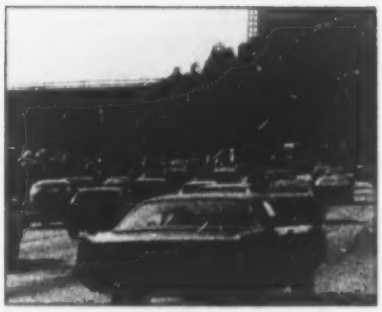
Across the country there are a growing number of examples of how this is being done. New federal transportation programs should encourage these efforts and ensure that both transit and highway investments are premised on broad-based strategic plans for regional development and on the existence and implementation of effective land use plans and development controls.

Clean Air Policy

The nation's Clean Air Act soon will be revised and extended to provide new direction in restoring the quality of the nation's air. Historically, federal clean air initiatives have concentrated exclusively and effectively on the technological means for reducing tail pipe emissions but largely have been silent on the impacts of growing travel demand. Within the next five years, however, growth in vehicle-miles of travel will result in increased emissions that will *not* be off-set by new tail pipe technology. As a consequence, air quality will worsen.

A pronounced shift in our transportation air quality strategy must be made to deal more aggressively with travel growth and travel behavior. Both clean air policies and transportation policies should be coordinated to embrace actions that reduce travel demand where possible, restrain the growth in vehicle-miles of travel, and aggressively promote options to single-occupancy vehicle use. Particularly in areas now suffering the most severe air pollution, federal transportation funding ought to be shifted to investments that accomplish these ends more directly.

With mobile source pollution from motor vehicles again on the rise, a pronounced shift in our transportation air quality strategy must be made to deal more aggressively with travel growth and travel behavior.



With ever-increasing fuel use from motor vehicles, national transportation and energy policy must be coordinated closely to achieve mobility and energy goals.

National Energy Policy

Among the most significant factors affecting our choice of transportation options is the cost of various modes of travel, both to the rider and to the community as a whole. Today, as an expression of unstated national policy, we price gasoline at levels far below those that exist in other countries around the world. In essence we subsidize and, therefore, directly encourage low-occupancy automobile use.

At the same time that artifically low energy prices act as an economic incentive for increased low-occupancy automobile use, we fail to recover the full cost of automobile use or account fully for the consequences of reliance on low-occupancy, personal vehicle use. We have held the price of energy artificially low and have underestimated grossly the costs that must be borne for use of petroleum fuels.

National transportation and energy policy must be coordinated closely and brought into synch with respect to pricing and costs before the marketplace will promote the type of activity and behavior that is required to achieve our mobility goals as well as other major national goals affected by transportation decisions.

Technological Innovation

Conclusions to date from the work of the Transit 2000 Task Force suggest that technological breakthroughs directly applicable to public transit operations will be marginal in the short term. Perhaps the most significant potential changes over the next decade, however, have to do with fuel and propulsion technologies.

There is growing interest in alternative fuels generally, and, specifically, in their introduction into the transit market. Numerous demonstration programs throughout the transit industry are exploring the potentials of new, low-emissions technologies of all types. The problem posed by moving rapidly to alternative fuels or other low-emissions technology, particularly within the time frame of new federal transportation and clean air legislation (1991-94) illustrates well the difficulty of bringing new technologies to bear on our transportation problems.

With respect to the use of alternative fuels and other low-emission technologies in public transit, the gap that exists between laboratory testing and full and effective commercialization poses a series of major problems.

Transit managers directly are responsible for maintaining rigid service schedules and reducing the cost of services provided. At this time, alternative fuel and low-emissions technology has not proven to be reliable or durable enough in daily revenue service to justify wholesale conversion, nor have these technologies proven to be economical under foreseeable market conditions.

This current situation provides an example of how widely held goals and objectives can clash—the drive for lower emissions, the need for reliable service, and the need to reduce, not increase costs. National policy must provide a means to resolve these contradictions and assist in making critical trade-offs. The inability to make such trade-offs may retard operational performance of our transit systems, diminish the availability of basic services and the achievement of energy and air quality goals.

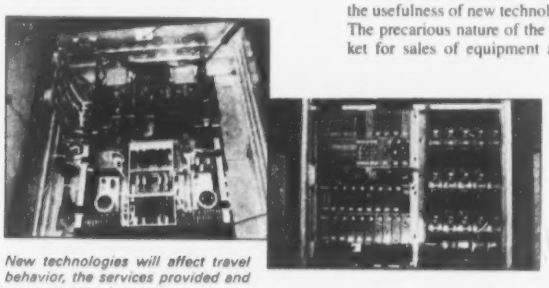
In addition to technologies that can be introduced directly into the transit market, technological innovations that impact the economy, personal lifestyles, and other transportation modes will affect public transit as well. "Smart cars—smart roads" programs, other communications technologies, cold fusion, and magnetic levitation, along with a host of other emerging technologies may influence or alter travel patterns or the means by which we serve them. The timetables for bringing these technological advances to market, however, are unclear.

Research and Development

In addressing the prospect and pace of technological innovation, a major issue to be explored in a new national transportation policy is how the research and development process will be directed, monitored, and underwritten. The promise of technological innovation is only as bright as the strength of the commitment to research and development.

Unfortunately, the economic incentive for private suppliers to innovate aggressively on a broad scale for the public transit market is extremely weak. The lack of a strong federal commitment to research and development, the decline and uncertainty in federal transit funding generally, and that fact that domestic suppliers of transit equipment frequently are subsidiary organizations operating under larger corporate umbrellas, means that the transit market often is viewed as high-risk, low pay-off, and fraught with uncertainty. These circumstances require a renewed and expanded federal commitment to basic technological and operations research on behalf of public transportation.

The need for such a commitment extends beyond the usefulness of new technologies to transit operators. The precarious nature of the transit industry as a market for sales of equipment and services has a more



New technologies will affect travel behavior, the services provided and manpower requirements.

far-reaching, negative economic consequence of national proportions – the potential demise of the domestic transit supply industry. In addition to the growing importance of transit, federal support of research and development can be justified to ensure the survival of a vigorous domestic supply industry and the jobs and revenues that industry creates. Stepped-up federal support for basic research and development in partnership with suppliers of equipment and services should be a major feature of a new national transportation policy and program.

A recent report from the Transportation Research Board, entitled, "Research for Public Transit: New Directions," outlines the scope and content of such a program. The recommendations of this report should be used as a blueprint to develop a new federal initiative on transit research and development. The report identifies a number of areas where expanded research will be essential, including human resources, service configuration and marketing, service delivery models, internal efficiencies, maintenance, equipment, and finance.

Human Factors

Public transportation is dominated by its human resource and human service character. The performance and success of public transit hinges on how human factors are managed. There are two dimensions of concern – riders and work force.

The needs of individual riders and the various characteristics of travel markets dictate the nature, scope, and design of services. The characteristics, desires, and behavior of existing and potential transit users are therefore, of critical concern in assessing the future directions of transit and federal transportation policy. More and much better information on travel demand, behavior, and markets will be vital in order to design and put in place services and facilities that will enhance basic mobility and contribute to the achievement of other national and local goals. National policy should promote and underwrite the extensive efforts needed to maintain an effective data base.

Equally important, the management and operation of transit services is highly labor-intensive. Seventy to eighty percent of transit expenditures typically are associated with labor-related costs. The quality of services, therefore, is directly dependent on the skills that are brought to the job by both management and labor, the price paid for those skills, and the degree to which those skills are used to their full potential.

Long-standing recognition of the overwhelming importance of the human factors in public transportation has led to a number of observations by the Transit 2000 Task Force on human service issues.

With respect to the transit work force and the industry's personnel needs, it is clear that by the year 2000 and beyond, America's work force will be dramatically different. Like other industries, transit must rethink how it attracts, retains, and uses its human resources.

Coupled with the predicted labor shortage, the numbers of women and minorities in the work force will increase. Women will comprise 47% of the total work force by the year 2000, and minorities will account for one-third of all new workers. Immigrants will continue to enter the labor force in numbers greater than at any other time since World War I. The average age of workers will continue to increase.

In response, the transit industry and national policy must value this diversity as never before. Training programs, focusing on basic and language skills as well as skills-building in new technologies, need to be instituted. Non-traditional employee benefits such as flextime and child care need to be tailored to the new work force. Transit will need to become more involved with local educational systems to ensure the existence of quality, industry-specific vocational programs. Finally, transit must create sound and well-publicized career and upward mobility programs grounded in the principle of equal opportunity.

The challenge for transit is to identify the required skills and recruit and retain its work force in an increasingly competitive environment. Just as importantly, it is necessary to provide the motivation that will stimulate creative thinking, encourage employee initiatives, sustain high expectations, and draw the full potential from the work force – both management and labor.

The tools to pursue these goals involve financial resources, new organizational models, and new management techniques. Clearly, a new generation of national transportation policies must recognize the importance of moving ahead on the human resources front by directly supporting these efforts and acting as a catalyst to address the industry's human resource needs most effectively.

The earlier mentioned report of the Transportation Research Board also addresses human resource issues, outlining the effort necessary in a research context, to assist human resource development and management as part of a broader federal policy and program initiative.

Across a variety of policy areas, there are major opportunities to reinforce the goals to be achieved through increased direct investment in transit and transportation. Coordinated and supportive action on all these fronts is essential in the years ahead.

7. MEASURING PERFORMANCE AND GAUGING SUCCESS

The performance and efficiency of our entire transportation system is declining significantly under the pressures of increased travel demand, inadequate investment, and lack of a strategic vision. New national transportation policies and programs must reassess what constitutes performance and success.

The 25 years since the federal transit program was enacted has been a period of transition. In that period, the goals of the original federal program largely have been achieved. Initial reinvestment in failing plant and equipment was made. Declines in ridership have been halted and reversed, and fares have been kept at levels that do not discourage transit use further.

Over the 25 year period, however, the contributions of transit to the achievement of emerging national goals have increased dramatically. At the same time federal requirements imposed on transit systems have mushroomed, resulting in increasing costs, limiting the ability to raise revenues, and diminishing opportunities to increase ridership.

While the scope of these contributions and requirements has expanded, the yardstick for measuring success in the provision of public transit services has remained narrow, reflecting only a concern for the economic efficiency of daily operations. It is now time to redesign the yardsticks that measure the value and success of our transit investments based on a broader view of the critical role transit plays in meeting national goals, and a better understanding of how federal (and other governmental) requirements adversely affect system efficiency.

A Two-Tiered System of Performance Measurement

A broad-based goal framework is necessary for assessing the performance and success of public transit in the future. Major national goals and more specific local goals and priorities must be reconciled and accommodated in assessing the success and value of a new transit program.

The creation of a two-tiered system of performance measurement could provide the means to link national and widely varying local goals. The first tier should focus on basic national goals and a limited number of objectives and measures that can be used to gauge how transit and transportation decisions serve those goals. The second tier would focus on a more expansive set of local and regional goals, objectives and measures developed from a strengthened strategic planning process at the local and regional levels, including continued attention to the issues of operational efficiency.

Regardless of the mix of goals established nationally and in our individual communities, the single common transportation theme is wiser accommodation of increased travel demand. For a host of reasons, we must seek to serve growth in passenger travel *without* necessarily accepting unrestrained growth in vehicle trips.

Unless we can serve increasing passenger-miles of travel (PMT) and reduce the growth in vehicle-miles of travel (VMT) in the process, it will be impossible to improve significantly the operating efficiency of our highways and transit systems, meet clean air standards, serve social goals, reduce energy dependence, or sustain economic growth.

Better management of the relationship between VMT and PMT is essential in the years ahead, and increased vehicle occupancy is the central means of doing so. Increased vehicle occupancy must, therefore, lie at the heart of a new system of measuring success in transportation and transit investment.

Tier 1: The National Performance Perspective

Our basic national goals (and current problems) lie in several areas, including economic growth, environmental quality, energy independence, mobility, and the provision of basic human services.

The scope of federal oversight of transit performance should be broad and related directly to these few, basic goals and objectives. The national focus should be on information directly related to progress in achieving national goals. The national transit information base should include ridership and market share data, vehicle-occupancy data and travel time data. With this information, essential calculations can be made to identify reductions in vehicle emissions, energy use, congestion, and contributions to other national goals.

The federal government should *not* be involved in micro-managing or micro-measuring daily operations of transit systems. Over-emphasis at the federal level in recent years on data collection and calculation of internal operating efficiencies increasingly is inappropriate in light of: a) increasing federal mandates that add cost, restrict revenues and retard ridership, therefore reducing efficiencies; b) the lack of financial support to carry out mandates that negatively affect operating

performance; and c) the dominance of *non*-federal funding (now 80%) that supports transit services, a situation which suggests that judgments about operational matters and resource use be exercised more fully at the local level by those who pay the largest share of the bill.

Tier 2: Local Performance Perspective

The local tier of performance measures must be designed to reflect directly the unique mix of local goals, circumstances, and priorities.

Increased use of high-occupancy, shared-ride services should be a goal for all communities and transit agencies. The emphasis placed on that goal and the degree to which it can be achieved, however, may vary considerably from area to area.

Figure 8 illustrates how varying circumstances might lead to substantially different goal orientation for transit within individual communities. The changing mix of local goals must be accommodated in any system designed to monitor the success and performance of our transportation and transit investments.

One approach to sorting out the mix of goals at the local level is to promote or require, as a matter of federal policy, greater attention to long-range, regional strategic planning. Reinstituting a broader, strategic focus as a condition of federal transportation investment will encourage integrated consideration of the forces, factors, goals, and priorities affecting a particular community.

A stronger strategic planning function also will allow more effective public policy trade-offs to be made at the local and regional levels. These trade-offs might focus on land use controls versus transportation investments, highway versus transit strategies, public investment versus private investment, the needs of one travel market versus another, the requirements of one subarea versus another, the cost and priority of transportation versus other public services, development density, and design versus the level of public infrastructure investment. A strategic planning process also would provide an opportunity to relate more clearly local and regional goals to national goals. A host of communities recently have completed strategic planning programs with these purposes in mind.

Within tier two, a renewed commitment to quality, performance and economic efficiency in transportation investments continues to be of central importance in the years ahead. Assessments of economic efficiency however, must recognize that a number of specific

Figure 8
VARIATION IN TRANSIT MISSION TO REFLECT
VARYING LOCAL CIRCUMSTANCES AND PRIORITIES

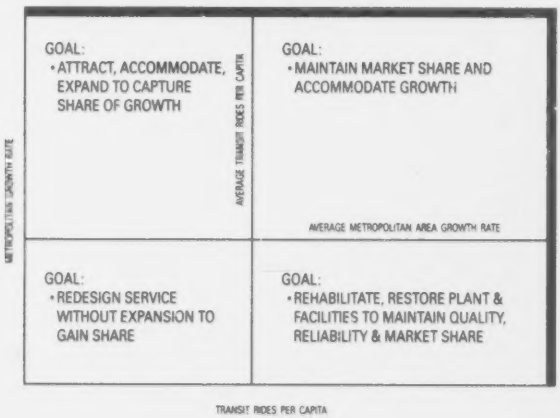
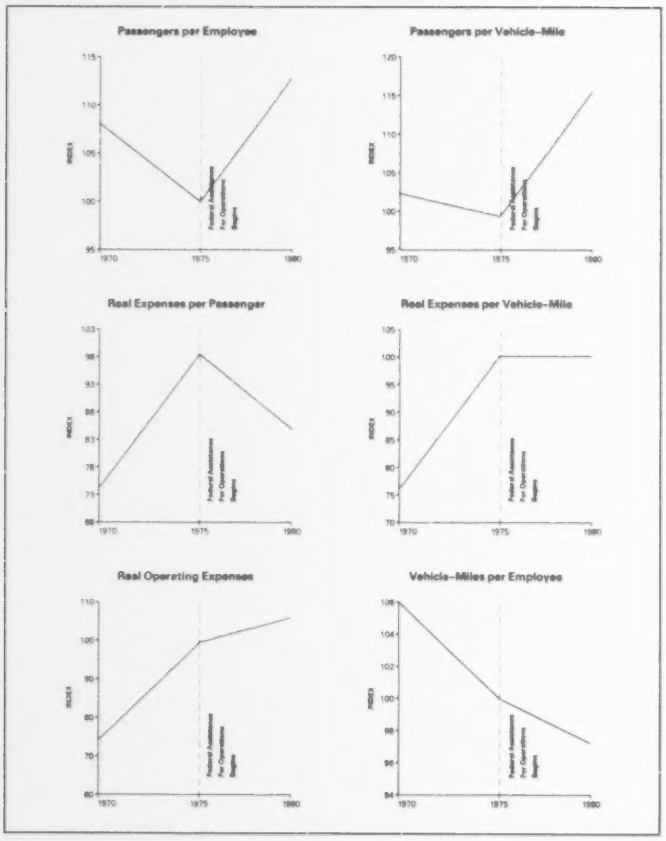


Figure 9
TRANSIT PRODUCTIVITY AND PERFORMANCE,
1970–1980



requirements and circumstances directly increase costs, reduce revenues, and restrain ridership growth:

- Increased congestion and the lack of separate rights-of-way or preferential treatment for transit and high-occupancy vehicles dramatically slows transit services operating in mixed traffic;
- Many of our traditional land use patterns and development controls substantially reduce the market for and the attractiveness of transit or other shared-ride services;
- Our continuing national commitment to numerous social and environmental goals including service for the elderly and those with disabilities, and the introduction of low-emission technologies increase costs;
- Numerous federal program requirements adversely affect performance, including charter and school bus restrictions that reduce revenue and ridership, low-bid procurement processes that result in incompatible equipment, and increased costs to maintain it; and,
- The public service nature of transit acts as a significant roadblock to maximum economic performance due to public expectations, priorities, and requirements for reasonable fares, frequent service, and broad service coverage. Each of these expectations introduces a conflict with the achievement of maximum economic efficiency.

Within the current setting, narrow use of aggregate cost, revenue and ridership data, give a distorted picture of performance. Transit has, for the most part, performed quite well under the complex circumstances that confront transit managers. The accompanying graphic clearly illustrates the progress that has been made as the intergovernmental partnership in transit has matured.

In considering the types of measures to be monitored in an operational setting, the measures in Figure 10 are considered to be of major significance by most transit managers. The most useful way of using these measures is either to monitor progress against previous years' performances or to measure progress against preestablished goals or standards set locally. Peer group comparisons also are useful, if varying conditions and circumstances among the communities being compared are taken into account properly.

A local or regional system of performance monitoring and measurement that includes attention to internal operating efficiency also must go beyond aggregate system-level data. Mobility and related problems often are concentrated in particular locations and occur at particular times. Local or regional performance measurement systems must be designed to allow observations at a suitable, disaggregated level. Information for particular corridors, specific sub-regions, peak hours, etc. is required. The ability to make disaggregated analyses is critically important for public transportation, where the greatest advantages are likely to emerge from efforts to address specific markets and subregional problems.

Figure 10
BASIC MEASURES FOR ASSESSING INTERNAL OPERATING EFFICIENCY

- Total Ridership
- Rides per Capita
- Passenger-miles/Vehicle-miles
- Cost per Passenger-mile
- Cost per Passenger
- Farebox Recovery Ratio
- Passenger per Vehicle-Mile
- Passenger per Service-Hour
- Passenger per Employee

Summary

A two-tiered approach to assessing the effectiveness and performance of our transportation investments could provide a much more useful policy and management tool in the years ahead. Linking such a measurement system with a carefully designed series of incentives could further promote actions to enhance transit performance and clearly determine what investments, both transit and highways, are most effective and desirable in meeting both national and local goals.

Our entire transportation system must be managed with renewed attention to both operational efficiency and success in meeting broader goals. To fulfill the highest standards of public stewardship, the transit industry is dedicated to:

1. A two-tiered concept of performance-based management that effectively relates performance to both major national goals and to the varying local goals to be served by each of our transit and transportation systems;
2. Strengthening our investment in human resources, and enhancing the qualifications, skills and capabilities of the entire transit work force, including policymakers, managers, and operations personnel; and,
3. Expanding research and experimentation in management and administrative practices, operations, and technology.

A continuing commitment to improving quality and performance is vital in order to serve the traveling public fully, and to make claims on the public and private resources necessary to improve and expand transit services and enhance mobility.

Appendix
TRANSIT 2000 BACKGROUND PAPERS

Throughout the course of the Transit 2000 project, a variety of background papers and related information have been prepared which explore in greater detail the issues and ideas presented in this report. The following material was prepared by Transit 2000 working groups and by other APTA committees on behalf of the Transit 2000 Task Force. They are available through the American Public Transit Association Information Center.

1) "Major External Influences and Their Threats and Opportunities: A Summary Report of the Transit External Environment Working Group."

2) "The External Environment of Public Transit to the Year 2000: A Speculative Assessment," prepared for the Transit 2000 Task Force by Alan Pisarski, January 1988.

3) "Demographic Factors and the Future Demand for Public Transit," prepared for the Transit 2000 Task Force by Dr. Gregory Spencer, January 1988.

4) "Energy and the Environment," prepared for the Transit 2000 Task Force by the New York City Department of Environmental Protection and the Mayor's Office of Energy and Telecommunications, January 1988.

5) "Issues and Opportunities for Transit: An Exploration of Changes in the External Environment and Land Use and Development Trends," prepared for the Transit 2000 Task Force by Elizabeth Deakin, January 1988.

6) Interim Report of the Transit 2000 Task Force, October 1988.

7) Executive Summary of the Interim Report of the Transit 2000 Task Force, September 1988.

8) "The Mission of Transit in the 21st Century: A Summary Report of the Transit 2000 Mission Working Group."

9) "Measuring Performance and Success in Transit: A Summary Report of the Transit 2000 Performance Working Group."

10) "Forces and Factors that Influence Performance in Public Transit: A Background Paper by the Transit 2000 Performance Working Group."

11) "Transportation Management Association," Public Transportation Partnership for Tomorrow," a staff paper prepared for the Transit 2000 Task Force.

12) "Federal Programs and Policies for the 21st Century: An Advance Report of the Transit 2000 Intergovernmental and Finance Working Group."

13) "Transit Investment Requirements," a staff paper prepared for the Transit 2000 Task Force.

14) "Transportation and Air Quality," prepared by Transit 2000 and allied Transportation and Environmental Interests.

15) "Building Better Communities: Coordinating Land Use and Transit Planning," a brochure produced for the Transit 2000 Task Force by the APTA Policy and Planning Committee, September 1989.

16) "Land Use and Transit Planning: Workbook of Approaches and Techniques," produced for the Transit 2000 Task Force by the APTA Policy and Planning Committee.

17) "Transit and Air Quality: A Monograph on Emissions Reductions," produced for the Transit 2000 Task Force by APTA staff.

Transit 2000 Task Force

Mr. Robert R. Kiley
Chairman
Metropolitan Transportation Authority
347 Madison Avenue
New York, NY 10017-3706
FAX (212) 878-3706
(212) 878-7000

Mr. Joseph Alexander
Board Member
Washington Metropolitan Area Transportation Authority
6107 Craft Road
Alexandria, VA 22310
(703) 971-6262

Mr. Charles Anderson
Executive Director
Dallas Area Rapid Transit
601 Pacific
Dallas, TX 75202
(214) 748-3278

Mr. Michael P. Bolton
Executive Director
Ann Arbor Transportation Authority
2700 South Industrial Highway
Ann Arbor, MI 48104
FAX (313) 973-6338
(313) 973-6500

Mr. John A. Bonsall
General Manager
Ottawa-Carleton Regional Transit Commission
1500 Saint Laurent Boulevard
Ottawa, Ontario
Canada K1G 0Z8
(613) 741-6440

Mr. Henry C. Church
General Manager
Greater Richmond Transit Authority
101 South Davis Avenue
P.O. Box 27323
Richmond, VA 23261-7323

Mr. James E. Cowen
General Manager
Tri-County Metropolitan Transportation District of Oregon
4012 Southeast 17th Avenue
Portland, OR 97202-3993
FAX (503) 239-6451
(503) 238-4915

Mr. Lawrence Dahms
Executive Director
Metropolitan Transportation Commission
101 Eighth Street
Oakland, CA 94607
FAX (415) 464-7848
(415) 464-7700

Mr. Sidney Dancoff
Board Member
Regional Transportation Authority
One North Dearborne Street
Suite 1100
Chicago, IL 60602
(312) 917-0700

Mr. Richard F. Davis
General Manager
Kansas City Area Transportation Authority
1320 East 17th Street
Kansas City, MO 64108
(816) 346-0200

Mr. Mortimer L. Downey
Executive Director & Chief Financial Officer
Metropolitan Transportation Authority
347 Madison Avenue
New York, NY 10017-3706
FAX (212) 878-7031
(212) 878-7174

Mr. Gerard L. Drake, P.E.
Senior Vice President
Wilbur Smith Associates
282 Second Street, 2nd Floor
San Francisco, CA 94105
(415) 896-0670

John A. Dyer
Consultant
David R. Miller Associates
10727 White Oak Avenue
Suite #122
Granada Hills, CA 91344
(818) 888-1138

Mr. Michael G. Ferreri
Senior Vice President
Booz, Allen & Hamilton, Inc.
400 Market Street
Suite 900
Philadelphia, PA 19106

Mr. Warren H. Frank
Board Member and Executive Director
Central New York Regional Transportation Authority
One Centro Center
200 Cortland Avenue
Drawer 820
Syracuse, NY 13205-0820
(315) 471-2100

Mr. S. Thomas Gagliano
Executive Director
New Jersey Transit Corporation
McCarter Highway & Market Street
P.O. Box 10009
Newark, NJ 07101
(201) 643-7471

Mr. Louis J. Gambaccini
Chief Operating Officer/General Manager
Southeastern Pennsylvania Transportation Authority
714 Market Street
The Sovereign Building
Philadelphia, PA 19106
(215) 574-7300
FAX (215) 574-7328

Ms. Miriam L. Gholikely
Board Member
San Mateo County Transit District
945 California Drive
Burlingame, CA 94010-3696
(415) 872-6748

Mr. Robert L. Graham
President
Graham Sales Corporation
19800 Nordhoff Place
Chatsworth, CA 91361
(818) 998-2500

Mr. Delon Hampton, P.E.
President
Delon Hampton & Associates
111 Massachusetts Avenue, N.W.
Suite 400
Washington, DC 20001
(202) 898-1999

Mr. Ronald J. Hartman
General Manager/Administration
Mass Transit Administration of Maryland
300 West Lexington Street
Baltimore, MD 21201-3415

Mr. Lawrence W. Jackson
President
Long Beach Transit
1300 Gardenia Avenue
P.O. Box 731
Long Beach, CA 90801
(213) 426-4148

Mr. Harold C. Jenkins
General Manager
Cambria County Transit Authority
726 Central Avenue
Johnstown, PA 15902-2996
(814) 535-5526

Mr. Richard R. Kelly
Vice President and General Manager
Port Authority Trans-Hudson Corporation
One World Trade Center
Suite 62W
New York, NY 10048

Mr. Alan F. Kiepper
Chief General Manager
Metropolitan Transit Authority of Harris County
500 Jefferson
P.O. Box 61429
Houston, TX 79708-1429
(713) 739-4000
FAX (713) 739-4925

Mr. Allan F. Leach
Chief General Manager
Toronto Transit Commission
1900 Yonge Street
Toronto, Ontario
Canada M4S 1Z2
(416) 393-4000

Mr. James A. Machesney
Vice President and General Manager
Bus Products Division
Vapor Corporation
6420 West Howard Street
Chicago, IL 60648-3394
(312) 967-8300

Mrs. Reba Malone
Chance Coach, Inc.
Minten Plaza
3859 East Southcross
Suite G-1
San Antonio, TX 78222
(512) 333-0513

Mr. William W. Millar
Executive Director
Port Authority of Allegheny County
2235 Beaver Avenue
Pittsburgh, PA 15233
(412) 237-7311
FAX (412) 237-7101

Mr. Ernie A. Miller
3320 Symphony Lane
Clinton, OH 44216
(216) 825-7421

Mr. Larry E. Miller
Project Manager
Gannett Fleming West, Inc.
Seattle, WA

Mr. Larry Miller
President
American Seating Company
901 Broadway, N.W.
Grand Rapids, MI 49504

Mr. James Mills
Chairman
San Diego Metropolitan Transit Development Board
620 C Street, Suite 400
San Diego, CA 92101-5368
(619) 231-1466

Mr. James F. O'Leary
President
Alternate Concepts, Inc.
99 Summer Street
14th Floor
Boston, MA 02110
(617) 951-0509
FAX (617) 951-0513

Mr. James L. O'Sullivan
General Manager
AC Transit
1600 Franklin Street
Oakland, CA 94612
(415) 891-4777

Mr. Mark Obert
Vice Chairman
The Flexible Corporation
2015 Washtenaw
Ann Arbor, MI 48104
(313) 994-8000
FAX (313) 662-3600

Mr. Robert E. Paaswell
167 W. Goethe
Chicago, IL 60610
(312) 266-7561

Mr. Neil Peterson
Executive Director
Los Angeles County Transportation Commission
403 West Eighth Street, Suite 500
Los Angeles, CA 90014-3096
(213) 626-0370

Mr. Phil Ringo
Miami Valley Research Park
3985 Founders Drive
Dayton, OH 45420
(513) 259-6978

Mr. Claude G. Robinson
6475 28th Street, S.E.
Suite 325
Grand Rapids, MI 49546
FAX (616) 956-6870
(616) 949-7568

Mr. Leonard Ronis
Associate Consultant
Parsons, Brinckerhoff, Quade & Douglas
24617 Duffield Road
Beachwood, OH 44122
FAX (216) 765-8839
Capitol Creation Co.
(216) 831-0222

Mr. Alfred H. Savage
Executive Director
Niagara Frontier Transportation Authority
181 Ellicott Street
P.O. Box 5008
Buffalo, NY 14205
FAX (716) 855-7657
(716) 855-7300

Mr. Daniel T. Scannell
First Vice Chairman
Metropolitan Transportation Authority
347 Madison Avenue
New York, NY 10017-3706

Mr. Richard J. Simonetta
General Manager
Central Ohio Transit Authority
1600 McKinley Avenue
Columbus, OH 43222
(614) 275-5800

Mr. Roger Snoble
President and General Manager
San Diego Transit Corporation
P.O. Box 2511
San Diego, CA 9112-2511

Mr. Ronald J. Tober
General Manager
Greater Cleveland Regional Transit Authority
615 Superior Avenue, NW
Cleveland OH 44113
(216) 566-5100
FAX (216) 781-0144

Mrs. Carmen Turner
General Manager
Washington Metropolitan Area Transit Authority
600 Fifth Street, NW
Washington, DC 20001
(202) 962-1000

Mr. David L. Turney
President
Luminator
1200 East Plano Parkway
Plano, TX 75074
FAX (214) 423-8515
(214) 424-6511

Mr. William L. Volk
Managing Director
Champaign-Urbana Mass Transit District
801 East University Avenue
Urbana, IL 61801-2096
(217) 384-8188

Mr. Theodore G. Wiegle, Jr.
Executive Director
Regional Transportation Authority
One North Dearborn Street
Suite 1100
Chicago, IL 60602
FAX (312) 917-0846
(312) 917-0700

Mr. Leslie R. White
Executive Director
Clark County Public Transportation Benefit Area Authority
P.O. Box 2729
Vancouver, WA 98668-2529
(206) 696-4494

American Public Transit Association
1201 New York Avenue, N.W.
Washington, DC 20005

American Public Transit Association
1201 New York Avenue, N.W.
Washington, DC 20005

Smith & Howard Associates, Inc.
P.O. Box 9406
McLean, VA 22102-0406

Phone: 703-356-3777 FAX: 703-847-9425

March 21, 1990

The Honorable Norman Y. Mineta
Chairman, Surface Transportation Sub Committee
House Public Works Committee
Washington, D.C. 20515

Dear Mr. Chairman,

On March 20, 1990 I had the privilege of appearing before your subcommittee as a member of a panel representing the American Public Transit Association. My specific role was to represent the views of APTA's Associate Members, which for the most part, consists of equipment suppliers, engineering firms and consultants.

In responding to your question on the impact of future funding levels on the supplier side of our industry I neglected to include a very important point. The APTA Associate Members strongly support increased funding for transit research and development. This view is also shared by the public operator members of APTA.

There is a very clear need for research into new technology introduction and innovative techniques if the industry is to remain competitive with world suppliers. Such research takes on even greater meaning if the industry is to develop, test and manufacture equipment that will meet the clean air standards now being mandated in many of our major urban areas.

As part of the term "research and development" we include not only hardware and equipment needs, but also the need for improved human resource projects as well as providing better training for managerial, technical, professional and supervisory personnel.

We seek your personal support, and that of your subcommittee, for an authorized R&D funding level that bears some percentage relationship to the overall funding for mass transit. This would be similar to the way research is funded in the highway program. While not yet agreeing on what that percentage should be, APTA considers three percent of the total transit program to be within an acceptable range.

It would be appreciated if you would make this matter a part of the record as you consider the reauthorization of the Surface Transportation Assistance Act.

With appreciation and best wishes for your continued success.

Irving P. Smith

REAUTHORIZATION OF THE POST-INTERSTATE SURFACE TRANSPORTATION PROGRAMS

THURSDAY, MARCH 22, 1990

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON SURFACE TRANSPORTATION,
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:05 a.m. in room 2253, Rayburn House Office Building, Hon. Norman Y. Mineta [chairman of the subcommittee] presiding.

Mr. MINETA. Before we begin, I will insert into the record at this point, the summary of subject matter for today's hearing.

38-253 O—91——42

SUMMARY OF SUBJECT MATTER
SUBCOMMITTEE ON SURFACE TRANSPORTATION
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
HIGHWAY SAFETY PROGRAMS
2253 RAYBURN HOUSE OFFICE BUILDING
THURSDAY, MARCH 22, 1990
10:00 A.M.

The Highway Safety Act of 1987, Title II of the Surface Transportation and Uniform Relocation Assistance Act (STURAA) of 1987, authorizes funds for highway safety programs administered by the National Highway Safety Administration (NHTSA) and the Federal Highway Administration (FHWA).

Section 402

Section 402 was created by the Highway Safety Act of 1966, Public Law 89-564. States must establish highway safety programs that comply with guidelines which the Secretary, by rulemaking, has determined to be most effective in reducing accidents, injuries, and deaths. Only those programs identified are eligible for Section 402 funding. The following programs are eligible for Section 402 state and community funding grants:

NHTSA-administered Program Area

(1) Occupant protection
(2) Alcohol and other drug countermeasures
(3) Police traffic services
(4) Emergency medical services
(5) Traffic records
(6) Motorcycle safety

FHWA-administered Program Area

(1) Roadway safety

Two percent of 402 funds are set aside for seat belt programs and 20 percent for 55/65 mph speed limit enforcement. The Act permitted states to raise the speed limit from 55 mph to 65 mph on rural segments of the Interstate Highway System located outside of municipalities of 50,000 population or more. Highways posted at 65 mph are not subject to enforcement requirements. The Subcommittee will be considering proposals for establishing a speed limit compliance requirements for both 55 and 65 mph posted highways.

Section 403

NHTSA-administered Program Area

Section 403 was also created by the Highway Safety Act of 1966. NHTSA receives funds under section 403 to conduct safety research. The research includes the collection and analysis of data to determine the relationship between driver performance characteristics and crashes causing death and personal injury.

FHWA-administered Program

FHWA receives funds under section 403 to engage in research in all phases of the FHWA-administered highway safety program.

Other Highway Safety Programs

The Hazard Elimination Program is authorized to require each state to conduct and maintain an engineering survey of all public roads to identify and to eliminate hazardous locations, sections and elements.

The rail-highway crossing program requires each state to conduct and systematically maintain a survey of all highways to identify public rail-highway crossings which may require separation, relocation or warning devices. The states must also establish and implement a schedule of projects to improve safety.

AUTHORIZATIONS

HIGHWAY SAFETY							
State & Community Grants							
NHTSA	$ 132[10]	$ 126	$ 126	$ 126	$ 126	$ 126	$ 630
FHWA	10	10	10	10	10	10	50
Research & Development Grants							
NHTSA	31	33	33	33	33	33	165
FHWA	13	10	10	10	10	10	50
Elimination of Hazards	200	170	170	170	170	170	850
Rail-Highway Crossings	190	160	160	160	160	160	800
National Driver Register	2						
TOTAL FISCAL YEAR AUTHORIZATIONS—HIGHWAY SAFETY	**$ 578**	**$ 509**	**$ 509**	**$ 509**	**$ 509**	**$ 509**	**$ 2,545**

Mr. MINETA. The Subcommittee on Surface Transportation will please come to order.

Today we are continuing a series of hearings relating to the reauthorization of the surface transportation issues of highways, bridges, and mass transit. Today we are going to be concentrating primarily on safety issues.

At this time I would like to call forward a very fine colleague from California, the Honorable George E. Brown.

Congressman Brown, we have your statement. It will be made a part of the record. Please go ahead and proceed in your own fashion, sir.

TESTIMONY OF HON. GEORGE E. BROWN, JR., A REPRESENTATIVE IN CONGRESS FROM CALIFORNIA

Mr. BROWN. Thank you, Mr. Mineta.

I appear before you with a great deal of humility this morning since I am not an expert in the issues which this subcommittee deals with and I know the great amount of work and effort that you and others on the subcommittee have made.

I come before you today because of a particular problem in my district that is within the purview of the subcommittee. I have been asked to take some appropriate action on, and I believe that the appropriate action is to support H.R. 3389, the Billboard Control Act.

As my statement indicates, we have a rather serious situation involving billboards on the major freeways which traverse my district. The number of billboards along the freeways is getting to the point where it is ridiculous.

What is happening at the present time, and what has aroused the very strong interest of local officials and local citizenry throughout my district, is the fact that the major freeways—the Route 10 Freeway, which goes from Los Angeles on out into the desert, and the Route 60 Highway, which goes from Los Angeles out to Riverside—are both historic routes lined with historic trees, as a matter of fact, some of which are 100 years old. We have a situation now where there is a battle developing between those who want to save those trees, and those who want to replace them with additional billboards.

We believe that a much more aggressive role is needed on the part of the Federal Highway Administration to enforce the provisions of the Highway Beautification Act along I-10 and I-60.

Of course, I don't want to be parochial. I suspect this same situation occurs throughout California and throughout the United States and we have to do something about this problem.

It is ridiculous to cut down beautiful, 100-year-old trees which line these freeways in order to put up more billboards. It is being argued that we want to cut down some of these trees in order to preserve the remainder of them. What they are planning on doing is selling the additional billboard space in order to finance an irrigation scheme for the remaining trees.

You know, this is just another step down the road to the removal of all our natural beauty on the freeways and replacing it with man-made features which are not beautiful, and which in many

cases are distractive, and reduce the safety of the highway. I urge the subcommittee to look with favor upon the proposed legislation by Congressman Lewis and others that would help to ameliorate this situation.

This is not a matter without serious political significance and importance. It has become a major issue in the communities throughout my district. The center of it is Fontana—probably the most rapidly-growing city in Southern California, which has grown from a sleepy little pig farm to a metropolis of nearly 100,000 people. It involves the communities of Rialto, Colton, Ontario, San Bernadino, and various other communities in that area.

So if I could, I ask for the sympathetic consideration of the members of the committee for this problem and constructive action on your part. I would be very grateful.

That concludes my statement, Mr. Chairman.

Mr. MINETA. Thank you very much, Mr. Brown.

During the time of the meetings of the National League of Cities I did happen to have an opportunity to meet with a member of the city council from Fontana who also brought this very similar message. To me it doesn't make much sense to have the State of California putting in an irrigation system for eucalyptus trees and then having them turn right around and start trimming those trees down so they can make the billboards more visible.

Now, the existing provisions of the Highway Beautification Act require the payment of "just compensation" for the removal of non-conforming billboards along Federal aid interstate and primary highways. This bill would require the removal of all non-conforming billboards by 1995 without the payment of just compensation.

I am wondering, in that regard, do you support amortization as a means of compensation for owners of non-conforming billboards? Of course, amortization would be just a way of determining the remaining value of those boards and paying the owners of those boards.

Mr. BROWN. Mr. Chairman, we have a responsibility to be fair; however, fair is sometimes in the eye of the beholder. I don't believe in taking private property without proper compensation. The questions of the most appropriate way of evaluating the value of that property and how to provide the compensation are questions that I think the subcommittee ought to look at very closely. I think it is quite possible to work out non-cash means of compensating billboard owners for the removal of non-conforming billboards and these methods should be sought.

Mr. MINETA. Very well. Thank you very much, Mr. Brown, for your testimony and adding to our deliberations.

Let me ask Mr. Boehlert if he has any questions.

Mr. BOEHLERT. No questions. That was a usual fine statement from our colleague.

Mr. BROWN. Knowing the great wisdom of both of the gentlemen up there, I am sure that you will translate my remarks into something that will be extremely important. [Laughter.]

Mr. BOEHLERT. We'll do our best.

Mr. MINETA. We already have.

[Mr. Brown's prepared statement follows:]

STATEMENT OF
CONGRESSMAN GEORGE E. BROWN, JR.

before the
Public Works and Transportation Subcommittee
on Surface Transportation

March 22, 1990

Mr. Chairman, thank you for the opportunity to testify today on behalf of H.R. 3389, the Billboard Control Act.

The Highway Beautification Act of 1965 established a national policy and program for the control of outdoor advertising along federally funded interstate and primary highways. The Act was passed because Congress recognized the need to promote the safety of public travel, and to preserve natural beauty along our federal highways. Under this law, each state is required to develop and administer a sign-control program consistent with the national policy. As funding for the Federal Highway Administration declined, however, oversight of the state plans decreased dramatically. Furthermore, current compensation requirements have made it difficult to remove non-conforming billboards from the highways.

The General Accounting Office (GAO) conducted a study in 1985 which concluded that the goals of the Highway Beautification Act are not being realized. The GAO study recommends that Congress must reevaluate the current requirements governing billboards, and I believe that the Reauthorization of the Federal-Aid Highway Program gives us an excellent opportunity to look at how we can protect the integrity of our national highway system.

Let me illustrate the seriousness of the problem in Southern California. In the district which I represent there are 32 billboards located on a 1.2 mile stretch of the Interstate 60! A 14 mile segment of the Route 10 Freeway between Ontario and San Bernardino contains 82 billboards! An interesting irony is that several of these signs contain environmental messages. There are so many billboards that several are empty. Those that are used contain advertisments for items such as fast food, motels, hair spray, beer, gum, and telephone services. Residents of this area spend up to three and four hours a day commuting on these "decorated" freeways. Not only do the billboards pollute the sides of our freeways, but they also present a visual hazard which distracts drivers.

Since the state is responsible for regulating these billboards, I am shocked that the California state transportation agency recently proposed adding more billboards on I-10 in Fontana. Caltrans's proposal calls for laying six miles of irrigation along the freeway, ostensibly for the purpose of irrigating the eucalyptus trees which line the freeway. This

will be paid for primarily by erecting several new billboards--which will require removing 236 eucalyptus trees and trimming another 101 to improve billboard visibility. It is ridiculous to cut down these healthy trees in order to fund an irrigation system for them. These trees are at least 100 years old, and have served as a symbol for Fontana over the years. Several of the trees are dying, and the cities along the I-10 corridor agree that an irrigation system should be laid to preserve the healthy trees. What Fontana needs is a way to pay for irrigation; not a back-door attempt to install new billboards.

Mr. Chairman, I urge the Subcommittee to reevaluate the laws governing outdoor advertising along federally funded highways and interstates. The problems that I have discussed can be used to illustrate how the goals of the Highway Beautification Act of 1965 have yet to be realized. A remedy is clearly needed if we are to protect the public's investment in the federal highway system, and I believe that H.R. 3389 is a step in the right direction.

Mr. MINETA. Let me call forward our colleague, Congressman Jim Cooper of Tennessee.

TESTIMONY OF HON. JIM COOPER, A REPRESENTATIVE IN CONGRESS FROM TENNESSEE

Mr. COOPER. Thank you, Mr. Chairman.

I ask unanimous consent to put my statement in the record.

Mr. MINETA. Your full statement will appear in the record following your oral remarks.

Mr. COOPER. I would urge you to consider strongly encouraging the States to pass seatbelt legislation and helmet legislation for motorcycle riders. This is an issue which should be as close to us as motherhood and apple pie; yet, unfortunately, when we examine it more closely it turns out that Mom isn't so popular and many people have lost their taste for the apple pie.

As this committee is aware, traffic accidents exact a terrible death toll in this country of people of all ages, but they are the number one killer of Americans between ages 1 and 30.

According to the Department of Transportation, if we had had all of our highway passengers and motorcyclists buckle up and put on helmets we could have saved 15,000 lives in 1987, alone, and we could have saved $7 billion. Yet, today only a minority of Americans buckle up or put on a safety helmet, and many of those who do not claim that it is their privacy or that they don't want government intruding on them in their automobile or on that motorcycle.

There are three basic myths that the other side likes to put forward on this issue. First is the myth of traffic safety. The common American impression is that air crashes are the leading danger we face, and I think 389 Americans died in air crashes last year; 45,000 Americans died on the road. Yet, this myth persists that somehow getting in your car or riding a motorcycle is relatively safe.

The equivalent is this: our death toll on the highways is the same as if three jumbo jets crashed every week full of passengers with no survivors. Yet, the air crashes get headlines and our highway victims get tombstones.

There is another myth that is peddled. It is the myth of the ineffectiveness of the seatbelt or the helmet. First of all, unfortunately, for too many people it is too late for them to change their mind. They are already dead by the time they wish they could have used the safety restraint.

In an important Tennessee study conducted by the University of Tennessee they have found that victims are dead on arrival nine times more often when they are unbelted than when they were belted, and some 2,000 motorcyclists die each year just because they weren't wearing a safety helmet.

Another myth is the myth of government intrusion. The argument is that government has no business policing this sort of behavior. But, unfortunately, when the victim is in the hospital I feel they are imposing on the U.S. taxpayer when they ask us to pay their medical bills. Between one-third and two-thirds of medical costs for these victims are paid for by the U.S. taxpayer in one gov-

ernment health care program or another. It also increases our hospital bills and insurance rates.

There are studies that indicate that some three-quarters of motorcycle riders have no health insurance whatsoever. Completely unprotected, just ready to cast a health care burden on the U.S. taxpayer.

My proposal really is very simple. It is to buckle up and put on helmets. It should be, as I said earlier, as simple as motherhood and apple pie. Unfortunately it is not.

While 33 States do have seatbelt laws and 22 States do have helmet laws, we still have a long way to go both in getting the other States to conform and in terms of getting high usage rates in the States like my own, Tennessee, which have both laws but which don't have the usage rates that we would like to see.

My proposal is very simple, direct, cost-effective, cheap. All it does is save lives, prevent injury, and save taxpayer money. Yet there has been this traditional barrier there that has cost us an enormous carnage of our own citizens that has prevented us from taking proper action.

I would ask that we set aside $95 million—although this amount is, of course, negotiable in the wisdom of this committee—get that money from the Highway Trust Fund. Set it aside first to encourage the remaining States to pass conforming laws, and also encourage States which have laws to boost their usage rates. That would be the carrot.

The stick would be that after a period of time, if States had not passed these laws, then we would withhold a portion of their highway construction money. We would grant these States that were slow in protecting the lives of their own citizens a time period in which they could change their minds and recoup all the Highway Trust Fund construction money that they had lost.

My approach is to basically use the carrot and the stick to get American States to save the lives of their own citizens, to prevent injury, and to lower taxpayer expense.

I appreciate this distinguished committee listening to my remarks. I feel that unless we take action—long overdue action—all we are going to be doing is burying another generation of our young.

Thank you very much.

Mr. MINETA. Thank you very much, Congressman Cooper.

The approach you take of the withholding of highway funds, of course, is used in certain instances. But I am wondering, before we get to that point, do you think that as a first step before requiring mandatory motorcycle helmet laws that it might be productive to have, as you said, some kind of a concentrated public information and education campaign so that we might encourage motorcyclists to wear helmets? I take it that that's the primary use of what you are thinking about in terms of that $95 million authorization amount.

Mr. COOPER. Absolutely. I would much rather use the carrot than the stick. I would much rather have Americans on their own use the seatbelts that are already in their cars.

Mr. MINETA. And in your approach, how long would you have this campaign go on before the stick comes down?

Mr. COOPER. My time frame is designed to be quite flexible. I would like to get your guidance on this. I had thought a period of four years would be enough to give the public time to learn about safety advantages and to give state legislatures, particularly those that only meet every two years, time to implement legislation.

I don't wish to bring the dreaded hand of Federal Government down hard on anyone. My only goal is to try to educate people so that they know how to save their own lives.

Mr. MINETA. Now, Maryland is considering legislation to require insurance coverage similar to that required for operators of other types of motor vehicles. In your view, if such laws were adopted by States would that be a viable alternative to a mandatory helmet law?

Mr. COOPER. There are different approaches that could be used. If you are not wearing your helmet, though, even if you are fully insured, someone is going to have to pay a big cost. So while the Maryland solution seems to be an answer, it is only a partial answer in my view.

Mr. MINETA. You are absolutely correct about insurance coverage and the total cost and who bears that cost. There is no question that the public bears a very large percentage. I have forgotten what it was. I believe it was in excess of 60 percent that the public bears because most of those who are involved in motorcycle accidents don't have insurance of any kind and they generally then have also head injuries or other kinds of very serious injuries that require prolonged medical care. That has been borne by the public sector because of the lack of insurance.

Mr. COOPER. There is even a study in Seattle, Washington, which indicates that only 1 percent of the cost of health care is borne by the accident victim, himself or herself; two-thirds by the government, one-third or less by insurance companies, but the victim, himself, is only hooked for 1 percent of the cost.

Mr. MINETA. Congressman Boehlert?

Mr. BOEHLERT. I want to thank you for a very fine statement. I have been a strong proponent of seatbelt legislation. We have it in New York, and I think it works.

But, quite frankly, I haven't thought much about helmets for people riding motorcycles. Do you have any comparative figures that you might be able to provide us? You say 22 States do have the legislation on the books.

Mr. COOPER. There are several studies that indicate the helmet law, in particular, since it is so easy to enforce—it is much easier to tell whether someone is not wearing a helmet when they drive by a police car than it is whether they are wearing a lap belt, for example—that usage rates go way, way up once a helmet law is in place. You can get something like 95 percent compliance once a law is on the books. It is very visible and very easy to police.

Mr. BOEHLERT. Have you ever heard of a group called ABATE? Is that a national group or just a New York group?

Mr. COOPER. I think it is a national group.

Mr. BOEHLERT. I have had some people into my district office from this group and they are very responsible people, but they are strongly opposed to any helmet legislation. They make the argument that—I don't know if they can document—that in so many

cases where helmets have been worn there are more neck injuries than had they not had helmets. I don't know if that has any merit whatsoever.

Mr. COOPER. The doctors I have talked to refer to most motorcycles as "organ donor machines." They get disgusted every time a preventable injury was not prevented. Their profession is, of course, to save human lives.

Mr. BOEHLERT. Sure.

Mr. COOPER. It is my understanding that the overwhelming majority of doctors feel that it is a vital safeguard to protect your own head; otherwise, the risk of severe brain injury is overwhelming. Of course, the cost of life care for a brain-dead victim is astronomical.

Mr. BOEHLERT. I want to thank you very much for a very fine statement.

Mr. COOPER. Thank you.

Mr. MINETA. Congressman Cooper, thank you very much for being before us and adding your voice to this very important area.

Mr. COOPER. Thank you, Mr. Chairman.

[Mr. Cooper's prepared statement follows]

TESTIMONY OF CONGRESSMAN JIM COOPER

BEFORE THE SUBCOMMITTEE ON SURFACE TRANSPORTATION

MARCH 22, 1990

Mr. Chairman and Members of the Subcommittee, thank you for this opportunity to testify on the important matter of highway safety.

Traffic accidents are the number one killer of Americans ages 1 to 30, and Congress should reduce this threat.

I am here to ask you to include provisions, as you draft the highway reauthorization bill, which will strongly encourage every State to adopt seatbelt and helmet legislation.

According to the Department of Transportation (DOT), if we had all automobile passengers buckle up and all motorcyclists wear their helmets, 12,000 people would have been saved from death in 1987, and Americans would have saved $7 billion in costs of injury.

Today, only a minority of Americans wear their belts or helmets.

Too many politicians have let themselves be swayed by the few who complain that it is somehow "government intrusion" or that seatbelts and helmets are cumbersome.

These opponents of helmet and safety belt laws are trying to push three myths.

1. The Myth of Traffic Safety.

We hear people all the time who think airlines are more

dangerous, who think they're safer in their own car. They certainly don't complain when the airlines requiring them to buckle up during landings and takeoffs. And they're buying flight insurance policies by the thousands.

But airline crashes killed only 389 people last year. Vehicular crashes killed 45,000 last year in over 20 million major traffic accidents. That's like having three jumbo jets crash every week with no survivors. Would we do nothing if three jets crashed every week of the year?

And this does not even take into account the injuries. Motor-vehicle accidents leave 1.8 million people disabled each year, 150,000 of them permanently. They produce more paraplegics and quadraplegics than all other causes combined. And crashes are a major cause of epilepsy and cerebral palsy, as well.

2. The Myth of Ineffectiveness.

The opponents of mandatory use laws will try to cast doubt on how effective seatbelts and helmets are. They complain that they're uncomfortable and unnecessary.

But few ever complain about seatbelt or helmet laws after they or a loved one has been in an accident.

It's a grim statistic, but in Tennessee last year, unbelted automobile crash victims were found Dead-On-Arrival 9 times more often than belted victims. And almost 2000 motorcyclists die each year because they didn't wear their helmets.

Do you think any of these victims would have complained if they had worn their protection instead?

3. The Myth of Government Intrusion

The opponents of these laws will tell you that this is government intrusion into the privacy of their own cars and motorcycles. But when end up in the hospital because they don't wear their protection, they impose on us taxpayers to pay their medical bills.

Traffic accidents are not just deadly, they are also extremely costly. The cost of injuries to automobile and motorcycle riders sustained in 1985 was $40 billion total, according to a Johns Hopkins report to Congress. The study found that the average cost per fatal injury was $352,042, and for a hospitalized victim, $43,409.

The taxpaying public pays for these bills twice -- through our taxes and through our hospital bills and insurance premiums.

Estimates are that Government programs, especially Medicaid and Medicare, directly pay for one-third to two-thirds of all medical costs of traffic injuries.

On top of that, many uninsured victims who are not eligible for these programs simply do not pay their bills. Findings show that 75% of motorcyclists do not even have hospitalization insurance. Hospitals are then forced to pass their costs on to

the rest of us through higher charges. That means not only higher hospital costs but also higher insurance rates for us.

A startling study of injured motorcyclists admitted at a Seattle trauma center found that the victims paid less than 1 percent of their treatment costs, while the Government picked up the largest part of the tab. For each of the most severely injured victims, the public paid an average of $113,307 in medical costs.

Why should we pay these costs when a simple precaution on the part of the injured could have saved us this money?

Proposal: The Answer is Simple -- Buckle Up.

Many states have been wise enough to pass mandatory use laws. In these states, 20,000 lives and hundreds of millions of dollars have already been saved in the last 5 years. Seatbelt and helmet laws cost almost nothing. And they cut our traffic fatality rate sharply without new bureaucracies or unforeseen consequences.

Before the first state law passed in 1984, nationwide seat belt use rates were an abysmal 13 percent. With laws on the books in the majority of states, rates rose to a national average of 47 percent at the end of 1988. In states with helmet laws, over 98 percent of passengers and drivers wear helmets as compared to less than 50 percent elsewhere.

Clearly, mandatory use laws are effective, but they are not

widespread enough.

17 States still have no seatbelt law, and 28 States have no helmet law.

I strongly recommend incentives and, as a last resort, sanctions to encourage all States to adopt laws mandating seatbelt and motorcycle helmet use. This approach would provide safety program grants to States which adopt both laws, and additional grants for improving helmet and seatbelt use.

If incentives fail to bring a State to adopt both laws, I have recommended withholding highway construction funds. Congress has successfully employed this mechanism in the past on traffic safety issues, for example, such as drunk-driving and the 21 year old drinking age.

In conclusion, I believe that we should regard traffic safety as integral to our highway programs. I would ask that you take strong steps which improve prevention of fatality and injury from traffic accidents.

The suggestions I have put forward are cheap, simple and effective. The Federal Government has changed public attitudes for the better on many occasions. We must take the lead again on this matter of public safety. Otherwise, we will end up burying another generation of our young.

Mr. MINETA. Now I would like to call on our fine colleague from Kansas, Congressman Jim Slattery.

Mr. Slattery, we have your statement. It will be made a part of the record. Please proceed in your own fashion, sir.

TESTIMONY OF HON. JIM SLATTERY, A REPRESENTATIVE IN CONGRESS FROM KANSAS

Mr. SLATTERY. Thank you, Mr. Chairman. I appreciate the opportunity to appear before your committee.

Today I want to chat with you a little bit about several highway projects in Northeast Kansas. I realize that this committee has the unenviable task of trying to sort through all the requests of our colleagues and come up with a proposal that will enhance our nation's transportation system and do so in a fiscally responsible manner, and I certainly don't envy the challenge that you all have to face.

The State of Kansas and the people of Northeast Kansas in the last few years have made a major commitment to the improvement of our highway infrastructure. In fact, the State has recently launched the largest highway improvement program in the history of the State, and the State has committed some $600 million for system enhancements, as they are called, and local communities are being challenged to match the State money to make the kind of improvements in the local transportation system.

The State has received more than $1.7 billion in requests from local units of government for system enhancements in addition to the local matches that are pledged.

I have selected five projects in Northeast Kansas which I believe will significantly enhance safety and provide economic benefits to the community but are not likely to receive full funding from the State program simply because the money is not available at the State level.

Mr. Chairman, as the former mayor of San Jose I am sure you can appreciate the importance of some of these projects to local communities from the standpoint of economic development, and also from the standpoint of just improving our nation's highway system.

The State of Kansas and local governments are providing more than 48 percent of the cost of these projects. Let me just quickly run through a few of them and then I will be happy to answer your questions.

The Oakland Expressway, which is in northeast at Topeka, will restore economic viability and significantly reduce the travel time along the Wichita/Topeka/St. Joseph, Missouri diagonal corridor. I am requesting that you consider $21.25 million for this Oakland Expressway.

The West Leavenworth Trafficway will allow Leavenworth to continue to grow and reduce dangerous congestion in eastern Leavenworth and will primarily serve the Federal facilities located on the western side of the city. I will remind you that in Leavenworth, Kansas, is the Leavenworth Penitentiary, Fort Leavenworth, and the VA Hospital all located there. It is these Federal facilities that

have created the need for this trafficway and the major barrier to financing the construction because they are all tax exempt.

I am asking for $8.6 million to assist in the construction of the West Leavenworth Trafficway.

The safety problems associated with K-113 in Manhattan have long been recognized, but there has not been enough money to correct the situation. I am requesting $7.5 million for the system enhancements to K-113 which will create enhanced safety along this highway in the Manhattan area.

And then, in addition to that, there is another highway in the Manhattan/Fort Riley area, K-177. I am requesting $7.5 million to widen K-177.

The final project is the South Lawrence Trafficway which will provide improved interstate access to recreational facilities and the University Research Park while reducing congestion in the Lawrence area. I am requesting $20 million in demonstration funding to complete that South Lawrence Trafficway.

Again, Mr. Chairman, I know that you have a very difficult task and the sums that I am talking about here are large. I understand that, and I understand that the committee will have to make many adjustments in the requests. But I did want to get these requests on the table. As you are considering all the other requests from our colleagues, I would hope that you would give these requests fair consideration also.

I would be happy to answer any questions that you might have.

Mr. MINETA. Thank you very much, Mr. Slattery.

There are five projects here, are there not?

Mr. SLATTERY. That's correct.

Mr. MINETA. It is my understanding that the South Lawrence Trafficway does have some Federal funds right now?

Mr. SLATTERY. That is correct.

Mr. MINETA. And that one you say the total cost is going to be $62.8 million?

Mr. SLATTERY. That is correct. And currently——

Mr. MINETA. What is this $4 million of county bonds subject to litigation right now?

Mr. SLATTERY. Well, the local community is involved in helping to finance this, and there is a question right now as to some kind of required notice, I believe, that was supposed to be given that wasn't given, if I remember correctly, and that matter is being resolved in the courts right now. But there is general support in the community, both at the county level, the city level, and the State. They are all committed to helping construct this. Basically what we are talking about doing is building a bypass around the southern part of the city that will hook up I-70 with the highway that goes directly into Kansas City that will hook up with 435 and 635. So it is really improving the interstate highway system around the southern part of Lawrence. That is what I contend.

Mr. MINETA. Was the initial $7.2 million that was given to this project—now you are requesting an additional $20 million for that. Have costs gone up? What has changed since the Surface Transportation Assistance Act?

Mr. SLATTERY. Well, some costs have gone up. The fact of the matter is I just think this is part of the interstate highway system,

basically. Although it may technically not be, the fact that we are linking up with two U.S. highways is making that, in my judgment, a Federal project. That is the principal reason that I am asking for some additional assistance.

Mr. MINETA. You are very well aware because of your own active participation in the full budget issue——

Mr. SLATTERY. Absolutely.

Mr. MINETA. Given the kinds of budgetary constraints that are being imposed upon all of us—and especially on the highway trust fund—we may not be able to authorize the sufficient funds to address all of the needs that Members are bringing to us.

In this instance I am wondering if the State has considered other kinds of financing sources such as toll roads or a public/private joint venture of any kind?

Mr. SLATTERY. The State, as I indicated, has, in the last year, in fact, committed our State to a massive highway improvement project. In fact, over the next few years we are talking about somewhere in the neighborhood of $2 billion to $3 billion in highway improvements in the State of Kansas. That is the largest highway improvement program in the State's history. To finance that, they are talking about the sale of the largest quantity of bonds in our State's history, they are talking about increasing fuel taxes, and they are talking about increasing registration fees. So we have gone through the whole gamut at the local and the State level to come up with additional money.

So in terms of the total cost of what we are talking about doing in Kansas, it is a very, very tiny portion of the total commitment that we are talking about making to improving the infrastructure and highway system in the State of Kansas—very small part.

Mr. MINETA. And the Kansas gasoline tax is how much?

Mr. SLATTERY. I was afraid you were going to ask me that. I think it was just increased by another $0.07 a gallon.

Mr. MINETA. And is there a special provision for ethanol in Kansas as to whether or not they are paying their full share of the gasoline tax? Or is there some kind of a "break" at the State level for alternative energy?

Mr. SLATTERY. Let me answer you definitively and I will get back——

Mr. MINETA. One of the things I think we are going to be doing in the new 1991 highway authorization bill is to try to provide greater flexibility to State and local government in terms of the use of their surface transportation monies. To the extent that we are able to give that kind of greater flexibility in allowing States and localities to increase sources, do you believe that the project would be advanced to construction by the State of Kansas?

Mr. SLATTERY. I think that with Federal participation in these projects—and, again, I am not suggesting that the Federal Government should pay for all of it, and I do anticipate that with these projects that the local units of government will make a contribution ultimately and the State will make a contribution. But with the Federal contribution, what we are, in effect, able to do is raise the priority rating of some of these projects within the State to a point where they will move forward with the construction of them.

I am confident that with some Federal assistance on these projects they will be constructed, to make a long story short.

The Lawrence project is going to be constructed. It will probably break around some time in the next 18 months, hopefully.

Mr. MINETA. In the 1987 Act we required in these demonstration projects a 20 percent local match.

Mr. SLATTERY. Right.

Mr. MINETA. Do you think——

Mr. SLATTERY. I have no problem with that.

Mr. MINETA.—in this instance there would be any problem in trying to——

Mr. SLATTERY. No. I totally agree with that concept and I have no problem with that.

Mr. MINETA. Very well. Thank you very much, Mr. Slattery.

Mr. Boehlert?

Mr. BOEHLERT. No questions. Thank you very much.

Mr. SLATTERY. Thank you. Again, I appreciate the difficulty of the task that you have here.

Mr. MINETA. Congressman Skaggs?

Mr. SKAGGS. No questions.

Mr. SLATTERY. Thank you very much.

Mr. MINETA. Very good. Thank you very much.

[Mr. Slattery's prepared statement follows:]

Testimony of U.S. Representative Jim Slattery
Public Works Subcommittee on Surface Transportation
March 22, 1990

Mr. Chairman and Members of the Subcommittee, I would like to thank you for the opportunity to testify before the Public Works Subcommittee on Surface Transportation about five projects of great importance to Northeast Kansas. These five projects will enhance safety, encourage economic development, and enhance access to federal and state facilities.

THE OAKLAND EXPRESSWAY

I ask that the subcommittee recommend authorization of $21.25 million in contract authority for construction, engineering, administration, inspection, and right-of-way acquisition for the Oakland Expressway in Topeka, Kansas, as a demonstration project in the 1991 highway authorization bill. The total cost of the project is estimated to be $42.5 million.

The Oakland Expressway, located in Eastern Topeka, will provide regional north-south traffic, currently traveling through downtown Topeka on U.S. 75 (Topeka Boulevard) and Kansas Avenue, with a more direct, cost effective route. The new bypass will enhance safety by relieving traffic congestion and also will improve safety associated with the truck traffic through downtown Topeka. An additional benefit will be enhanced economic development in Eastern Topeka.

The project will provide a direct connection from U.S. 24 and Kansas 4 to U.S. 40, Interstate 70, Interstate 470 and the Kansas Turnpike. The project is approximately 5.5 miles in length. The southern terminus of the project is at Interstate 70 just north of the East Topeka Turnpike Toll Plaza. The northern terminus is at U.S. 24/Kansas 4.

The Oakland Expressway will provide a 4 lane controlled access connection between I-70 and U.S. 40, with interchanges at I-70, Croco Road and U.S. 40, and a 2 lane facility from U.S. 40 to U.S. 24/K-4. The project will include right-of-way and protection of the corridor for future expansion to a 4 lane divided freeway from I-70 to U.S. 24/K-4. Preliminary plans were prepared and right-of-way purchased for the section between I-70 and U.S. 40 in the early 1960's. The availability of right-of-way varies from 250' to 315' along this section, with additional right-of-way along interchange locations. Additional right-of-way may be required along this section to meet current design standards and right-of-way will be required for the remaining section between U.S. 40 and U.S. 24/K-4.

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The economic development of the Oakland area has been stifled due to the lack of adequate roadway facilities. The area has a number of manufacturing and freight distribution firms. Those firms contacted indicated that their economic viability is constrained by the lack of direct connections to highways. Present circuitous routing results in much lost time for shipping, transport, and commuting.

The Oakland area has a declining population and employment share. There are presently 3,425 jobs in the impact area. Without the highway improvement, a continuing decline will occur. With the construction of the Oakland Expressway, the decline will be reversed, creating approximately 1,500 new jobs. There is a sufficient labor pool to provide the new employees. In addition, the City of Topeka has identified $2,505,736 for the Oakland area as part of its Capital Improvement Plan.

The Oakland Expressway also will have a regional impact beyond the Oakland area. The diagonal corridor created by the Kansas Turnpike from Wichita to Topeka, and continuing from Topeka via K-4 and U.S. 59 to Atchison and St. Joseph, Missouri, also will be served by the Oakland Expressway. The Oakland Expressway will reduce travel time by more than 30 minutes for the diagonal corridor.

The City of Topeka has prepared a report on the safety aspects and a report on the economic aspects of the Oakland Expressway project. I ask permission to include text from these reports, along with letters of endorsement from community leaders, in the record.

THE WEST LEAVENWORTH TRAFFICWAY

In addition, I ask that the subcommittee recommend authorization of $8.6 million in contract authority for construction, engineering, administration, inspection, and right-of-way acquisition for the West Leavenworth Trafficway, in Leavenworth, Kansas, as a demonstration project in the 1991 highway authorization bill. The City of Leavenworth has had a longstanding need for a north-south arterial on the western side of the community. The West Leavenworth Trafficway is a 3.1 mile section of 4 lane roadway that starts on Eisenhower Road and continues north to Spruce Street, where it will connect with the existing 20th Street, providing a north-south route between Eisenhower Road and U.S. 73.

Testimony of U.S. Representative Jim Slattery
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March 22, 1990

The West Leavenworth Trafficway will provide a western point of access to the U.S. Penitentiary and Fort Leavenworth. This will relieve congestion on 4th Street (U.S. 73), 10th Street, and Spruce Street in Leavenworth, greatly enhancing safety. In 1980, 4th Street was nearing capacity, and in 1989 a traffic count conducted by the Kansas Department of Transportation found one location where the count already exceeded 20,000 vehicles per day. Projections for the year 2010 show all three routes exceeding capacity, if the trafficway is not built.

Congestion on 4th Street is compounded by adjacent elementary and junior high schools and the narrowing of 4th Street in the central business district. More than 400 students a day, both elementary and junior high, must cross 4th Street in order to attend school. The West Leavenworth Trafficway will reduce this congestion, as well as providing room for growth.

The West Leavenworth Trafficway will facilitate the growth of Leavenworth to the west. The new Leavenworth Business Center, an 80 acre industrial park located on Eisenhower Road, will be served by the facility. Leavenworth is expected to experience population growth of over 50% through the year 2020, the bulk of this growth occurring to the west. In addition, the U.S. Penitentiary is planning a major expansion in the 1990's.

The City of Leavenworth has always had a good and mutually beneficial relationship with its federal neighbors, the U.S.P. and Fort Leavenworth. Leavenworth welcomes the addition to the U.S.P. and is hopeful that the U.S. Marshals Service will locate its new detention center in Leavenworth. With the trafficway, the City of Leavenworth will be able to continue to grow and will be able to meet the needs of its federal neighbors.

I ask unanimous consent to submit a concept study prepared by the City of Leavenworth, Kansas, together with safety information and letters of endorsement from public officials, for inclusion in the record.

THE KANSAS HIGHWAY 113 ENHANCEMENT

I also ask that the subcommittee recommend authorization of $7.5 million in contract authority for construction, engineering, administration, inspection, and right-of-way acquisition for enhancements to Kansas Highway 113 (Seth Child Road, K-113) in Manhattan as a demonstration project in the 1991 highway authorization bill. The total cost of the project is estimated to be $13.337 million.

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K-113 is the primary arterial servicing Fort Riley, Kansas State University, and western Manhattan and is extremely congested with a very high accident rate. The current traffic volume approaches 20,000 vehicles per day, with peaks at 7:00 a.m. and 5:00 p.m. The Kansas Department of Transportation estimates that within twenty years K-113 will be operating at 129 percent of capacity.

In addition, Manhattan will benefit economically from the enhancements to K-113. Large tracts of land adjacent to K-113 remain undeveloped and underdeveloped because of the transportation concerns associated with K-133. Improving access to western Manhattan will encourage development of this land and planned expansion of Kansas State University. Fort Riley also is considering a site expansion, as part of its Land Use Requirements Study.

I ask unanimous consent to submit a copy of materials, prepared by the City of Manhattan, Kansas, to demonstrate the need for the enhancements to K-113, for inclusion in the record.

THE KANSAS HIGHWAY 177 ENHANCEMENT

I also ask that the subcommittee recommend authorization of $7.5 million in contract authority for construction, engineering, administration, inspection, and right-of-way acquisition for enhancements to Kansas Highway 177 (K-177) beginning at the intersection of K-177 and Interstate 70 (I-70) and continuing to Manhattan, Kansas, as a demonstration project in the 1991 highway authorization bill. This project will provide Manhattan with direct four lane access to I-70, providing economic benefits as well as improving safety. The total estimated cost of the project is $20.196 million.

The enhancements to K-177 will provide better access to Kansas State University, Fort Riley, and the Job Corps Center located in Manhattan, as well as encouraging new businesses to locate in Manhattan. A study conducted for the City of Manhattan estimates that the project would result in the creation of 600 to 1200 additional jobs and $12-$24 million in additional income.

I ask unanimous consent to include materials prepared by and for the City of Manhattan, Kansas, which describe the economic and safety benefits of expanding K-177, in the record.

Testimony of U.S. Representative Jim Slattery
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THE SOUTH LAWRENCE TRAFFICWAY

Finally, I am requesting additional assistance for the South Lawrence Trafficway Project, which received $7.2 million in demonstration project assistance in the Surface Transportation and Uniform Relocation Assistance Act of 1987 [Section 149(a)(72)].

This highway project, in Douglas County, Kansas, will demonstrate methods of reducing traffic congestion and facilitating the usage by motorists on the Interstate system of recreational facilities by construction of a limited access trafficway of approximately 14 miles in length which at its western terminus will provide access from an east-west interstate route to a reservoir and a university research park, proceeds easterly around the southern portion of the City of Lawrence, and at its eastern terminus will provide access to a business park and a limited access east-west highway. When completed, the Trafficway will be a four-lane road with the lanes separated by a 44-foot grass median. Paved shoulders will be built on both sides.

Traffic patterns in and around Lawrence and Douglas County have undergone significant changes over the past 10 to 15 years. The major factors causing these changes include: growth of Johnson County (suburban Kansas City, to the east of Douglas County); completion of the Clinton Reservoir, in southwestern Douglas County; the emergence of Lawrence as a central location for families with one or more persons working in Topeka (to the west) or Kansas City; the growth of western Lawrence; and an increase of approximately 500 students annually during recent years at the University of Kansas in Lawrence.

The total cost of the Trafficway project is estimated to be $62,860,100. Thus far, the federal government, the City of Lawrence, and Douglas County have committed over $17 million for the Trafficway project (although the $4 million of County bonds are the subject of pending litigation before the Kansas Supreme Court) and the Kansas Turnpike Authority has committed approximately $2 million for an interchange linking the Trafficway with Interstate 70. The Final Environmental Impact Statement for this project recently was approved. I have attached a copy of descriptive materials on the South Lawrence Trafficway prepared by the City of Lawrence and Douglas County for the Committee's review and ask permission to include it in

the record. I am requesting an additional $20 million in demonstration project funding for the South Lawrence Trafficway Project.

Thank you again for the opportunity to testify before the committee.

Mr. MINETA. At this time let me call forward the Commissioner of the Minnesota Department of Transportation, Leonard W. Levine; and Ernest L. Olson, County Highway Engineer, Douglas County, Minnesota, and the current Secretary-Treasurer of the National Association of County Engineers, representing the Minnesota Transportation Alliance.

First, let me recognize my fine colleague from New York, Mr. Boehlert.

Mr. BOEHLERT. Mr. Chairman, our senior colleague, Mr. Stangeland, had hoped to be here but he is unavoidably detained with a conflict. He personally wanted to welcome both Mr. Levine and Mr. Olson here. He has worked so well with you over the years and he speaks very highly of you. That is a good recommendation.

Mr. MINETA. It is a pleasure to have you here with us today. Mr. Levine, please proceed in your own fashion, sir.

TESTIMONY OF LEONARD W. LEVINE, COMMISSIONER, MINNESOTA DEPARTMENT OF TRANSPORTATION

Mr. LEVINE. Thank you very much, Mr. Chairman.

My name is Leonard W. Levine. I am Commissioner of the Minnesota Department of Transportation.

Thank you for giving me the opportunity to appear before your subcommittee today. I am certainly very pleased and honored to be here.

Transportation safety is one of the most critical issues that face State transportation officials, and it is a very important matter to the millions of transportation users that we serve. Today I would like to briefly outline Minnesota's efforts to improve transportation safety.

I would like to point out to you that I have no intention today to ask for any additional dollars but to point out to you that we have——

Mr. MINETA. Then you are welcome to stay all day. [Laughter.]

Mr. LEVINE. I would just like to indicate we have placed safety as our highest priority and we have utilized existing dollars to accomplish what we have set out to do.

During the last three years we have had the lowest traffic fatality rate in the United States. Even though Minnesota is the best in the nation in terms of fatalities, both the statistics and our citizens tell us that we need to do more to improve the safety of our highways and railroad crossings.

Our goal in Minnesota is to cut the highway death rate in half by the year 2000, and that would bring down our fatality rate to .75 per 100 million vehicle miles travelled.

Last fall Minnesota's governor, Rudy Perpich, and I attended 14 transportation safety forums held around the State of Minnesota. These forums were coordinated and promoted by local citizens groups. Approximately 2,000 people attended and more than 700 citizens gave oral or written testimony. This citizen input has helped us identify some of our major transportation safety problems.

Based on this testimony, we formulated Minnesota's transportation safety enhancement plan. Included is $7.6 million to address

low-cost highway safety improvements during the next two years. The forums also identified another 233 State highway safety needs. To meet these needs will require about $500 million more from the State legislature beginning in 1991. We have a Transportation Study Board looking at our needs at the present time.

The forums identified railroad grade crossing as a significant transportation safety hazard. The Department of Transportation in Minnesota has established a Minnesota grade crossing safety program and designated a program management team.

Survey forms and instructions are being developed to conduct field reviews for the purpose of recommending specific signs and markings on 684 public railroad highway crossings this year.

Last November Minnesota also instituted an intensified truck safety plan which includes a State-wide truck air surveillance program and periodic saturation of truck inspections.

At the present time we are establishing truck inspection agreements with the Departments of Transportation in our neighboring States of North and South Dakota and Wisconsin and Iowa. Our goal is to double the number of truck inspections during this year.

We have also initiated a truck safety hotline for citizens to report suspected truck safety violations.

My written testimony contains additional information on our approach to highway work zone safety, an issue which is becoming even more important as more of our highways require extensive repair and reconstruction.

Finally, I want to emphasize the importance of the Federal-State-local partnership in transportation safety. We get $9 million for safety projects from the Federal Government, and we leverage those funds with the State of Minnesota's dollars for over $15 million for safety improvements. A continuation of this very fruitful partnership in transportation safety is essential to continued safety improvement during the 1990s and beyond.

AASHTO has given its full support to a continued strong Federal role in highway and transportation safety. AASHTO's recommendation is that the safety of Americans should be preserved and enhanced through the continued national commitment to safety research, safety applications, and safety projects. I will heartily concur on these recommendations.

Chairman Mineta, thank you very much for the opportunity to present the views of the Minnesota Department of Transportation on this most important issue. I have a document that I would like to pass out to you. It explains our program. It has been referred to as a model in the United States, and we are happy to share it with the rest of the transportation community.

We would be pleased to respond to any questions.

Mr. MINETA. Thank you very much, Mr. Levine.

Let me go ahead and have Mr. Olson make his presentation at this time.

Mr. Olson, it is a pleasure to have you here. Please go ahead and proceed in your own fashion, sir.

TESTIMONY OF ERNEST L. OLSON, COUNTY HIGHWAY ENGINEER, DOUGLAS COUNTY, MN, CURRENT SECRETARY-TREASURER, NATIONAL ASSOCIATION OF COUNTY ENGINEERS, REPRESENTING MINNESOTA TRANSPORTATION ALLIANCE

Mr. OLSON. Thank you, Mr. Chairman.

I am Ernest Olson, a county highway engineer from West Central Minnesota and, as stated, a member of the Minnesota Transportation Alliance, which was formerly known as Minnesota Good Roads, Inc. I again thank you for the opportunity to appear before this subcommittee.

County government is an active participant in the Minnesota Department of Transportation effort to maintain and improve Minnesota's success in the area of highway safety. Local highway safety improvement programs have been funded with a combination of local, State, and, to a greater extent, Federal safety funds. The success of these programs is the direct result of the favorable local/State/Federal working relationship we have in Minnesota. Examples of our accomplishments may help to emphasize the real need for continued Federal financial participation. My examples will be one of a local nature and two of State-wide nature.

With Federal safety funds, Douglas County, Minnesota, has been able to install automatic signalized railroad highway crossing protection at two locations, with a third crossing scheduled for this spring. Seven additional grade crossings have been identified as critical locations needing improved protection.

The hazards of unprotected railroad grade crossings were mentioned repeatedly at the series of public transportation safety forums recently held throughout the State of Minnesota. It is a tragic reality because of funding constraints that crossing improvement priorities are driven by accident-fatality rates.

The second example: in the early 1980s the Minnesota Department of Transportation—MNDOT—spent nearly $5 million of Federal aid off-system safety funds to improve regulatory and warning signs on the road systems of Minnesota's 87 counties and also in cities having a population of 5,000 or more. This signing project generated a lot of interest in upgrading township signing.

Early in 1986, MNDOT developed a local government off-system or township signing program to help correct regulatory and warning sign deficiencies. The purpose of this safety program is to make Federal safety funds available to local road authorities to bring regulatory and warning signing on local roads and streets into compliance with the Manual on Uniform Traffic Control Devices.

A single project is developed for each county under the administration of the county engineer. In 1987, governor Perpich accepted a national safety award from the Federal Highway Administration in recognition of Minnesota's efforts to improve signing. To date, 70 of the 87 counties in Minnesota are participating, with a total of $10.2 million in Federal safety funds allocated for this program.

Minnesota's bridge replacement program is another example of the accomplishments which can be achieved with a local/State/Federal partnership. Fortunately, Minnesota has had a bridge inventory system in place since 1967, and we were ready when special Federal bridge replacement funds became available in 1975.

Since that time, Federal funds in excess of $111 million have been a major factor in replacing some 4,000-plus deficient structures on the county and local road systems. Unfortunately, Minnesota still has more than 4,000 structures on the county and local road systems which are considered deficient by Federal criteria. There are several emerging issues which will significantly impact and most likely add to the cost of Minnesota's bridge needs on all systems in the next 20 years. These issues include truck weight increases, revised rating standards, ability of local units of government to meet growing bridge replacement needs, and decreasing availability of Federal discretionary bridge replacement dollars.

We urge the members of this subcommittee and your colleagues in Congress to keep the transportation needs of local government in mind as you consider new Federal transportation legislation.

It has been said with substantial documentation that America runs on local roads. Federal aid secondary funds, Federal aid bridge replacement funds, and Federal aid safety funds have been a vital part of local road improvements in the past. Given our aging infrastructure, increasing traffic volumes on all highway systems, and increasing truck weights, it is absolutely critical that adequate Federal funds be provided to preserve the tried and proven local/State/Federal transportation partnership.

In closing, Mr. Chairman, I wish to call your attention to an attachment to the written copies of my remarks which have been provided to this subcommittee. This attachment states the position of the National Association of County Engineers—NACE—on the future of the Federal surface transportation program. This position paper expresses the concerns and suggestions of NACE for the role of the Federal Government regarding local transportation issues in the so-called post-interstate era.

I feel honored for the privilege to appear before this subcommittee and thank you for your attention and consideration. I would be pleased to respond if there are any questions.

Mr. MINETA. Thank you very much, Mr. Olson.

From your testimony, Mr. Levine, it is apparent that Minnesota has a very fine highway safety program and that you have, indeed, made it a priority. What safety programs would you say have produced the greatest safety benefits in Minnesota?

Mr. LEVINE. Well, there are a number of things, as I indicated. Roadway improvements, brighter pavement markings, improved site distances——

Mr. MINETA. Let me ask on pavement markings: have you increased the width of those or the frequency of signs because of maybe an aging population in Minnesota? Have you done something special with regard to aging drivers?

Mr. LEVINE. Yes. For aging drivers we have increased the letters on signs, improved the reflectivity of the signs, better lighting at the intersections because of the loss of the sight for the aging driver.

Mr. MINETA. What about this issue of grade crossings? I take it that is a big problem for you in Minnesota?

Mr. LEVINE. Yes, Mr. Chairman, it is a big problem. We have about 5,000 rail crossings, and only 1,000 of them are signalized. Before I left, in fact, the day before I came out to Washington I

reviewed a preview film that we have made of a test that we are soon to announce. We haven't announced it yet even to the public. We have put new markings with a very high-grade intensity reflectivity on crosswalks and the signs pushing the rail crossings.

Mr. MINETA. Are they buttons or are the——

Mr. LEVINE. No. They will just reflect the lights on a dark road. It is unbelievable when you see it in the film. Without it you come down the road and you can't see a train. Trains go by—I am from the metropolitan area and I never realized that out in rural areas when a train goes by you can't see it. The governor and I visited——

Mr. MINETA. I'm sorry? The train is on the track and you don't——

Mr. LEVINE. The train is on the track going at night, and the car is coming down the road. At a distance where the lights aren't hitting the train, a car is coming down the road and it is virtually impossible in a dark area to see a train going by.

Mr. MINETA. That marking is on the road, itself?

Mr. LEVINE. Those markings will be on the road. This is a test now. We hope to have almost 1,000 of these underway beginning in the summer as soon as the roads are warm enough that we can do this work.

Mr. MINETA. And what happens in the wintertime when you have got three feet of snow?

Mr. LEVINE. Well, we don't allow the three feet of snow to build up.

Mr. MINETA. Even in the rural areas?

Mr. LEVINE. Yes. And——

Mr. MINETA. I wish there were some mayors around who took heed of that. [Laughter.]

Mr. LEVINE. Sometimes it comes as a surprise to people from other parts of the country, but our interstate system has never closed during the worse snowstorms.

Mr. MINETA. But I take it a lot of these are just county roads or rural roads where you have a railroad crossing. Is this kind of striping being done on those roads, as well, or are you just doing this on Federal aid to primary system?

Mr. LEVINE. It is going to be on all roads. I started to say—and I guess I got diverted here—in addition to the markings being on the road, we also realize that as the train goes by the spacings between the train you can't see anything on the other side. What we have done is reflectorize the back of the sign on the other side, and it is dramatic. As the car is approaching it is like a strobe light shooting bright light as the train goes through. I am convinced that we will save lives and it will be a dramatic improvement in rail crossing.

Mr. MINETA. Is this a new product, or is this——

Mr. LEVINE. The product that we are using is on the market now. It is an emerging product. A Minnesota company, 3M, has it. But there are other companies around the world that also are producing this product.

Mr. MINETA. I say maybe something similar to that. I was just recently at the American Traffic Safety Services Association meeting and saw something called Seebulite. I don't know whether——

Mr. LEVINE. Mr. Chairman, it is the same thing. The 3M product is called Diamond Grade, and it is——

Mr. MINETA. Right. Diamond Grade. I remember that now.

Mr. LEVINE. When you see it—if you don't mind, I'll send you the tape that we have made of before and after and you will see the dramatic improvement that this makes.

Mr. MINETA. That sounds great.

Now, do you think that highway safety standards and regulations should be retained primarily at the Federal level?

Mr. LEVINE. Yes, Mr. Chairman. It should be maintained at the Federal level, but we should also maintain it for consistency throughout the State level, as well.

Mr. MINETA. Now, if you were given the responsibility of drafting a new Federal aid program, how would you balance safety with mobility and productivity?

Mr. LEVINE. Mr. Chairman, safety must be the highest priority. It has been our opinion in Minnesota that you can't have mobility in a free flow of ccmmerce and industry unless you have a safe road system. That is why we think that both are compatible and that you can't have one without the other. But safety as a priority—and, as I indicated, many of the things that we are doing allows for the free flow of traffic.

When there is a traffic incident that occurs on one of our freeways, for example, on one of the major roads in Minnesota, it ties up traffic and disrupts the flow for business.

Mr. MINETA. Mr. Olson, thank you very much for your fine statement.

How does Minnesota's design and performance standards compare to those of the Federal Highway Administration? Do they tend to be more stringent than Federal highway criteria or about the same?

Mr. OLSON. Well, first of all, when it comes to safety, particularly in highway signing, we try to comply with the Uniform Manual on Traffic Control Devices, which is a national criteria.

Mr. MINETA. Do you feel that UMTCD is pretty good?

Mr. OLSON. Yes. And I think it is important, too, that except for the interstate system, which everyone recognizes, I think the traveling public is aware of what system of highways it is on. I think it is as important to have safety features on our county system as it is on other State systems for the safety of the traveling public.

Mr. MINETA. Now, since authorization of the rail highway crossings program under section 203 of the Highway Safety Act of 1973, there has been a reduction of 89 percent in fatal accidents and a reduction of 63 percent in non-fatal injury accidents. Given this record, do you think there is a continuing need for Federal funding for rail highway crossing safety projects?

Mr. OLSON. Yes, I would certainly say that there is that continuing need. Even with the statistics of the reduction in accidents, we have a lot of crossings out there yet that continue to be identified as hazards. I think that certainly that program needs to be continued.

Mr. MINETA. In your statement you speak of the bridge replacement program as another example of the accomplishments which can be achieved with a local/State/Federal partnership. I am won-

dering if the State of Minnesota would be able to continue to fund these approximately 4,000 deficient road and bridge projects if there were a reduced Federally-funded bridge program. If that were to occur, what would be the funding source for a bridge program?

Mr. OLSON. I think Minnesota first of all has an extensive bridge replacement program, Mr. Chairman. Certainly the Federal funds have been a major factor in that program. On the other hand, the State of Minnesota, along with Federal funds, has provided special bridge replacement funds through a bridge bonding program—special funds in addition to our regular highway user funds. So I would expect that even without Federal funds bridge replacement projects would continue at Minnesota—at obviously a reduced rate, however.

Mr. MINETA. Mr. Levine, do you have any reaction on that score?

Mr. LEVINE. Mr. Chairman, Mr. Olson is correct. The only thing I might add is that with the continued Federal role—and I think this was asked earlier of me—there is a consistency across the country because we do drive in other States and our responsibility really shouldn't end at our border. So it maintains the consistency. All States are going through similar problems that we are in aging and deteriorating infrastructure.

Mr. MINETA. Mr. Olson, what about current highway safety construction allocations? Are those adequate?

Mr. OLSON. Probably those of us in the highway industry feel that funding is never adequate, but I think, more importantly, we need to at least make our needs known so that those funds are continued as you consider new transportation legislation.

Mr. MINETA. Do you think a percentage of 3R and 4R funds should be dedicated to highway safety 3R and 4R projects?

Mr. OLSON. Yes. I would agree with that.

Mr. MINETA. Thank you very much.

Mr. Clinger?

Mr. CLINGER. Thank you, Mr. Chairman, and thank you, gentlemen, for your testimony.

I am just following up on that. In other words, you are saying that you think that the Federal funds that are presently available for highway safety are inadequate and that we should supplement those by providing for additional funds out of the 3R and 4R program?

Mr. OLSON. I am sure that with additional funds that we could do additional things to make our highways safer. I realize the funding constraints that all of us face on all levels, but I think it is important. Certainly highway safety is our critical issue, and I think we need to keep that in the forefront.

Mr. CLINGER. So we should, in looking at the reauthorization, give increased attention to the safety elements?

Mr. OLSON. I would urge you to consider that. Yes.

Mr. CLINGER. You talked about three programs—secondary, bridge, and safety. Which, in your opinion, has the greatest overall impact on safety? Which has the highest priority, in your view? Or are they all basically the same in terms of impact they would have on safety?

Mr. OLSON. I think they all tie together.

Mr. CLINGER. All tie together.

Mr. OLSON. I really do.

Mr. CLINGER. Not one over the other?

Mr. OLSON. That's correct.

Mr. CLINGER. Mr. Levine, you have talked about your emphasis in Minnesota on violations involving truck safety and driver safety and we certainly applaud that emphasis and priority you are giving that. Do you think that the commercial driver license law, which we passed here in 1986, would aid you in this effort? Where does the State of Minnesota stand in terms of its implementation of that law? Could you tell us that?

Mr. LEVINE. Mr. Chairman and Mr. Clinger, the answer is yes. We are implementing that.

As a follow-up comment, you complimented Minnesota. I would like to indicate for the record that Minnesota has placed historically a high level of support to invest in the infrastructure. Our spending—and I wanted to get this on the record—our spending for public road programs is about one and a half times the national average. Our government provides a larger share. We provide 90 percent State and local dollars compared to a national average of 78 percent State and local in the highway program.

Recently there was a scientific poll taken which indicated that 78 percent of Minnesotans would favor increased taxes to go specifically for continued road improvements.

So we have a good environment and climate in Minnesota.

Mr. CLINGER. What is your State gas tax?

Mr. LEVINE. Our gasoline tax is $0.20.

Mr. CLINGER. It's $0.20, and you are saying that the surveys indicated that people would accept an increase in that?

Mr. LEVINE. Yes. People would accept an increase because it is a dedicated, Constitutionally-protected fund which would go specifically for road improvements.

Mr. CLINGER. And it does get spent for that purpose, I take it?

Mr. LEVINE. Yes, it does.

Mr. CLINGER. We have a little problem here with that.

Mr. LEVINE. I am aware of that. [Laughter.]

Mr. CLINGER. You are requesting $500 million from your State legislature, as I understand it, specifically targeted toward safety improvements; is that correct?

Mr. LEVINE. Yes. We have a Highway Study Commission consisting of legislators and others who have been reviewing all of the needs this past year. They will report next year for the beginning of the new biennium in Minnesota's legislature, and I am confident that they will recommend a significant program for funding for road improvements.

Mr. CLINGER. And you feel that you are not going to have too much difficulty selling that or getting that authorization?

Mr. LEVINE. Well, three years ago we were looking to stabilize and get a predictable source of funding, and then, with a significant effort among the community—Democrats and Republicans, strong support from Governor Perpich—it took about 17 months and the legislature came through with the largest transportation package in the history of Minnesota, followed in the next year with another significant funding program. And then this year within

our existing budget we have allocated almost $4 million for safety programs. We are really trying to get caught up. We have had a high amount of Federal discretionary dollars. We think next year will be another follow-up year to what has become a regular part of the funding entitlement.

We believe that transportation should be considered an entitlement because it drives the whole economy.

Mr. CLINGER. I certainly commend you. Nobody could say that Minnesota isn't doing its share to address the infrastructure problems and highways, and I think you are doing an outstanding job. I certainly congratulate you.

Thank you, Mr. Chairman.

Mr. MINETA. Mr. Applegate?

Mr. APPLEGATE. No questions.

Mr. MINETA. Let me call on a very fine colleague who is the ranking Republican on the full Committee on Public Works and Transportation, Congressman Hammerschmidt of Arkansas.

Mr. HAMMERSCHMIDT. Thank you, Mr. Chairman. I have no questions.

Mr. MINETA. Mr. McEwen?

Mr. MCEWEN. No thank you, Mr. Chairman.

Mr. MINETA. Mr. Packard?

Mr. PACKARD. None.

Mr. MINETA. Well, Mr. Levine and Mr. Olson, thank you very, very much for your presentation here. You have a very admirable record there in Minnesota and you have a lot to learn, I think, from your own experience. Thank you very much.

Mr. LEVINE. Thank you.

Mr. OLSON. Thank you very much.

[Mr. Levine's prepared statement appears on page 1426.]

[Mr. Olson's prepared statement appears on page 1440.]

Mr. MINETA. I would now like to call on a very distinguished Governor and a good friend of many of us, the Honorable Richard F. Celeste, the Governor of the State of Ohio. He is being accompanied by our very fine colleague who testified before us last week and a very powerful member of the Appropriations Committee. Let me introduce and have come forward as well the Honorable Congressman Lew Stokes.

TESTIMONY OF HON. RICHARD F. CELESTE, GOVERNOR, STATE OF OHIO, ACCOMPANIED BY HON. LOUIS STOKES, A REPRESENTATIVE IN CONGRESS FROM OHIO

Mr. STOKES. Thank you very much, Mr. Chairman.

Mr. Chairman and members of the committee, it is a pleasure to once again be before this committee.

As you will recall, I appeared before your committee on March 13th, along with other members of the Ohio delegation. We shared with you our concerns about the way that surface transportation projects are funded. We offered suggestions that we hope this committee will consider in the deliberations on the reauthorization of the Surface Transportation Act.

Today the Governor of the State of Ohio, Richard Celeste, will speak on this subject from his perspective as Governor of a donor State.

We hear a lot about the need for States to pick up a greater share of spending in transportation. In my State we are already doing this. We consider it, under our Governor, to be a good investment because we recognize and the Governor recognizes the relationship between a strong transportation system and economic development.

Governor Celeste has made the invigoration of our State's transportation system one of his central priorities. Since 1983, Mr. Chairman, Ohio has invested more than $6.5 billion in highway contracts. Last week the Governor announced 44 new projects in 88 of our counties.

Under Governor Celeste's leadership our State has made a commitment to developing a transportation system that will be a source of pride to all Ohioans. It is, indeed, an honor for me to appear here with him this morning and present to you our distinguished Governor, Governor Dick Celeste.

Mr. MINETA. Governor Celeste, before you proceed, if I might let me put into the record a statement from our colleague, Congressman Feighan, who was not able to be here but wished to have been here. I will go ahead and make this part of the record at this time.

[Mr. Feighan's prepared statement follows:]

TESTIMONY
OF
EDWARD F. FEIGHAN
MEMBER OF CONGRESS

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
SUBCOMMITTEE ON SURFACE TRANSPORTATION
NORMAN Y. MINETA, CHAIRMAN

REAUTHORIZATION OF THE POST-INTERSTATE
SURFACE TRANSPORTATION PROGRAMS

MARCH 22, 1990

CHAIRMAN MINETA AND MEMBERS OF THE SUBCOMMITTEE ON SURFACE TRANSPORTATION, I APPRECIATE THE OPPORTUNITY TO APPEAR BEFORE THIS DISTINGUISHED SUBCOMMITTEE WITH GOVERNOR DICK CELESTE AND MY COLLEAGUES FROM OHIO. I COMMEND CHAIRMAN MINETA AND THE SUBCOMMITTEE FOR HOLDING THESE COMPREHENSIVE HEARINGS ON REAUTHORIZATION OF THE NATION'S HIGHWAY, MASS TRANSIT AND HIGHWAY SAFETY PROGRAMS. LIKE MANY OF YOU, I HAD THE HONOR OF HOLDING LOCAL AND STATE OFFICE BEFORE BEING ELECTED TO SERVE IN THE U.S. HOUSE OF REPRESENTATIVES SO I AM AWARE OF THE NATION'S TRANSPORTATION NEEDS -- NEEDS THAT WILL INCREASE IN THE 1990s AND WELL INTO THE 21ST CENTURY.

HIGHWAY AND PUBLIC TRANSIT DEMANDS HAVE BEEN A MAJOR FOCUS AT EVERY LEVEL OF GOVERNMENT -- AND IN EVERY LEGISLATIVE BODY -- IN WHICH I HAVE SERVED. IT SEEMS THAT, NO MATTER WHAT PUBLIC ISSUE COMMANDS ATTENTION, ELECTED OFFICIALS CONTINUE TO FACE THE PROBLEM OF RAISING ENOUGH MONEY TO KEEP ROADS AND BRIDGES INTACT AND SAFE FOR THE PUBLIC TO USE.

I AM CONCERNED THAT CURRENT FEDERAL HIGHWAY FUNDING FORMULAS RESULT IN SYSTEMATIC DISINVESTMENT IN KEY SECTORS OF THE U.S. ECONOMY. BASED ON DATA FROM THE U.S. DEPARTMENTS OF TRANSPORTATION AND COMMERCE, THE 19 HIGHWAY "DONOR" STATES:

** GENERATE 54% OF THE GROSS NATIONAL PRODUCT;
** PRODUCE MORE THAN 58% OF U.S. MANUFACTURED GOODS;
** ARE RESPONSIBLE FOR MORE THAN 53% OF U.S. WHOLESALE AND RETAIL TRADE;
** GENERATE MORE THAN 56% OF THE TOTAL U.S. AGRICULTURAL, FOREST, AND FISHERIES PRODUCTION; AND
** GENERATE MORE THAN HALF THE VALUE OF ALL U.S. TRANSPORT AND UTILITIES, FINANCIAL, INSURANCE, REAL ESTATE, AND SERVICE INDUSTRIES.

I HAVE ATTACHED COPIES OF THIS DATA AND FORWARDED IT FOR YOUR CONSIDERATION.

IN VIEW OF THE DONOR STATES KEY ROLE IN THE ECONOMIC WELL-BEING OF THE NATION, IT IS IMPERATIVE THAT THESE STATES BE GIVEN EQUAL ACCESS TO DISCRETIONARY FUNDS WITHOUT PENALTY, AND A GUARANTEED RETURN OF 90% OF THEIR FEDERAL GAS TAX USER FEE CONTRIBUTIONS. IDEALLY, FEDERAL FUNDING FORMULAS SHOULD BE UPDATED TO BETTER REFLECT THE NEEDS AND USE OF THE COMPONENTS OF THE FEDERAL-AID HIGHWAY SYSTEM.

I APPRECIATE SUBCOMMITTEE EFFORTS TO MODIFY AND IMPROVE THE EXISTING FUNDING FORMULAS. EXPERIENCE HAS TAUGHT ME THAT SUCH CHANGES ARE DIFFICULT TO ACHIEVE. IN VIEW OF THIS, I SUPPORT THE REQUEST OF GOVERNOR CELESTE AND MY COLLEAGUES FOR A 90% MINIMUM ALLOCATION PROGRAM.

ANOTHER CRUCIAL INGREDIENT IN THE NATION'S TRANSPORTATION PROGRAM DEBATE IS COMPETITIVENESS. EVERY ELECTED OFFICIAL WHO SURVIVED THE RECESSION OF THE '70s AND EARLY '80s IN THE RUSTBELT KNOWS OF THE NEED TO KEEP OUR BUSINESSES AND WORKFORCE COMPETITIVE. COMPETITIVENESS -- BOTH AT HOME AND ABROAD -- HAS BEEN A CONSISTENT AND COMPELLING ISSUE FOR EVERY LEVEL OF GOVERNMENT.

THE U.S. RANKS FAR BEHIND ALMOST ALL OTHER INDUSTRIALIZED NATIONS IN CAPITAL INVESTMENT IN INFRASTRUCTURE -- INCLUDING JAPAN, FRANCE, WEST GERMANY, THE UNITED KINGDOM, ITALY, AND CANADA. BECAUSE OUR INVESTMENT IS SO VERY SMALL, IT IS ESPECIALLY CRITICAL THAT IT BE INVESTED WISELY AND FAIRLY. POSTPONING NEW CONSTRUCTION

CAN INCREASE OPERATING COSTS IN THE PRIVATE SECTOR, THEREBY REDUCING EVEN FURTHER THE COMPETITIVENESS OF AMERICA'S BUSINESSES.

IT WOULD BE A TRAVESTY IF SO MUCH OF THE WORK ALL OF US IN CONGRESS HAVE DONE TO IMPROVE U.S. COMPETITIVENESS THROUGH THE VARIOUS TRADE BILLS, THE JOB TRAINING PARTNERSHIP ACT, SMALL BUSINESS ADMINISTRATION PROGRAMS, AND OUR INVESTMENTS IN NASA AND RELATED TECHNOLOGIES, WAS UNDERMINED BY A HIGHWAY PROGRAM WHICH INVESTED CONTRARY TO THE NATIONAL INTEREST.

WHEN TWENTY-FIVE CENTS OF EVERY DOLLAR OF EXPORT GOODS IS SPENT ON THE TRANSPORT OF RAW MATERIALS, SEMIFINISHED GOODS, AND COMPONENTS BETWEEN DOMESTIC MANUFACTURERS, WE CAN'T CONTINUE SUPPORTING AN OUTDATED FEDERAL HIGHWAY INVESTMENT POLICY.

THERE IS ALSO AN ENVIRONMENTAL ISSUE I WANT TO BRING TO THE SUBCOMMITTEE'S ATTENTION. I AM ALARMED BY THE POTENTIAL FOR SERIOUS EARTHQUAKE DAMAGE IN OHIO AND PARTS OF THE EASTERN UNITED STATES. AS THE CHAIRMAN IS WELL AWARE FROM HIS OWN PERSONAL EXPERIENCE IN CALIFORNIA, EARTHQUAKE DESTRUCTION CAN DEVASTATE A COMMUNITY.

JOHN CARROLL UNIVERSITY, LOCATED IN MY DISTRICT, HAS A SEISMOLOGICAL OBSERVATORY WHICH HAS COLLECTED EARTHQUAKE INFORMATION FOR A NUMBER OF YEARS. FROM THIS DATA, SOME SEISMOLOGISTS HAVE REASON TO BELIEVE THAT MUCH OF THE BASEMENT ROCK IN THE EASTERN TWO-THIRDS OF NORTH AMERICA IS FRACTURED AND FAULTED. IF THERE ARE AS MANY FAULTS AS SUSPECTED, IT IS POSSIBLE SOME REGION OF THE EASTERN UNITED STATES COULD EXPERIENCE A MAJOR EARTHQUAKE AND INCUR SERIOUS

OF LIFE AND MAJOR DAMAGE TO THE INFRASTRUCTURE.

I AM SUBMITTING FOR YOUR CONSIDERATION A SUMMARY REPORT PREPARED BY WILLIAM R. OTT, S.J., DIRECTOR OF THE JOHN CARROLL UNIVERSITY SEISMOLOGICAL LABORATORY.

BECAUSE MANY BRIDGES IN OHIO AND THE EASTERN U.S. ARE BEYOND THEIR DESIGN LIFE, EARTHQUAKES POSE A PARTICULAR HAZARD TO THIS PART OF THE COUNTRY. THESE STRUCTURES WERE BUILT BEFORE MODERN EARTHQUAKE DAMAGE-CONTROL TECHNIQUES WERE KNOWN. BECAUSE OF THEIR AGE, THESE STRUCTURES ARE ALREADY FRAGILE. THE INFORMATION IN THIS REPORT CONFIRMS THE NEED TO INCREASE THE FEDERAL BRIDGE INSPECTION PROGRAM.

STUDIES CONSISTENTLY SHOW THAT AMERICA'S INFRASTRUCTURE NEEDS -- THE PRICE TAG FOR REPAIRING AND FINISHING THE NATION'S ROADS AND BRIDGES -- WOULD COST MORE THAN $100 BILLION. WITH THESE ADDED ENVIRONMENTAL CONCERNS, THE LONGER WE WAIT TO ATTACK THESE PROBLEMS, THE HIGHER THE PRICE TAG.

THANK YOU FOR YOUR KIND ATTENTION. YOU HAVE MY SUPPORT IN MAKING CHANGES WHICH WILL HELP CORRECT THE PROBLEMS I HAVE RAISED.

DONOR STATE CONTRIBUTION TO U.S. ECONOMY

STATE	GSP TOTAL ($ in millions)	Farm,Forestry Fishery ($ in millions)	Manufacturing ($ in millions)	Transport & Utilities ($ in millions)	Wholesale Trade ($ in millions)	Retail Trade ($ in millions)
ARIZONA	53,253	1,122	7,172	4,646	2,802	6,131
ARKANSAS	31,633	1,887	7,782	3,295	1,718	3,298
CALIFORNIA	533,816	11,282	97,680	41,928	38,711	55,216
FLORIDA	177,729	4,432	19,194	16,518	12,587	21,477
GEORGIA	102,922	2,136	21,531	11,302	9,841	10,328
INDIANA	84,922	2,266	25,305	8,187	4,984	8,538
KANSAS	42,472	2,961	7,922	5,090	2,947	3,823
MICHIGAN	153,240	1,995	47,540	11,347	9,484	14,188
MISSISSIPPI	31,830	1,089	8,670	2,720	1,640	3,402
MISSOURI	83,534	2,197	18,912	9,155	5,873	8,707
NORTH CAROLINA	100,961	2,422	31,671	8,713	6,444	10,241
OHIO	176,102	2,348	51,421	16,308	11,445	17,258
OKLAHOMA	49,814	1,822	7,110	5,240	3,049	4,917
OREGON	41,278	1,629	8,181	4,141	3,213	3,913
SOUTH CAROLINA	44,727	613	11,949	3,781	2,596	4,966
TENNESSEE	72,328	1,383	18,097	5,614	5,274	8,190
TEXAS	303,510	5,865	48,708	33,273	23,184	28,257
VIRGINIA	104,155	1,305	18,605	9,577	5,693	9,801
WISCONSIN	76,922	3,384	21,297	6,076	4,602	7,071
DONOR STATE TOTAL	2,265,148	52,138	478,747	206,911	156,087	229,722
U.S. TOTAL	4,191,705	92,993	824,302	391,444	294,586	407,927
DONOR STATE % OF U.S.	54.0%	56.1%	58.1%	52.9%	53.0%	56.3%

SOURCE: U.S. Dept. of Commerce, Bureau of Economic Analysis, Survey of Current Business, Statistical Abstracts, 1989, p. 430

DONOR STATE CONTRIBUTION TO U.S. ECONOMY

STATE	Finance, Insurance & Real Estate ($ in millions)	Services ($ in millions)	Government ($ in millions)
ARIZONA	8,909	9,045	7,413
ARKANSAS	4,479	3,829	3,286
CALIFORNIA	93,790	103,397	62,029
FLORIDA	33,365	34,592	21,136
GEORGIA	14,165	14,584	12,929
INDIANA	12,296	10,956	7,942
KANSAS	6,572	5,635	4,925
MICHIGAN	24,178	23,189	15,431
MISSISSIPPI	4,268	3,579	4,208
MISSOURI	13,042	13,484	8,413
NORTH CAROLINA	12,781	11,853	12,538
OHIO	27,058	26,725	16,535
OKLAHOMA	6,745	6,509	7,107
OREGON	7,365	6,382	5,041
SOUTH CAROLINA	5,786	5,571	7,573
TENNESSEE	10,326	11,135	8,770
TEXAS	41,403	43,190	32,289
VIRGINIA	15,352	16,389	20,301
WISCONSIN	13,513	10,656	7,895
DONOR STATE TOTAL	355,393	360,700	265,761
U.S. TOTAL	694,965	700,180	492,151
DONOR STATE % OF U.S.	51.1%	51.5%	54.0%

SOURCE: U.S. Dept. of Commerce, Bureau of Economic Analysis, Survey of Current Business, Statistical Abstracts, 1989, p. 430

JOHN CARROLL UNIVERSITY
UNIVERSITY HEIGHTS · CLEVELAND, OHIO · 44118

EARTHQUAKE HAZARDS IN THE EASTERN UNITED STATES AND NORTHEAST OHIO

STATEMENTS PREPARED BY

WILLIAM R. OTT, S.J.
DIRECTOR, SEISMOLOGICAL OBSERVATORY
JOHN CARROLL UNIVERSITY

PRESENTED TO

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
US HOUSE OF REPRESENTATIVES

MARCH 8, 1990

CONTACTS:

WILLIAM R. OTT, S.J.
DIRECTOR, SEISMOLOGICAL OBSERVATORY
(216) 397-4361

J. GERARD SHEEHAN
DIRECTOR, OFFICE OF PUBLIC POLICY
(216) 397-4565

JOHN CARROLL UNIVERSITY
UNIVERSITY HEIGHTS, OHIO 44118
(216) 397-4361

SEISMOLOGICAL OBSERVATORY

EARTHQUAKE FAULTS IN THE EASTERN UNITED STATES

For the last four years the Seismological Observatory at John Carroll University has been carefully monitoring several counties in northeast Ohio for earthquakes. We have found far more, low-level, seismic activity in this area than anyone had previously been aware of, or even suspected.

Similar studies in other parts of the Eastern United States and Canada have given seismologists reason to believe that much of the basement rock in the eastern two-thirds of North America is fractured and faulted. We know that some of these faults have produced major earthquakes in the past and will do so again in the future. The seismic and geological evidence that we have suggests that there are many other such faults that have not been detected because their recurrence interval is very long and they have been quiet during the two to three hundred years of recorded history in this part of the world. Such faults are usually covered by layers of sedimentary rocks and soils which makes their detection difficult and hides evidence of past earthquakes. They may, however, make their presence known by producing microearthquakes which can be detected if likely regions are properly monitored.

If there are as many of these faults as we suspect, it is only a matter of time before some region of the Eastern United States will experience a major earthquake and incur serious loss of life and major damage to its infrastructure.

William R. Ott, S.J.
Director

JOHN CARROLL UNIVERSITY
UNIVERSITY HEIGHTS, OHIO 44118
(216) 397-4361

SEISMOLOGICAL OBSERVATORY

EARTHQUAKES AND PUBLIC INFRASTRUCTURE IN NORTHEAST OHIO

During historic times earthquakes have occurred throughout the central and eastern United States and Canada. We know that these quakes can affect a much larger area than the same size earthquake in California and the western states. The seismic energy is transmitted much more readily through the crustal rock in the eastern part of the continent.

There are a number of areas in the east where seismologists would not be surprised if a moderate or even large earthquakes were to occur at any time. Northeast Ohio would seem to be one of these areas. Such area will suffer a variety of different types of damage to the public infrastructure from such quakes. Earthquakes of magnitude greater that five might be expected to damage energy and water distribution systems, transportation and communication systems, and do significant damage to some of the older and weaker structures in the area.

Such quakes could damage both the nuclear and coal fired electric power plants, in the area, as well as their transmission lines. Damage to a nuclear power plant would be especially disastrous if it resulted in the release of radioactive material into the atmosphere.

We know from past earthquakes in the area that water wells can be unusable, because of turbidity, for some time after the event. Transportation could be hindered by damage to rail lines and roads and the collapse of bridges and overpasses. Many of the bridges in the area are known to be in poor structural condition. Airports could be rendered unusable for some time if their control towers of runways are damaged. There are a number of petroleum pipelines in the area that may also be ruptured by such a quake. Spills from such pipelines could, in turn, cause long lasting environmental problems. Communication problems could result from the downing of telephone and power lines and damage to microwave transmission systems. Few, if any, of the buildings in this area were designed to withstand large earthquakes. There are no seismic building codes in this part of the country as there are in California.

William R. Ott, S.J.
Director

INJECTION WELL AND EARTHQUAKES IN NORTHEAST OHIO

There was some concern after the January 31, 1986 earthquake in Leroy township of Lake County that it might have been induced by the operation of two nearby waste injection well. Two networks of instruments, one operated by Cleveland Electric Illuminating Co. and one by John Carroll University, were installed to monitor this area. A number of small quakes have been detected in the vicinity of these wells. Several studies have been done to investigate the connection between the wells and the quakes. One study by Moid Ahmad and Jeffrey Smith of Ohio University found that the pressure build up from the wells might have been sufficient to trigger the 1986 quake. Another study by Nicholson, Roeloffs, and Wesson finds that this quake probably had "natural" origins but that "triggering by well activities cannot be precluded". A study by Keith Evans of Columbia University has found that the earth's crust in this area is close to failure so the fluid injection could produce earthquakes.

During the summer of 1987 we recorded a number of earthquakes in the area east of Ashtabula Ohio. Several of the earlier quakes were large enough that they were felt by many people in Ashtabula and Lake Counties. Using data from the seismic networks to the west and from several portable instruments operated by the Lamont-Doherty Observatory of Columbia University, the epicenters were found to be very close to another injection well operated to the east of the city of Ashtabula. A study by Seeber and Armbruster has concluded that these quakes are "the best candidate yet for a macroseismic event in the eastern U.S. which has been induced by fluid injection in a deep waste disposal well". More earthquake activity has been detected in this area during December of 1987 and August 1989 that supports this conclusion.

Mr. MINETA. I would also like to call on our colleague from Ohio, Congressman Applegate.

Mr. APPLEGATE. Thank you, Mr. Chairman.

I have nothing to say at this point. I am very anxiously awaiting to hear the glorious words of our Governor and then will proceed from there.

Mr. MINETA. And our fine colleague from Ohio, Mr. McEwen.

Mr. MCEWEN. Thank you, Mr. Chairman. I think my colleague from Stubenville said it very well. We are delighted to have the Governor.

Mr. MINETA. Governor, your statement will be made a part of the record. Please go ahead and proceed in your own fashion.

Governor CELESTE. Thank you very much, Mr. Chairman. I appreciate the opportunity to appear before the House Public Works and Transportation Subcommittee on Surface Transportation to talk about Congressional reauthorization of the highway, transit and highway safety programs. I have to tell you I feel very much at home here with friends and colleagues like Congressman Applegate, Congressman McEwen, and Congressman Traficant as members of the subcommittee, and to be with the distinguished dean of the Ohio delegation and a great leader here in the Congress, Congressman Stokes. And I appreciate the fact that a number of my State's delegation have shared with you their views on this very important issue.

I apologize for my hoarse voice. The reason is that I spent Monday and Tuesday in six different communities across the State talking about transportation infrastructure, announcing a $1.1 billion investment over the next four years as we try to plan in a rational way and set priorities that will work for our community.

As Congressman Stokes indicated, we announced 88 different projects in 44 counties across the State. My voice may be worse for wear, but I think our infrastructure will benefit from wise planning and wise decisions.

Some of the very big projects, Congressman McEwen, relate to your district.

Mr. APPLEGATE. Governor, if I might just say, that is $1.1 billion.

Governor CELESTE. Billion. That is right.

Mr. APPLEGATE. I thought it sounded like million, and I didn't want to go on record that you only spent $1.1 million.

Governor CELESTE. No, billion.

Like many other Governors across the country, I was keenly interested in the unveiling of the President's Moving America policy as it was being unveiled. But, frankly, I was disappointed by what I saw. I think that Secretary Skinner provided us with an excellent analysis of the problems plaguing our infrastructure, but the plan, in my judgment, falls far short in terms of real solutions to these problems.

Instead, I believe that the Bush plan represents a reversal of the original intent of the Highway Act of 1956, the legislative embodiment of President Eisenhower's national system of interstate and defense highways.

President Eisenhower's plan was a clarion call intended to unite the nation, as he said at the time. I am afraid that the current

President's plan sounds a note of retreat from that ambitious purpose.

In his message, President Eisenhower noted the desperate need for highway development and really stressed that we had a major obligation at the national level to move forward. He saw the condition of our highway system as nothing less than a matter of our national defense. He was right then, and in this world of increasing economic competition Dwight Eisenhower is even more right today.

President Eisenhower went on to say in his special message to the Congress that in the case of the Federal Government, expenditures on a highway program are a return to the highway user of the taxes he pays in connection with his use of the highways. In other words, the notion has always been that the States should get back what we put in. But now, 35 years later, we are far from that reality. The Moving America plan moves us, all right, but further away still.

This year Ohioans will receive about $496 million in Federal aid highway funds. We will pay approximately $531 million in Federal gas taxes. In total, Ohio will lose about $35 million just this year.

Even with the enactment of the 85 percent minimum allocation provision in the 1982 Highway Bill, for which we were grateful, Ohio's cumulative return has been about $0.80 for every $1 sent to Washington. The irony is that in every major national infrastructure study which has been released during the past decade Ohio has ranked among the top five States in need measured against a lack of sufficient resources. Of our urban interstate, 13 percent—some of which I think you drove over, Mr. Chairman, at one point——

Mr. MINETA. I promised I would never mention that again. [Laughter.]

Governor CELESTE. I understand that. I am not mentioning any specifics. Twenty-two percent of our rural interstate and 21 percent of our bridges are considered structurally deficient. Although we have been experiencing nothing less than what I would call highway robbery for more than a decade, President Bush has proposed a plan which would make the situation even worse. Instead of repairing the inequities in the current allocation of funds, the President wants to fly the white flag of surrender over the Federal Government's leadership role and shift responsibility further to the States.

Secretary Skinner's introduction of the Administration's proposal I believe belied an unfamiliarity with what States like Ohio are already doing to try to address our infrastructure concerns. Contrary to what the Secretary seems to think, in Ohio we have been taking up the slack left by diminished Federal participation.

As I mentioned earlier, I was making major highway announcements throughout Ohio this week. We have funds for these highway projects because our legislature voted to raise the gasoline tax by 5.2 cents this past year. It was the second gasoline tax increase in three years.

As Governor, I know that raising the gas tax is never easy nor is there an outpouring of popular sentiment for it, but the State legislators, the business community, and the travelling public have

come to see the necessity of this additional revenue. We achieved bipartisan support for those tax increases.

In addition, Ohio has passed a $1.2 billion bond referendum to finance local infrastructure and road improvements.

These increases will put the current gasoline tax in Ohio at $0.20, one of the highest in the region, come July 1. We will spend more than $800 million this year in State funds on highway and bridge improvements. This is the reason that I was particularly startled when Secretary Skinner's major recommendation was that State and local governments do more. The Secretary even went so far as to say that the Federal Government cannot bail out every system that hasn't been able to care for itself.

Well, I disagree on two counts with the premise implicit in the Secretary's remark. First, infrastructure funding is not a Federal bailout. It is a Federal commitment, a Federal investment that Secretary Skinner and the President are abandoning—which contrasts, incidentally, with the Federal Government's response to the savings and loan crisis which was, in fact, a bailout. We have some experience with savings and loan crises in Ohio, too, so I think I can speak for the difference between the two.

I fail to understand why the Federal Government can be quick to come to the aid of failing private enterprises but cannot seem to find the money to assist State and local governments in meeting the critical need we are discussing here today.

While countries around the world are responding to the need for more efficient infrastructure, we are allowing ours to crumble. Why should the Secretary of Transportation have to go to Europe to see one of transportation's newest technologies, high-speed rail? The Federal Government should be leading our investment in such technologies here at home. Instead, its States—Ohio, Pennsylvania, Florida, and many other States—are struggling now to find a way to make high-speed rail work here in the United States.

We have been transportation innovators, and we have ceded that leadership, I feel, in a way that is disturbing.

Secondly, I find it ironic that the Administration would call into question the budget practices of State government when $17 billion of highway and transit funds are being hoarded to disguise the size of the Federal deficit. The results of this sort of budgeting for highways as well as for other vital services are obvious.

I am proud to say that in Ohio we have avoided such gimmicks during the past eight years. In Ohio "read my lips" doesn't build roads across the country. "Read my lips" doesn't build highways. States like Ohio are fulfilling our part of the Eisenhower bargain.

I believe the time has come for the Federal Government to step forward to become a full partner with us once again rather than sound the trumpet of retreat.

In an effort to reestablish this partnership—and because I want to be positive and my comments are hopefully helpful—let me offer some recommendations. These are very similar to policy principles that were adopted by the Nation's Governors at our recent meeting.

I want to suggest that the Federal Government:

Maintain a significant Federal role in assisting States in financing highway and public transit projects;

That we increase the Federal investment in transportation by fully utilizing the balances in the highway and transit trust funds;

That we increase the flexibility in Federal transportation programs. One of the reasons why the 85 percent minimum allocation program is so successful, besides the additional funds coming back to the States, is its flexibility. I want to underscore our gratitude for that. Ohio can use this money for any project, and it is not subject to the highway obligation ceiling.

That we initiate major changes in the distribution formulas which allocate billions of highway dollars.

Factors that reflect the relative use of highways are more equitable—especially now that the major portion of the infrastructure has been developed—to States like Ohio that have fewer miles of highways but are very heavily travelled. For example, Ohio has 3.4 percent of the nation's interstate miles, but 5.2 percent of the traffic on the nation's interstate.

We have to increase the minimum allocation program to 90 percent and make any discretionary money available to all States, including donor States.

While I hope that the Congress makes major structural changes to the Federal aid highway program that would eliminate Ohio's donor status—and I know that has been something our delegation has spoken to very eloquently—at the very least I would hope the minimum allocation would be increased.

Finally, that we maintain Federal funds for operating assistance for our increasingly important system of public transportation.

I might just note as a footnote there that the State of Ohio also began seven years ago to use State general revenue funds to help our public transportation systems across the State.

Mr. Chairman, only with the firm adoption of these principles can we achieve the Federal participation so crucial to the rebuilding of our nation's transportation infrastructure. The President, Secretary Skinner, and many Members of Congress should be applauded for identifying infrastructure as a priority, and the President's voice on this is very important. However, the real measure of the Administration—and, frankly, of the Congress' resolve, as well—will be whether the rhetoric is matched with Federal funds. As we say in Ohio, this is where the rubber hits the road.

I appreciate having this opportunity to share these thoughts with you, Mr. Chairman. Before I was Governor and before I was in public life I was a student of history. I think it is worth reflecting on just a footnote to our history.

Albert Gallatin, Secretary of Treasury under President Jefferson, developed a plan for an elaborate network of canals and roads to promote national defense and economic development. He convinced Congress to finance the construction of these public works through an innovative funding arrangement. Because of Secretary Gallatin's efforts, in 1802, in the act that admitted Ohio into the Union, that Act earmarked 5 percent of Federal land sales in the new State for building roads linking the State with the navigable waters flowing to the Atlantic. The initial product of this effort was the nation's first interstate highway, the Cumberland Road.

Mr. Chairman, thank you again for this opportunity. With this important history in mind, I look forward to our continued work together.

Mr. MINETA. I appreciate, Governor, your very fine statement. This shared highway, the Cumberland Road, is still eligible for 3R and 4R funding. [Laughter.]

My good friend is nodding his head no.

The recently announced transportation policy, Governor, advocates greater State and local government responsibility for meeting transportation needs. In view of the fact that the State of Ohio has now raised their State gasoline tax to one of the highest in the nation, does the State of Ohio have the resources to continue to absorb the shortfall in Federal funds for transportation?

Governor CELESTE. Mr. Chairman, I have ambiguous feelings on this matter. I think that the people of the State of Ohio and the General Assembly are determined to do everything we need to do to have a first-class transportation infrastructure because it is so vital to our economic welfare. Every single major corporate investment in Ohio in the past ten years—Honda's location in Ohio, Honda's second plant in Ohio, a major Ford-Nissan joint venture up near Cleveland, the relocation of a Fortune 500 plant into Congressman Stokes' district—every single one of them has required a major commitment of highway dollars, usually of infrastructure funds to help extend rail to those sites, in order to grow.

So there is a very strong determination by the State to do what it has to do to meet these needs, but there is a growing sense that the system isn't fair.

On the one hand I think that there is a strong will to provide those resources, and we have demonstrated it already. I would hope that if there is some change in Federal formula that it would take into account what States have already been doing.

But I think that Ohio's determination is really a reflection of a national sentiment that says we really must do more in this area and a sense of frustration that the partnership that we had enjoyed for many years between the Federal Government and the State has somehow now gotten out of sync.

Mr. MINETA. Now, as the committee considers reauthorization legislation for the surface transportation programs, we will be extending the Federal/State/local partnership to include the private sector. I am wondering, in the State of Ohio, Governor, has—from what I understand, again, the State of Ohio has used the transportation infrastructure to encourage private investment in the State, as you have indicated by some of the examples. Has the State also seized the initiative to induce the private sector to contribute towards the building of that transportation infrastructure?

Governor CELESTE. Yes, we have, in ways that are not well institutionalized at this point, Mr. Chairman. We, for example, have sought private participation to help pay for some of the costs of highway improvements where we could identify a direct beneficiary in the private sector side. In some occasions engineering costs for a major new interchange would be picked up by the private sector where the construction costs would be picked up by the public sector. And there have been what I would call ad hoc in-

stances where we have sought private participation on the highway side.

We have worked probably for almost ten years or maybe more than ten years on the issue of high-speed rail in Ohio. At this point the proposal to move forward in high-speed rail envisions a 100 percent private initiative in which the public sector might provide some seed money with a return from the private sector to do this.

So I think there are several different examples of the way in which we have looked to a direct involvement of the private sector in the infrastructure, in itself. Generally speaking, the relationship with the private sector has been that we provide the transportation infrastructure, you do the investment that generates jobs. The State spent $78 million on highways for Honda; Honda now has invested in excess of half a billion dollars, probably approaching $1 billion, and has generated 4,000 or 5,000 jobs.

Mr. MINETA. But I am wondering if we are not always trying to play catch up ball. We never get to the point of having an adequate cloverleaf at some intersection because the plant is going to be located here. By the time the plant is located, maybe then up the road a shopping center gets developed. To what extent then, as that continues, do those additional developments contribute back to that original overpass or turn-off or whatever that creates the attraction, as well as becomes a real impediment in terms of traffic flow?

Governor CELESTE. I think it depends. Where we have an opportunity, where we can specifically identify a cost and ask them to participate, we do increasingly.

Mr. MINETA. Is that something that local government has a better handle because they can withhold zoning more so than any kind of leverage that the State has on what happens?

Governor CELESTE. It depends on who the toughest bargainer is. I think sometimes local government can be very effective, but frequently the lure of additional tax base or additional jobs is so strong that they are ready to do everything they can and it is easier for State government to say, "We are prepared to do the highway work. What we would like you to do is to pay the cost of engineering."

Mr. MINETA. I think that is the reason why the Secretary uses that, as you said, the bailout approach in the sense that we have people coming on a regular basis and saying they need Federal on this, and yet, from our perspective, I guess we look at it and ask what the Federal perspective is on what is being done here. Is it a State or local perspective? What is the Federal public policy interest? I know there is a rationale for it in some of these, but I am not sure that all of the examples where Members come and say they need this for State and local development that, given the constraints on us, we can say yes to a lot of these programs. I am just trying to figure out what the criteria is that we ought to be using to say yes to Project A but no to B and we'll help you some on project C.

Governor CELESTE. Mr. Chairman, I think it is very difficult in mapping a national strategy to be project specific. I respect that problem. I think it is very difficult to be project specific when you are working at a national level.

I think that part of a national transportation policy is to set certain standards and guidelines as to who will contribute what to make the partnership work. If part of that is to say to the private sector more explicitly than we have in the past, "Look, we think where there is a direct benefit to you. You ought to pay engineering costs for this," or some other formula that could be applied on a general basis, it would help everyone. That would help State officials. That would help county engineers and local communities in their decision making. And it would reduce what can happen where you start to have States bidding against each other or communities bidding against each other on the basis of what they can afford to do and other communities become seriously disadvantaged.

I take as the context the Eisenhower period when we were looking at national defense as a rationale for a national strategy. People agreed with that. Now we are looking at economic competitiveness as the real arena for our national struggle and survival. And if we take Europe as an example of our competition where there will be a single market in 1992 and what they are doing in investment in transportation systems, they are making a major investment in transportation systems—highways, tunnels, high-speed rail, every aspect of this. I think we have to somehow or another think of it in that context.

I believe the users are willing to pay. I think what we have seen over and over again is that the users are willing to pay. Part of the frustration is when those user dollars don't come back to do what they were intended to do, whether that is highways or public transportation or rail innovation.

Mr. MINETA. Let me touch on something else, and that is the sanction provision.

Under the Federal aid highway program, we have certain sanctions that relate to requirements that encourage States to enact laws relative to safety. We have them as they relate to the 55 mile per hour speed limit, drinking under 21, child restraints in automobiles. I am wondering if you could recommend to the committee any incentives that would have the same effect as sanctions?

Governor CELESTE. Mr. Chairman, rather than answer that off the top of my head could I think about that and send some thoughts to you?

Mr. MINETA. Absolutely.

Governor CELESTE. Because it is a very important question and I would like to give it more than a casual answer.

Mr. MINETA. Finally, Governor Celeste, the committee has received testimony in support of several meritorious Federal aid highway projects such as the Center Street Bridge, a bridge crossing the Meander Reservoir, the Hubbard Expressway, the I-680 access ramp development project, the I-280 Craig Memorial Bridge, the Buckeye Basin Greenbelt Parkway, the new Maumee River Crossing. Your representatives from the State of Ohio have been very——

Governor CELESTE. They all sound excellent to me. [Laughter.]

Mr. MINETA [continuing]. Very creative and very forceful in their presentations.

If additional funds from the Federal perspective are not made available for these very, very meritorious projects, how would the State provide for the construction of these important projects?

Governor CELESTE. Mr. Chairman and members of the committee, we have tried to follow a policy which I began when I ran for the office of Governor. I never promised a highway project unless I knew where the money was to build it. In fact, the only highway project I promised when I was running for Governor was in Congressman Applegate's district, and that had been promised for 25 years and is now under construction.

Some of the projects you have mentioned are projects in which the State has made a commitment to participate. We will fund projects within our resources. As I indicated, we have just had an increase in the gasoline tax. We try to base those priorities on the recommendations of local officials who will often set a very high priority on a project that has previously not been on the construction list.

I would like to say that the State would be able to do everything that the Federal Government could not see its way to do, but I wouldn't be honest if I suggested that. We take up these projects as quickly as we can. We do projects with 100 percent State funding. In fact, we have chosen to do some projects that way because we could build them faster than if we tried to do them with the Federal match, so we have reduced the construction time by two and a half years and probably saved some money as a consequence.

I think a number of these projects have considerable merit, and I would hope that, in its wisdom, Congress would find a way to be supportive of them.

Mr. MINETA. Wisdom is long, cash is short.

Mr. Shuster?

Mr. SHUSTER. I have no questions. It is nice of you to be here, Governor.

Mr. MINETA. Mr. Applegate?

Mr. APPLEGATE. Thank you, Mr. Chairman.

Governor, thanks very much, of course, for being here on behalf of 11 million people in the State of Ohio who have been donating many of their hard-earned bucks into the Highway Trust Fund and getting less back for their money.

I want to say this about the Governor, too: he did, when he was running for Governor of the State of Ohio, come into my area and looked and talked with our local people. To my knowledge, that is the only promise that he had made on a highway proposal, and he delivered. It is a major step in our area.

The Governor did talk at one point about a $1 billion release of projects that he has just gone around to the State and I think in half of the State he said we had some projects, but he didn't say about in October when he also went around the State and got laryngitis again releasing some other money for highway projects. Could you just make a reference to that, Governor? I think that is very important just to show what Ohio—what you have been doing.

Governor CELESTE. Mr. Chairman and Congressman Applegate, when the legislature decided to raise the gasoline tax in June and that became effective in July, what happened was that we immediately became the beneficiaries of additional money available for

construction. So at that point I went to the Department of Transportation and said that we have projects that are mature to the point where we can get them to construction promptly and it is my goal to put this money to work, not to let it sit there. That is the intention of the people who are paying the tax.

And so we announced a series of projects in October that I think totaled more than $90 million in this year. In fact, Congressman, we are having a special bid letting—today is the 22nd, right?

Mr. APPLEGATE. Yes.

Governor CELESTE. We will have a special bid letting tomorrow. Normally we do two contract bid lettings each month. On the 23rd of March there is a special bid letting for $73 million worth of the $90 million that is done in the first year of the biennium. The total amount is almost $260 million of additional construction that was made possible to be operated on a biennial budget for the biennium for new highway construction. So those projects were announced last October.

This $1.1 billion is the next stage after that to carry on a rational construction program.

Mr. APPLEGATE. And I think that is very good. And you had mentioned, of course, that the people in the State of Ohio, through the State legislators, then increased the gasoline user fee, which shows that Ohio really has shown responsibility in all of this. I agree with you—try to put it together to find out, because I think, too, there is a shift in the direction of the Administration now as to what the Bush Administration wants to do in relationship with what Secretary Skinner said. It is going to make it very difficult.

Here we have two things: one, they want to put all of the responsibility back on the local level—read my lips—no new taxes over here but we are going to tax the people back in the local district, but that is going to have to be up to the local people to do. And yet they are showing a warm reception to Rostenkowski's proposal which calls for $0.25 additional on a gallon of gasoline to try to reduce the Federal deficit.

Well, as I said before—and Lew, you were here last week—if anything like Rostenkowski's bill would get out, that would just kill every opportunity for every local community to be able to try to assume any responsibility that the Bush Administration wants to place back there.

So I just think, at least in Ohio's case where we have been a donor State, we have been punching out a lot more money than we have been getting back in. And we have a commitment to try to fulfill to the people of Ohio to try to finish off the highway systems, to improve them, rehabilitate, and to improve the infrastructure which, of course, Lew and Mary Rose and some of the others were sitting before us last week and showed the enormity of the problem—the deficiency, as you have pointed out in your testimony, on the highways and the bridges—the deterioration and all.

And another thing I want to say is that Ohio, while we—we cost share. Any project in any other district in the United States Ohio is helping to pay for. The same is true with the savings and loan situation, which is going to be $150 billion to $300 billion. But when we had a savings and loan problem the Federal Government didn't come and give us a nickel. I want to commend the Governor

for that because you were able to put that together to save these small thrifts and work this deal out, and Ohio did it within its own structure, and I thought it was done exceedingly well.

I would just mention about a couple of things that you said, Governor, that I think most of us probably agree on—and I intend to offer an amendment to increase that minimum allocation, whether it be from 85 to 90 percent or whether it be to 100 percent, I don't know.

Governor CELESTE. I would start with 100. [Laughter.]

Mr. APPLEGATE. I think that is a good idea, then compromise to 99. I think we could do that. But even at 90 percent Ohio could realize $130 million to $140 million additional, which I think would be very important. And when we look at States like Pennsylvania, which is getting 110 percent—and I don't see that much difference between the two—I think the distribution formula—and I agree and I was very happy to see the ranking member of the committee express his sympathy for a restructuring of the distribution formula. I think that he feels it is inequitable, and I think it should be restructured. In that way we are going to see maybe more dollars come back to the States of need and to the States that have been the donor States. And the other, of course, is that the trust fund should be taken off budget and whatever amount—the $12 billion or $17 billion—instead of using it to show a lower deficit, for that money to be released so that we can spend it for the purposes for which it was paid. I think it is very important.

So I would just say that there is a need to help Ohio and the other donor States. Ohio—who, incidentally—and I'm sure everybody knows and I don't have to tell anybody—was an economic giant at one time. We are coming back and we are going to get people to come back to Ohio. We did increase in our census. We will show a small increase, but not enough, because we are going to lose two Congressman. But people are going to come back because they are going to see that it is a better environment. We have fresh water. And the highways are going to be very important in this whole thing.

The donor States—and I think the figures were brought out before that since 1982 the donor States have paid out $32 billion more than we have taken back in. That might be a figure that Lou Stokes brought up last week which I was very impressed with.

So Ohio and its 11 million people, like all the rest, do need a lot of help. We hope that what we are doing here now and with the help of our ranking minority member, as well as our very gracious chairman from California, who also comes from a donor State, will see fit to restructure the formula and see that more monies come back and on a more equitable basis.

I thank you very much, Mr. Chairman.

Thank you very much, Governor.

Mr. MINETA. Mr. Hammerschmidt?

Mr. HAMMERSCHMIDT. Governor Celeste, we are delighted you are with us today. We appreciate your statement, and we especially appreciate your bringing Lou Stokes over here from the very important committee to be with us.

Governor CELESTE. Thank you.

Mr. HAMMERSCHMIDT. You know, to give myself some credentials I want you to know I am from a donor State. But let me go back with you in time to 1956. We have spent about $125 billion since then on the interstate program. I guess that original—it was a 40,000-mile national highway defense network system. Later it became 42,500 over time. But I guess the idea was that it was a national system and some States at the point of tax collection would have to give more than others. Now there are 19 donor States. That shifts from time to time.

But the idea is that because it was a national concept that's the way it worked. Everybody understood that was the way it worked and everybody benefitted from it.

Now it is the post-interstate period and we are writing new legislation. We may very well want to write new policy and figure out where we are going to go from here after the 42,500 miles.

We are all for expending money out of the trust fund and we try to get the money out of the trust fund. We have had votes on it here in the Congress. That is a major issue with us. But, as you know, ever since President Lyndon Johnson started holding up money in the trust fund it has been very hard to wean the Executive Branch away from that because of the budget problem, and so we are still holding up money there.

But there is more to it than that. You know, they allocate this money and DOT and the Executive Branch say, "Well, we don't have any money because we have allocated it all." Do you know that about $275 million is behind held up for the State of Ohio and about $40 million from the State of Arkansas—and I don't know the California figure, but it is about 48 percent—because Congress placed the obligation ceiling on there? The Appropriations Committee, in consultation with the Budget Committee, have held those funds up. I think it is important that we make that point because it is a major system problem and one that has to be resolved. We have to do this together with the Executive Branch, and I fell that we will.

I think under Chairman Norman Mineta and certainly other members of this committee—we all have strong feelings about it, and I know we will work with the Appropriations Committee to try to resolve this problem.

But if a President comes into office and he has got $150 billion budget and you say let's take these trust funds off budget. There is about $20 billion worth of them in aviation and highways. Is he going to say, "Yes, let's take them off and I'll have $170 billion deficit."?

Well, you know, if you were President, just like you are a Governor, you would be very hesitant in doing that. I just make that point. It is a very complex problem. It is a difficult one to solve. But we do appreciate your statement this morning, Governor. It was very helpful to us.

Governor CELESTE. Thank you very much, Mr. Hammerschmidt. You are absolutely right, Congressman. Fortunately, we budget differently at the State level than at the Federal level, partly because most of us can't deficit finance.

Mr. HAMMERSCHMIDT. We have that same Constitutional provision.

Governor CELESTE. We have a capital budget and an operating budget, and we actually have a transportation budget which is separate so that we can really account for those dollars directly.

There are two thoughts that I have. One, in terms of money out of the trust fund, I agree very much that this is a concern addressed both to the Administration and to the leadership of Congress and Members of Congress. There has to be an agreement about the release of those funds, and my own feeling is that even if we leave what has been used in the past it would be terrific if, starting this coming year, we could allow the allocation of all of what comes in to be part of that.

The National Governors Association has asked that the cap be raised from $12 billion to $15 billion which would, in effect, essentially allow for the money that is coming in to be allocated. That would not all be outlays, at least in the first year. Again, I am not sure that I fully understand how all of these things work, but I think it is something that would have to be dealt with.

The second point I would make goes to this notion and was implicit when we got started with the program in 1956. If you look at a State like Ohio—and I think this is one of the misperceptions behind Secretary Skinner's comment about changing Federal formulas—the State of Ohio has about 113,000 miles of highway. Only about 25,000 miles of highway are miles on which there is any Federal participation. So our responsibility, working with local government, is to deal with 113,000 miles of highway. When you change the formula on the 25 percent or less of highways that we have of Federal interest, that is squeezing resources that we need to use over a much larger area. That is true in Arkansas, it is true in California, it is true across the country.

I think it is really important for us to try to help people understand this. As I said, a stable partnership between us on which we could count on the relationship over time is essential when we are dealing with infrastructure, which is long-term investment.

Mr. HAMMERSCHMIDT. Thank you. I think these dialogues and certainly your testimony are all very helpful to the process. I know Chairman Mineta and I have been out speaking to a group in California on the weekend, and there is a generally feeling that not only do we want the $15 billion, but we want to get it up to $23 billion or $26 billion to help this nation's infrastructure, but, of course, that is going to take more dollars and we have to figure out where those dollars are going to come from. Obviously, it will have to come from users in some way or the other. I want to throw that out as a comment about the general direction in which the chairman wants to go, and I think all of us want to go.

Thank you.

Mr. MINETA. Thank you very much, Mr. Hammerschmidt.

Mr. McEwen?

Mr. MCEWEN. Thank you, Mr. Chairman.

Governor, thank you for being here. I think most of the topics have been covered well. I express again my strong support for taking the trust funds off budget. As our colleague from Arkansas has just mentioned, one of the real difficulties is that the Byrd Amendment says that you can only expend the amount of money that you have for that year plus two years of outlays. That has to

be kept in reserve in the trust fund at all times, and that literally absorbs all of the trust fund.

Secondly, your reference to the fact that just to make sure the money going in doesn't get any bigger, I would point out that over the 1980s we have expended slightly more. I use the term "slightly." The Office of Management and Budget says they have spent more than came in during the 1980s. It is actually about a 1 percent difference. But we have at least spent all the money that came in and a little bit more, but that does not dissuade me in the slightest from wanting to get at the rest. So I thank you for your testimony.

I never miss opportunities like this, also, to say that I think Ohio as one of the best offices on Capital Hill. I refer to it as the Ohio Office, but it is your office. They do an excellent job and we are all dependent and grateful for them.

You made reference in your testimony to flexibility, which I think is exactly the direction in which we need to go. Each State has different needs. Recently, trying to drive between Fort Lauderdale and Miami, that is an absolute disaster. I would hate to think that we are responsible for setting up all of the criterion whereby States have to decide how those funds are spent. We in Ohio appreciate that flexibility.

Also I would mention this in relation to your discussion about the formula: the formula is significantly better than it was in 1982. There were tremendous reforms. I will say that Pennsylvania is a very talented, capable State that has many talented, capable representatives. If they are getting 110 percent, that shows the skill with which they choose their leadership. [Laughter.]

Mr. McEwen. Let me also add, however, the our funds were virtually tripled to Ohio, but it does leave us in the position of being a donor State which, of course, someone has to be because all of America benefits and all of Ohio benefits because there is an interstate system across Nebraska and Nevada and Utah. But your reference to the suggestion now that we have built it—we had to donate in order to get it built in South Dakota and Montana, but now that it is built we should look at the rate at which it is consumed, and that is the miles travelled. I am sure that we will take that into consideration on establishing the new formula.

I just have to be a little bit—I debated whether or not to say it. There is a sucker punch in your testimony, and that is about the bailout of the savings and loan. I would not be so disingenuous as to suggest that the efforts by Ohio to restore their depositors' savings was an effort to bail out any private entrepreneur. I think that what Ohio did to save its savings and loan was done for the effort to be fair to the depositors and have their money restored and the confidence of the savings and loan system.

When Franklin Roosevelt made that commitment on behalf of the United States in the 1930s that whoever would place money in the United States would have the assurance that no one could run off to the Bahamas and they would be left with their savings gone, that time came due and that tab was presented and this Congress did what was right for America, in my judgment, and said we will honor those obligations. I would not want to refer to that as an effort to save private enterprise, as such, because those entities

have disappeared and are rapidly disappearing. They are no longer with us, but the depositors have been protected. I think that was the fair and equitable thing for America to do.

Thank you.

Mr. MINETA. Mr. Packard?

Mr. PACKARD. Mr. Chairman, I will defer to Mr. Clinger.

Mr. MINETA. Mr. Clinger?

Mr. CLINGER. Governor, we thank you very much for your testimony. I think it has been very helpful to us.

One of the options that we have, I suppose—I don't present it as a very realistic option—would be for us to, since we built the interstate and the Eisenhower dream has been fulfilled for a national interstate system, to just drop the $0.09 and allow the States to increase their taxes by the difference. Wouldn't you be better off when you control your own destiny by having the ability to raise your own taxes by $0.09?

Governor CELESTE. That is very attempting. Mr. Chairman and Mr. Clinger, that is a very tempting through. There have been times I think when several of my colleague Governors and I have said we would be better off if that were to be the case. But I think there are also dimensions of transportation beyond highways that we need to remind ourselves about. Public transportation is very important. It ties in directly with the whole efforts on the Clean Air Act and leadership on new transportation systems. I don't know exactly how that fits in with what the next stage is, but I would certainly put that before you, as a committee, as a place which is consistent with our sense of ourself as a nation.

If President Eisenhower had the vision to see what was needed and created an interstate system, the question for us in the 1990s is: what is needed for the 21st century and can we envision that and articulate that and find an appropriate way to fund it?

Mr. CLINGER. I would just point out that President Eisenhower had something to help sell the idea of the interstate system that we maybe will not have in the future, and that is that he sold it as a defense highway system. That was really the basis on which we got the impetus and the national backing for it because there was recognition we needed to have a national interstate system to move men and materials around.

I am not sure that defense is going to be that central to our thinking in the future, but I do agree with you that we need to have a national focus on the USOC. I was really being somewhat facetious.

I just want to express my appreciation to my colleague from Ohio for his kind remarks about the Pennsylvania delegation, as well. [Laughter.]

Mr. MINETA. Mr. Packard.

Mr. PACKARD. Thank you, Mr. Chairman.

I agree that the next long-term transportation plan is going to need to be a national plan that will address a lot of research and development in terms of smart highways and smart vehicles and a variety of other things. It will help us address the transportation of the future.

But the dollars are simply not there now, nor will they be even if we release the trust funds—which I certainly have supported and

would like to see us do—to where they can be used for transportation purposes. But even if we released all the trust funds there simply would not be enough money to do all that needs to be done in rebuilding America's infrastructure—particularly as it relates to transportation. That means that the States and local areas will still have to look at innovative ways of developing new resources. Some States and some areas are doing that.

In our State in California the bulk of the metropolitan counties of California have passed bond elections or tax elections that call for a half cent sales tax earmarked strictly for transportation. My county has done it, and most of the Southern California counties and the Bay Area counties where the chairman and others are have done that. That will bring in billions of dollars into local highways, local streets, and county highways that will not be funded only by State and Federal moneys.

Has Ohio considered that? Or is that happening anywhere in your State where efforts are being made on a local basis to augment what will be coming, even short as it may be, from Federal and State resources?

Governor CELESTE. Well, we have—there are several examples.

Mr. PACKARD. I might add, Governor—and I apologize for interjecting—that we also will have on the ballot a gas tax increase of $0.09. So we are doing that at the State level, as well. But I am talking now about local, county-wide sales tax—half-cent or one cent sales tax—earmarked specifically for mass transit and for county roads, as well as for local streets.

Governor CELESTE. Mr. Chairman and Mr. Packard, yes, we have counties that have earmarked a portion of the sales tax, usually for public transportation rather than for highway purposes. There are two things. When we raise the gasoline tax in Ohio we have a formula for a portion of that going back to counties for their use. In addition, we have given them an opportunity to piggyback on our license tag fee. They have an optional ability to increase that fee locally for highway use. Many of the counties now have exercised that option to generate additional resources locally.

I think that your point that there will be great inventiveness on the part of State and local officials to try to devise appropriate revenue sources for this kind of transportation investment is absolutely on target. We will continue to do that.

Mr. PACKARD. That's all I have, Mr. Chairman. Thank you.

Mr. MINETA. Very well. Thank you very much.

Governor, let me thank you very, very much for your presentation here today and for your leadership not only in your State but also with the National Governors Association. I know that infrastructure is a big issue with the NGA, and you have been an integral part of that discussion. Again, thank you for your presentation here, as well as for your leadership.

We will continue to have a dialogue with NGA and with you, specifically. Let me also say that you are being well represented in terms of your highway interests here in Washington, DC.

Governor CELESTE. Thank you very much, Mr. Chairman. I appreciate the kindness of the committee in hearing the testimony today and your interest and concern and would be happy in any way to try to be helpful as you pursue your deliberations. I will

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send you some thoughts on incentives versus penalties on that matter.

Mr. MINETA. Thank you very, very much.

[Mr. Celeste's prepared statement appears on page 1410.]

Mr. MINETA. At this time I would like to call on the President of the Kemper National Companies, Gerald L. Maatman, who is the Co-Chair of the Advocates for Highway and Auto Safety; as well as Joan Claybrook, the President of Public Citizen and Co-Chair of the Advocates for Highway and Auto Safety; accompanied by Judith L. Stone, the Executive Director of the Advocates.

It is a pleasure to have Mr. Maatman and the former administrator of NHTSA before us. Mr. Maatman, just let me preface by saying my background is insurance brokerage. I was an independent agent. You know me better as VF461074. [Laughter.]

That's my policy number.

Mr. Maatman, your statement will be made a part of the record. Please proceed in your own fashion.

TESTIMONY OF GERALD L. MAATMAN, PRESIDENT, KEMPER NATIONAL COMPANIES, AND COCHAIR, ADVOCATES FOR HIGHWAY AND AUTO SAFETY

Mr. MAATMAN. Thank you very much.

I am Gerald Maatman, President of the Kemper National Insurance Companies and Co-Chair of the Advocates for Highway and Auto Safety. This is a new coalition of consumer, safety, and insurance organizations which was formed about six months ago to promote highway and auto safety, to reduce death, injury, and economic losses due to motor vehicle crashes.

Advocates is working at the Federal, State, and local levels to improve highway safety, and we have a strong interest in seeing that the highway program reauthorization emphasizes the importance of tougher laws and other programs for safer highways.

With me today is Joan Claybrook, former NHTSA administrator, who is also president of Public Citizen and who I am pleased to say is our co-chair of the Advocates. We also have with us Judith Lee Stone, our Executive Director.

Joan and I will share the testimony and will summarize the key points.

The Advocates has identified a number of critical issues to advance highway and auto safety in the coming decade, and we are trying to develop and implement strategies to address them. Many of the problems for which we seek solutions are certainly going to be permanently affected by the highway bill that will be shaped this year and next in this committee.

Our safety emphasis includes the following:

Drunk driving countermeasures, including passage of administrative license suspension laws in the 22 States without them. Also, open container laws and the promotion of roadside sobriety checkpoints.

The second area is occupant protection legislation, including passage of safety belt use laws in the 17 States without them. Also the upgrading of existing laws to provide for primary enforcement; and more and better protection for children, both in child safety seats

and safety belts; and also better education about and the promotion of air bags.

Another area is adoption of motorcycle helmet use laws covering riders of all ages. Specifically, we support motorcycle helmet and safety belt use legislation which is being sponsored in the Senate by Senator Chafee and in the House by Representative Cooper.

We also support a return to the national maximum speed limit of 55 miles per hour, increased enforcement of all speed limits, a ban on radar detectors in both trucks and passenger cars, and the promotion of responsible advertising on the part of auto manufacturers that does not glorify fast and powerful cars and driving practices.

We also support renewed emphasis by the Federal Government, specifically by increased tough enforcement of existing standards for roadway appurtenances; and to improve worker and motorist safety by using high-standard equipment in construction areas that are already open to traffic.

We also emphasize opposition to wider, longer, and heavier commercial motor vehicles and to their access to additional roads; and we support more effective truck braking systems, including more widespread installation of anti-lock brakes in big trucks.

We certainly also are supporting more funding and other support for enhanced traffic safety law enforcement and additional funding and emphasis on research, development, and demonstration grants for highway safety programs.

Finally, we support quick and effective promulgation of new Federal motor vehicle safety standards to improve side impact passenger protection, to upgrade all standards to apply to vans and light trucks; and to improve child restraint, pedestrian, and rollover crash protection standards.

We also support reauthorization of the National Highway Traffic Safety Administration motor vehicle safety program. Senate bill 673 has passed the Senate and now lies dormant in the House.

Joan?

TESTIMONY OF JOAN CLAYBROOK, PRESIDENT, PUBLIC CITIZEN, AND COCHAIR, ADVOCATES FOR HIGHWAY AND AUTO SAFETY, ACCOMPANIED BY JUDITH L. STONE, EXECUTIVE DIRECTOR

Ms. CLAYBROOK. Mr. Chairman, over 45,000 people still are killed every year on our highways and hundreds of thousands more are permanently injured. Our nation is paying an enormous and unnecessary price in dollars, family tragedy, and in loss of productivity because of this.

To address this national tragedy, I would suggest the following:

That the successful Federal/State/local partnership for highway safety through the Highway Trust Fund be continued, and funding for its major grant and research and demonstration programs be increased. These include the section 402 State and community grant program, the sections 408 and 410 alcohol safety incentive grant programs, the section 403 research and demonstration programs, the Federal highway safety construction grant programs—hazard elimination and rail highway grade crossing—and the Federal motor carrier safety grant programs.

We also support existing highway safety incentive grant programs aimed at curbing drunk driving, which we believe should be combined into a single program and expanded to address, as well, occupant protection, speed, and other high-priority safety issues.

Additional emphasis should be placed on the need for accelerated research and supporting data collection—its analysis and dissemination—regarding types and severity of crashes, injuries, and fatalities, in order to better assist in the identification of new vehicle, roadway, and driver behavior safety programs. With the number of new laws and programs that have been adopted in the 1980s, we think this is a particularly important issue.

We are at the beginning of a new decade and approaching what is potentially a far more complex, dangerous, and expensive new century. Our group, Advocates, has chosen to lobby aggressively for tough, strong, effective laws and regulations to serve as the foundation for the society's efforts to stabilize and prevent costly injuries. We know that these laws work. We have data. We know that they pay off—they save lives, they reduce injuries, they save costs.

We believe that they could be even more fully effective when combined with highly visible police enforcement, public education, and publicity about safety enforcement. We also know that this works, and we know that the general motoring public is supportive of such programs.

Highway and auto safety has come of age in recent years. Even Lee Iacocca is supporting this, as you know.

Some motor vehicle manufacturing leaders are marketing safety; others, unfortunately, haven't yet adopted such programs, but we think they might. Other industries recognize that they can no longer afford not to require safety belt use for their employees or install air bags in their fleets.

Victims who have survived crashes or who have lost loved ones in a crash dramatically demonstrate the needless nature of lost lives and crippling injuries and teach us that such a high price need not be paid.

It is important to point out, Mr. Chairman, the high payoff of this program in terms of the numbers of lives lost. People who die in highway crashes are young. This is the largest killer of people under age 45. When you compare, for example, the years of lives lost to cancer is 1.7 million and the number of lives lost to heart disease and stroke is 2.1 million, whereas the figure for injuries is 4.1 million, the majority of which are motor vehicle injuries. Therefore, the investment that is made in saving lives in this program has a tremendous payoff.

Therefore, we urge you and this committee at this critical point in the lives of these programs to increase the resources at all levels.

Since passage of the Safety Acts in the 1960s we have learned that these investments pay off: They avoid crashes, they protect highway users should a crash occur, and they are cost effective.

It is quite clear that it is not the time to pull back or even to accept the status quo if we are to build on our knowledge of how to successfully prevent death and injury on the highway. These programs need a boost in funding and increased emphasis in the overall highway program.

Thank you very much for the opportunity to testify. We would be pleased to answer any questions.

Mr. MINETA. Very well. We now have a call of the House for a vote, and so at this point I am going to recess before getting into the question and answer period since we have a procedural motion on the floor and a number of us are going to have to get over there to have explained to us what is going on. So at this time I would like to recess for about 15 minutes.

[Recess.]

Mr. MINETA. Let me reconvene the meeting, if I might. I apologize for this recess.

I know you are a newly-formed organization, but that you are talking about lobbying aggressively for tough, strong, and effective highway safety laws. So far how would you say that effort is coming along?

Mr. MAATMAN. I think in terms of what we, as an organization, could take credit for, we haven't been in existence that long to be able to point to specific victories of our own. But certainly the trend across the States over the last couple of years has been encouraging. We have had a good number of States pass mandatory seatbelt laws, and certainly in the drunk driving legislation area we have seen some good progress.

But, nevertheless, as we indicated in our testimony, we think there is more to be done and we see a fairly long agenda—a good number of States in which our further efforts are needed. That is where the Advocates intends to focus a lot of its attention.

Mr. MINETA. Do you think local and State laws are easier to get passed than at the Federal level?

Mr. MAATMAN. In some States.

Mr. MINETA. I am just wondering whether you have better leverage at the local level, especially as it relates to safety.

Ms. CLAYBROOK. Not if you put incentives in there.

Mr. MINETA. Or sanctions?

Ms. CLAYBROOK. Or sanctions. I think that if you do that it really helps. We are very enthusiastic about having the grant program include those kinds of assists.

Mr. MINETA. Is there a trend towards State passage of tougher safety laws?

Ms. CLAYBROOK. I think so. For example, in the motorcycle helmet area, certainly an area of some controversy in the past, there are four States that have passed helmet use laws on their own without any real efforts by the Federal Government at all. California has been passed twice, in fact. As you know, it has been vetoed by the Governor. I believe the next Governor is going to sign it.

Mr. MINETA. Well, the candidates for the governorship—two of them, at least——

Ms. CLAYBROOK. Have indicated that they would sign such a bill. So that is an example. The seatbelt use laws have been passed in 33 States. While a few States have revoked those laws, we think there is general support for them and certainly an enormous increase in safety belt usage. It is up from 12 percent to 48 percent nationwide. That is a very, very encouraging sign.

I think that the issue for us here, Mr. Chairman, is that these laws work. Helmet use laws work. Belt laws work. Child restraint usage laws work. Age 21 for drinking works. These laws, by and large, the public obeys, and it does result in significant lifesaving.

Mr. MINETA. You said that funding for safety programs and research should be increased. In what areas do you think existing safety programs are lacking due to insufficient funds?

Ms. CLAYBROOK. I would certainly say enforcement would be the number one item in my view. This is now in the grant program. With the cutback of the 55 mile an hour speed limit I think there has been a lot of discouragement among State police in this area. In addition, we know that enforcement of these laws that have been saving lives increases lifesaving, particularly when combined with publicity programs. So I would certainly say that.

Secondly, we highlighted the need for increases in research programs. The payoff from the highway safety program, Mr. Chairman, is perhaps one of the highest of any government programs because it is very measurable, and it is measurable because a lot of research is done in advance to determine whether or not these programs work, and then it is evaluated after the laws have been adopted.

So we know a great deal about the payoff from the investment that is made in this area, and I think it is one of the things that the Federal Government could really boast about. In many government programs we have no knowledge of whether or not the funds really are making a difference in the quality of life of people in this country. In these programs we absolutely know that they are saving lives.

Mr. MINETA. Let me ask you about that data base. Do we have a good Federal data base?

Ms. CLAYBROOK. Yes. There is a program called FARS--the Fatal Accident Reporting System—that was set up in 1975. And then there is the national accident sampling system, which was set up at the same time, which is a sample to get more information about the injury area. Then there are some specialized programs that have been set up to do particular evaluation efforts. So there is a good data program, but there needs to be, in my view, more emphasis on evaluation. The capability——

Mr. MINETA. That was the question I was going to ask you. If we have a good data base, are we using it to accurately impact and to improve driver safety? Is there a linkage there or are we just collecting data for the sake of collecting data? Are we impacting on driver safety behavior and standards?

Ms. CLAYBROOK. I think absolutely we are. But I think that with the cuts in this program—you know, the agency has lost a lot of personnel. Since 1981, when I left the agency, to today I think the agency is down from something like 800 people to less than 600, maybe 550. What happens is that the research, particularly the evaluation area, gets strangled in that process. I think that we need to—we are spending now something over $20 million a year in data collection, it seems to me a very modest investment to have an increase in the evaluation staff because they are the ones who can tell us whether or not these programs are working. The agency has put a premium on publication of the evaluation activities that

they have underway, but it seems to me that now, with a data base that is of almost 15 years duration, that we should be putting greater emphasis on evaluation.

Mr. MINETA. Mr. Maatman, later on we will have the president of the Insurance Institute for Highway Safety before us, as well. From your perspective, has industry been doing enough to leverage on their colleagues in the business sector to do more on this safety side?

Mr. MAATMAN. Of course, from our perspective we think we have made some very good contributions in this whole area. On the issue of whether or not we have applied enough leverage on the business community, I suppose the answer to that depends upon where you are standing and looking at the picture.

Especially over the last couple of years, many of the leading companies in our industry have begun to develop good dialogues with the manufacturers in Detroit, and I think some good progress has begun to be made.

But more can be done. There is no question about it. And I think the automobile insurance industry is recognizing the fact that the public expects us to be more than simply a pass-through mechanism shifting the cost of accidents back to the public, and I think you are going to see more and more evidence of the automobile insurance industry taking a very proactive stance on a lot of things. I think this particular coalition, in itself, is evidence of that.

Ms. CLAYBROOK. Mr. Chairman, I would just like to say that Mr. Maatman has been one of the leaders in pushing this industry to do more. If the entire industry did as much as he has done, I would say hallelujah. So he deserves kudos. This industry really has made a big effort to reach out. Of course, the consumers always think that everyone else can do more.

Mr. MINETA. Mr. Packard?

Mr. PACKARD. Thank you very much.

Welcome to the committee, Mr. Maatman.

In California you are aware that there has been a significant effort through the initiative process to reduce the cost of insurance. Certainly as we make progress in terms of safety and reducing——

Mr. MINETA. You are referring to proposition 103? [Laughter.]

Mr. PACKARD. As we make progress in reducing accidents, insurance costs should maybe not come down, but certainly the increases should be slowed. I would be interested in your observations as to what did happen in California and what effect it has upon the industry as it relates to automobile accidents and coverage, and what a better solution may be.

I agree with the chairman, at least from his gestures. I did not support them, but, nevertheless, one out of five or six initiatives did pass that affected insurance rates.

I would appreciate your comments on that if you wouldn't mind.

Mr. MAATMAN. Certainly, to begin with, proposition 103 certainly got the attention of the industry, and it continues to get the attention of our industry. It is indicative of the fact that there is an affordability problem, especially in the more concentrated urban areas of California and some other States. There is no question about it. The cost of automobile insurance for a good portion of the public is frightfully high—we would say justifiably so because of

the accident experience in urban areas, but the fact does remain that we have gotten to the point in many urban areas where it has become unaffordable for people, and especially people on the lower part of the economic scale.

Our industry, of course, feels that proposition 103 is the wrong way to go at the problem. It is going to take some period of time—and most of it I am afraid is going to have to be settled in the courts in terms of attempting to use the approach that 103 has chosen to use.

The fact that our industry has joined in this coalition—the Advocates for Highway and Auto Safety—I think is indicative of the fact that we think this is one of the best ways to begin to do something about the high cost of auto insurance, and that is to reduce the frequency of accidents and, equally important, the severity of them.

This, along with taking other kinds of loss costs out of the system through other means such as a good, effective automobile no-fault plan and things of this nature doing a better job of controlling medical care costs, we think represents the only rational way to get at this problem.

Unfortunately, the solutions to the affordability problem in California and some other places are going to take some time to take hold. Certainly with this approach of attempting to reduce the frequency and severity of accidents you are not going to have any great relief overnight from using that kind of a remedy. The fact remains, we think, over the long run, that is the best way to tackle it.

Mr. PACKARD. Ms. Claybrook, would you respond also to the question regarding the effect of making the 55 mile speed limit optional to States on certain rural interstates?

Ms. CLAYBROOK. First let me say that if you look at the premium dollar, approximately two-thirds of it is the result of pay-outs for property damage and personal injury. It is about 39 percent for property damage and the rest for personal injury.

If you can significantly reduce the losses from property damage and personal injury, then you can reduce or control insurance costs much more effectively.

Mr. Maatman is exactly right: it does take time. You have to make an investment up front to get these programs in place, but they have a very high payoff.

With air bags coming into many cars in the next decade, I think we are going to see a significant reduction in death and injury, along with the other State law programs that we have already mentioned today.

In addition, our coalition is working on theft reduction and on other kinds of controls for property damage.

So we hope that these efforts will reduce some of the disagreements and tensions between consumers and insurers by attacking the problem in the most effective way for the long term, but it is a long-term issue.

In terms of the 55 mile an hour speed limit, the Department of Transportation has found that there is about a 20 percent increase in the number of deaths on the rural interstate highways that have

adopted the 65 mile an hour speed limit compared to a 55 mile an hour highway. It has made a difference.

The National Academy of Sciences did a study in 1986 that evaluated this option, and they estimated approximately this amount of increase in death and injury. I have to say it is the only program I know that has been adopted in the last 25 years that increases death and injury on the highway. I find it very sad. My view is that people are always going to exceed the speed limit—probably by 5, 6, or 7 miles an hour. It is better to have it a little bit lower so when they exceed it they are not going so fast. There is also a spill-over effect on 55 mile an hour highways when they are coming off of 65 mile an hour highways.

We advocate a return to 55 miles an hour.

Mr. PACKARD. I have one last question, if I may, Mr. Chairman.

Mr. Maatman, California was used as an example in one of our hearings—I don't know whether it was in this committee or not—regarding the capping of some of the pain and suffering legal judgments. It was at a medical meeting that I attended. They used California as an example that other States could follow in terms of changing the law in terms of judgments rendered in terms of accidents in terms of pain and suffering. Has that affected insurance rates in California compared to other States that do not have these changes?

Mr. MAATMAN. First of all, I don't think we would point to California as being one of the sterling examples of having put an effective cap on it. New York, for example, I think has done a better job of that. A lot of people point to Michigan as another example.

We happen to think that caps on what is recoverable for pain and suffering can definitely have an impact on insurance rates over the long run. The fact remains that in a lot of States that do have no-fault systems, first of all, they have a very low threshold which permits law suits to be filed in any case and a very high percentage of cases. That is a lot of the problem. The no-fault systems aren't too effective in reducing that down.

Mr. PACKARD. Thank you very, very much.

Thank you, Mr. Chairman.

Mr. MINETA. Mr. Valentine?

Mr. VALENTINE. Thank you, Mr. Chairman. I apologize for getting here so late. I was going to step in and ask some questions about the radar detector and that sort of thing, but my chairman tells me that you have addressed some of those matters. So my question might re-plow some territory, but I will be brief and I apologize in advance.

The prepared statement that I have indicates that when the speed limit was raised from 55 miles an hour, which I think was a tragic mistake——

Ms. CLAYBROOK. We agree.

Mr. VALENTINE [continuing]. The people in the Congress and elsewhere who say that speed doesn't kill—I think it is the difference between tossing a bullet and shooting a bullet. Do you have any figures to go with the 25,000 lives lost indicating the increase in the severity of the injuries sustained by people because of those extra miles? I am interested not just in percentages, but in figures like this 25,000.

Ms. CLAYBROOK. Well, the number of deaths that the Department of Transportation has indicated I believe amounts to about 350. Now, this is with 65 mile an hour speed limit just on the rural interstate highways, and nine States haven't adopted that. It is in about 40 States.

In terms of the number of injuries, I don't have a number. We would be glad to see if there is one and submit it for the record.

By and large, a rough calculation, based on my experience, is that you could multiply the number of deaths by about 20 to get the number of severe injuries. That is just a rough calculation. But we would be glad to see if the Department of Transportation has done this.

It is much harder to collect injury statistics because many crashes are never investigated and the fatality data comes from coroners and so on. It is much harder to get the injury statistics, but we would be glad to see if there is anything.

[The information to be supplied follows:]

RESPONSE TO QUESTION FROM MR. VALENTINE:

As one example of the strained resources at NHTSA, the agency itself does not have the ability to keep a data system on motor vehicle injuries to the degree that we could firmly document the impact of the increase in the speed limit from 55 mph to 65 mph on the number and/or severity of motor vehicle injuries, though such injuries cost our society billions of dollars. Such data would be an extremely valuable tool, as we know from the knowledge we already derive from the Fatal Accident Reporting System (FARS).

In one April 1989 study looking at the impact of the 65 mph speed limit in Alabama, the researchers found that there was an increase of approximately 18 percent in the accident frequency in all classes of accidents -- fatal, injury, or solely property damage when comparing the same roadways at 55 mph and after the limit was increased to 65 mph. Significant increases in property-damage and injury accidents were found for all interstate roadways (the 65 mph and 55 mph interstates combined). In comparing the test areas (Interstate highways on which the speed limit had been raised to 65 mph) against the rest of the state, both property damage and injury accidents were significantly higher in the test area than for the rest of the state.[1]

I have not located any other studies which provide a better analysis of injury rate and severity in correlation with the 65 mph increase than this, and I realize that the study cited above does not

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[1]"The Safety Impact of the 65 mph Speed Limit: A Case Study Using Alabama Accident Records," Brown, Maghsoodlo, McArdle, Auburn University, through U.S. DOT, April 1989, p. 75.

directly answer your question. Such a lack of data strongly indicates the need for additional Federal research and demonstration funding for the highway safety field.

Mr. VALENTINE. As to these radar protectors here. I was just going to ask you about that word.

Ms. CLAYBROOK. It should be "detectors."

Mr. VALENTINE. Do you know of any use to which those contraptions can be put except to help people violate the laws of this country?

Ms. CLAYBROOK. No.

Mr. VALENTINE. Do you have an opinion? I know this is probably a political question, but do you have any opinion based on your interests as to whether or not a constituency has built up in this country to the extent that we might be able to do something about this scourge?

Ms. CLAYBROOK. Well, we certainly support banning of radar detectors. There is a constituency on the other side among the manufacturers who manufacture them. I think that there is not a strong constituency that has built up on our side across the nation. I do think that the insurers have played an important role.

Right now, for example, GEICO Insurance has asked the Maryland Insurance Commissioner and our organization and the National Safety Council—others have supported them in amicus briefs—has asked to be able to refuse to sell insurance to any person that owns a radar detector. I think that is a great idea. We lost at the Insurance Commissioner level. We took it to the court. We lost in the court. There is a consideration about appealing.

There is also a case now that is being considered in the State of California.

We are pursuing this. I think that is one way that we can do it individually and independently.

Mr. VALENTINE. I seem to see more of the advertisements in airplanes than anywhere else. I don't know whether there is a lesson in there or not about safety. If you pick up the magazine furnished by United Airlines—I wrote to them some years ago. They kind of thought it was amusing. I asked them about advertising and about having the name of that airline on a publication that advertised machines, the only purpose of which was to help people violate the law. The strange thing is that I—and I am one of what they call the "tobacco boys" around here. We go down there every year and talk to Mr. Waxman when he wants to outlaw advertising of certain legal products and we fan through that magazine and show him the automobiles that advertise they can be—of course, foreign cars, I guess—accelerated from a stopped position to 75 miles an hour, an illegal speed. They advertise other commodities that don't have any warnings on them there. I always bring out these little detectors.

Ms. CLAYBROOK. Well, I think it is outrageous.

Mr. VALENTINE. I do, too.

Ms. CLAYBROOK. In fact, Nissan Motor Company had an ad that they put on the Superbowl that showed one of their cars could—and it was compared to an airplane that goes about 700 miles an hour. The Insurance Institute for Highway Safety and all the safety groups objected violently and made a big stink with CBS and tried to not have them run it. We didn't succeed, but it turns out they have announced now they are not going to run that ad again.

But I think we have to be bolder and more aggressive about tackling these unsafe ads. It is something we are starting to talk about inside of Advocates. While I can't make any commitment because we haven't drawn up a program yet, I certainly think that we agree very strongly that these kinds of ads are very misleading to the public.

Mr. VALENTINE. If you have any additional thoughts that might be illuminating, write to me or come by to see me some time.

Ms. CLAYBROOK. Okay. I would love to do that.

Mr. VALENTINE. The world is turned upside down.

One more question, Mr. Chairman.

How many States outlaw these devices?

Ms. STONE. Two States and the District of Columbia. The States are Connecticut and the State of Virginia.

Mr. VALENTINE. Thank you, Mr. Chairman.

Mr. MINETA. Mr. Shuster?

Mr. SHUSTER. Thank you, Mr. Chairman.

I certainly welcome you here today. I'm still not sure whether my friend over here is advocating for or against banning the advertising of dangerous products. Or is it just some dangerous products? [Laughter.]

Mr. VALENTINE. Products that allow you to violate the law or do illegal things.

Mr. SHUSTER. I see. We could pass some laws that make things illegal that ought to be illegal, and I would be for that. [Laughter.]

Mr. SHUSTER. That's a different subject.

Mr. VALENTINE. We can, indeed. And if we did that, our attitude, it should be different.

Mr. SHUSTER. Right. I thank my friend.

Joan, you lost me on one statistic. When you referred to highway deaths, cancer, and heart disease, I thought you said there were 4.1 million highway deaths——

Ms. CLAYBROOK. Years of life lost.

Mr. SHUSTER. Okay.

Ms. CLAYBROOK. It is because the people who are killed in auto crashes are young.

Mr. SHUSTER. I've got you.

Ms. CLAYBROOK. They have many, many more years of life lost based on average lost.

Mr. SHUSTER. I've got you. Thank you.

With regard to seatbelts and the various safety programs and the 65 mile an hour speed limit, I was opposed to increasing the speed limit from 55 to 65, but when it looked to me like we were going to lose I tried to persuade my colleagues on the House side that there was a compromise which we should offer, which was to tie any 65 mile an hour speed limit to a tough seatbelt law in the State and say, "If you are going to go to 65, you have to have a tough seatbelt law." I couldn't sell that to my colleagues, and so we lost everything.

My question is: would you see that as a reasonable compromise? I think it is going to be awfully tough, once you pass a law in setting it to 65, to roll that back to 55. What would your feeling be about a compromise that said if you are going to have 65 you have to have a tough seatbelt law?

Ms. CLAYBROOK. Well, I have great faith, Mr. Shuster, in your legislative ability. [Laughter.]

Ms. CLAYBROOK. If I were going to ask you to do anything, it would be to tie a highway funding penalty to a 65 mile an hour speed limit and then we might see the States behave differently. Failing that, I would certainly like to see safety requirements tied to it. But I guess it is very difficult for us to support any reduction in safety on the highway.

Mr. SHUSTER. Which is more important, the 65 mile an hour speed limit or a seatbelt law?

Ms. CLAYBROOK. I think that the number of lives saved by seatbelts overall is larger than the number of lives lost by a 65 mile an hour speed limit.

Mr. SHUSTER. That is my sense of it, as well.

I have no further questions. Thank you very much.

Ms. CLAYBROOK. Thank you.

Have you gotten an air bag car yet?

Mr. SHUSTER. No, I haven't. But I have ridden in one.

Mr. MINETA. Well, Mr. Maatman and Ms. Claybrook——

Mr. SHUSTER. With my seatbelt on.

Mr. MINETA. Thank you very, very much for your testimony and, again, for all of your efforts on behalf of highway safety.

Ms. CLAYBROOK. And thank you for yours, Mr. Chairman.

Mr. MAATMAN. Thank you, Mr. Chairman.

Mr. MINETA. Take good care of Carol Stroebel.

Ms. STONE. Absolutely. It is a gain for safety, Mr. Chairman.

[Mr. Maatman's and Ms. Claybrook's prepared statement appears on page 1436.]

Mr. MINETA. I would like to now call on Mr. Henry Jasny, Senior Attorney, Center for Auto Safety; accompanied by Doctor Gerald Donaldson, Associate Director for Highway Safety.

Your statement will be made a part of the record. Let me call on you, Henry, to proceed in your own fashion.

TESTIMONY OF HENRY JASNY, SENIOR ATTORNEY, CENTER FOR AUTO SAFETY, ACCOMPANIED BY GERALD DONALDSON, ASSOCIATE DIRECTOR FOR HIGHWAY SAFETY

Mr. JASNY. Thank you, Mr. Chairman. Good afternoon.

My name is Henry Jasny. I am the senior attorney at the Center, where I work exclusively in highway safety. The Center is a not-for-profit, public interest, consumer advocate organization dedicated to reducing losses on our nation's streets and highways because of unsafe motor vehicle and highway designs.

I am accompanied today by Doctor Gerald Donaldson, our associate director for highway safety, who is here to help answer any questions you may have regarding our ideas for an improved Federal highway program.

Mr. Chairman, America's highway program is in serious trouble, with more threats launched against it today than ever before and a crisis in funding for the future that must be overcome by rapid, assertive action by our Congress.

We believe that this reauthorization legislation will determine much of the quality of life in this country into the next century.

This is no time to cripple our transportation system with short-term gains in deficit reduction by mugging the Highway Trust Fund, nor to continue practicing bookkeeping sleight of hand which holds our money hostage.

Two weeks ago today you were presented with a short-sighted vision of our nation's highway program that radically reduces Federal leadership in achieving improved safety, mobility, and economic health for America. You heard a proposal to dump large areas of the existing highway program into the laps of the States, counties, and cities, with either much lower or no Federal funding.

Where will the money come from to assure the improvement and maintenance of these orphaned highways, streets, and bridges? It is well known that improvements in materials and design naturally produce more efficient, as well as safer, highway operations. How will this come about if funding is supposed to issue from each State legislature where road funds often compete directly for general revenues with other, non-transportation programs? How will fragmentation of our highway program produce the increasing design uniformity that lowers the chances for accidents?

Cutting our Federal program to so-called systems of national significance is a retreat in the face of an even greater need than ever before for enhanced safety and mobility and transportation-based prosperity.

The Center believes that there are defensible national goals and needs that rise all the way from a county major collector route that is a lifeline for farmers and coal trucks, through an urban artery that is essential for the distribution of goods, up to an interstate highway with 100,000 vehicles a day. These national goals of safety, mobility, and economic well-being can be assured only through increased Federal funding and Federal leadership.

As you appropriately expressed in your remarks of March 8 which opened the consideration of this watershed reauthorization bill, our transportation system must not be regarded as a collection of individualized concerns, but as a national program with overarching goals that are wisely managed by innovative leadership. "How we spend trust fund monies is as important—if not more important—than how much money we spend."

In his testimony before this committee on March 8, Secretary Skinner also stressed sound infrastructure management programs. He proposed that management programs become a condition for Federal aid because the States have not spent, in his words, these "free" Federal dollars as wisely or as carefully as State and local funds.

We agree with this wholeheartedly, Mr. Chairman, and, in response, we are submitting to you today a highly-detailed package of management initiatives which address the core program areas of the Federal Aid Highway Act. These comprehensive management proposals integrate many diverse provisions scattered throughout the current statute into major, cohesive programs for pavement, interstate 4R work, highway safety, bridges, and maintenance.

In each instance, the States would have to adopt appropriate management systems approved by the Secretary in order to receive Federal funds.

In addition, we have also addressed specific, critical problems of highway safety that need special emphasis in their own new programs. One of these is a national effort to reduce the horrifying rate of losses we have begun to incur because of the 65 mile an hour speed limit on rural interstate highways. We call this the interstate safety emphasis program, a national effort which will systematically improve geometric design, traffic control devices, safety equipment, and pavement markings so that the highway environment is safer for drivers of all ages and capabilities.

The other safety emphasis area we propose is the work zone safety program, which is aimed squarely at reducing the unacceptable losses in highway work zones. Last year, Mr. Chairman, America suffered nearly an 8 percent increase in work zone fatalities, and the Federal Highway Administration's response to this leap in deaths has been to dismantle what little regulatory and reporting machinery that existed.

Apart from these two targeted areas of safety, we also propose other amendments that, in concert with the preceding programs that I have referred to, will address the needs of elderly and handicapped drivers who need special help on the road. America's aging pyramid is being rapidly squared, and it is time to meet the requirements of older drivers and drivers with diminished capabilities.

We are convinced, Mr. Chairman, that our detailed legislative recommendations are the kind of brainstorming this Congress must engage in so that the transportation policy leadership this country so desperately needs and deserves will emerge over the next year and a half. Congress needs a forward-looking blueprint for reinvigorating our national highway program.

Expanded, comprehensive safety policies and a systematic management approach to program expenditures must be keystones of the next highway bill. It will require hard work among you and your colleagues, with the input of the private transportation community, to forge the necessary changes.

Although we are a very small organization, our freedom to serve the public interest unreservedly places us in a unique position to help our country's transportation program to achieve new levels of safety, economic benefits, and personal mobility. We stand ready to assist you in whatever way we can in the drafting of an innovative, responsive legislative document that will secure these goals.

We appreciate this opportunity to convey our views and our proposals to the committee, Mr. Chairman, and we ask that the text of my statement and our accompanying legislative proposals be made a part of the hearing record. We are prepared to answer any questions you have.

Thank you.

Mr. MINETA. Thank you very much, Mr. Jasny. Without objection, your total statement will be made a part of the record.

Mr. Jasny, I am a very strong proponent of highway safety. I believe that highway safety has to be a centerpiece of any Federal aid highway program including roadway design features. Highway safety is one of the many areas that will need to be addressed in the highway reauthorization process, including: congestion, a dete-

riorating transportation infrastructure, and geographically different transportation needs and priorities.

If one theme has been pervasive in testimony before this subcommittee, it is that any new Federal highway program should provide States flexibility in meeting their own individual transportation needs in this new, post-interstate era. This is particularly true now that congestion and lack of revenue are taking their toll—that's a pun.

What I am interested in learning is: how do we provide this flexibility and, at the same time, ensure that all highways are properly maintained or rehabilitated in order to provide the safest driving environment possible? In your management initiatives package you make several proposals. Individually they are good. They would retain Federal authority over safety standards, some of which, however, may fly in the face of a more flexible approach to the current Federal aid program.

If the Congress were to adopt your proposal, how might they be tailored to accomplish their goals and, at the same time, still allow for flexibility in State and local management policies?

Secondly, is it possible to develop a balanced highway transportation program that does, indeed, provide State flexibility and still assures uniform national safety standards?

Mr. JASNY. Mr. Chairman, if I may start with response to your questions, we don't view the goals of safety to be incompatible with flexibility. What we are requesting and what we think is necessary to the future of this country's infrastructure and highways is that there be minimal goals for safety and minimal expenditures for safety programs, and that there be a requirement for management structures that are up to date and modern. Many States have inadequate 19th century management techniques that have to be done away with.

We do not view the idea of State flexibility in terms of expenditures as allowing or calling for unsafe practices or mismanaged programs. We believe that it is the requirement of adequate Federal oversight of the program that the Federal Highway Administration and the Department of Transportation set basic standards that the States have to meet.

As you may notice in our package of proposals on management, we don't request the Federal Government to set out specific materials standards such as what quality for guardrail, or what construction work will be done. What we are requesting is a procedure and a process that will take into account sophisticated management techniques. Beyond that, the State will have flexibility in terms of the expenditures so long as they can meet the requirements of those programs.

Mr. DONALDSON. May I add to that, Mr. Chairman?

Mr. MINETA. Absolutely, Doctor.

Mr. DONALDSON. Flexibility is inherent to the very notion of the management initiatives that we have offered for the committee's consideration. What we are trying to do is two things simultaneously, Mr. Chairman: first of all, to reinstate Federal leadership in the Federal Highway Administration. We think the very best way to do that is to take broad program areas in the Federal Aid Highway Act, require the agency to install certain coherent, ration-

al management methods, and then to allow an adaptation of those models for each State's needs. There should be a very wide adaptability on the part of each State to fulfilling those management models.

We believe in certain critical areas of safety that certain design and performance standards have to be unexceptionable from State to State. We think that certain design standards regarding safety appurtenances, pavement skid resistance, and things of that sort have to have certain indexes which are relatively inflexible.

But in terms of how a State carries out its management program in accordance with a Federal model, we think that there is an appropriate balance that can be struck between the Federal stewardship role, on the one hand, and the degree to which a State must, by necessity, adapt that Federal management model to its own unique needs.

Mr. MINETA. One of the things that I—again, I am brand new to the subject matter, and Congressman Shuster has been a leader in this whole area of surface transportation. One of the things that strikes me, frankly, is in two areas: one is maintenance. We are good at capital improvement. States are really responsible for maintenance, and yet there hasn't been the maintenance program carried on at the State level; consequently, they come back in a short period of time with a tin cup and say they need more money to do some work.

I wonder whether or not, under this new reauthorization, we shouldn't have some kind of maintenance management practices that are going to be mandated so that we—it seems to me we have a certain design life when these things are designed, and yet States come back to us before the design life and say they need some help on this.

The other area is—and it is tied in to that—the area of an inspection program at the time of the construction. I am not sure that we are getting a ten-sack concrete job. We may be getting a seven-sack concrete job, but I don't know that. Maybe we have got to be doing, as part of this, not only a management program as it relates to maintenance, but also in terms of inspection at the time of construction.

Mr. DONALDSON. Well, you are preaching to the choir, here, Mr. Chairman.

Mr. MINETA. I am quite certain.

Mr. DONALDSON. We agree with you 100 percent. Unfortunately, the story—and I could tell it to you in chapter and verse here today, item by item, of why and how we have reached a state of such sorry maintenance on the Federal aid systems, why it has gotten the way it has over the last quarter of a century, at least.

Unfortunately, some of the blame has to be placed on how the 3R program was both conceived and implemented. Other parts of it are inadequate revenue and a lack of any coherent maintenance program in most of the States.

But the sum total is that we do have an enormous capital investment out there which affects not only physical integrity but also mobility and safety, and all three of those basic targets for the Federal aid highway program are highly compromised as long as we don't have adequate maintenance management.

You noticed probably in our initiatives that we don't ask specifically or immediately for maintenance management standards to be implemented because at the moment we basically don't know what those should be. But we do call for a concerted study by the National Academy of Sciences to come up with what kind of reasonable maintenance performance goals should be used under Federal stewardship to make certain that the States protect and enhance that capital investment that has taken so many years and so much money to make.

Mr. MINETA. We have also had testimony presented to us that indicates that construction of highway facilities costs considerably more as a result of Federal regulations and bureaucratic red tape than they would have cost had the States been able to develop their own standards. How would you respond to this in terms of Federal authority over highway safety design and performance standards—especially since you are talking about geometric design in terms of this ISEP program.

Mr. DONALDSON. Well, first of all I would respond, Mr. Chairman, by saying that most of the claims that there is excessive regulation is a red herring. I believe that, in fact, if you look at the record, you will see that the overwhelming preponderance of all the design standards that we have were generated by the States through their interest organization, the American Association of State Highway and Transportation Officials. Virtually no emendation of the standards produced by that organization is done by the Federal Highway Administration. They are almost always received as an accomplished fact. They are put through a rather formal Federal Register system of notice and comment rulemaking, and then they are put into the corpus of Federal regulations.

So the issue of the States not basically determining for themselves what they think are the most reasonable design principles for both safety appurtenances and geometric design alignment and cross section is certainly not the case. It has been a traditional Federal/State relationship that has functioned that way now for many decades.

Mr. MINETA. All right.

Mr. Shuster?

Mr. SHUSTER. Thank you.

We certainly appreciate your testimony. I am very sympathetic to many of the things you are proposing. While I guess in some areas I believe in States' rights, in transportation that is not necessarily one of them. I think standards are enormously important for us to set. One of the beauties of the interstate system is that you can get on it in California or Missouri or Pennsylvania or wherever and you know it is going to be built to certain specifications. I am wondering if we were to identify what some might call a national highway system—which, of course, would begin with the interstate and then add to it another 100,000 miles, or whatever it might be—and, in effect, have not necessarily the same kinds of standards that we built the interstate to, but standards, does that idea make sense?

Mr. DONALDSON. It certainly does. My problem is that behind what is most of the good in that idea is a little bit of the bad. The good part is, of course, that we take what probably would be most

of the major arterials in the U.S. primary system and make them pull themselves up by their bootstraps and, in some instances, try to recreate them as limited access or virtually limited access facilities, improve their exit and egress ramp geometry, improve alignment and cross sections, skid resistance, extend shoulders, and all those kinds of things. All those things are very good.

The bad thing for me, as a safety advocate, Mr. Shuster, is the fact that if that went up to the 120,000-, 140,000-, or 160,000-mile map that some people have thrown around in recent weeks, to me that is a sitting duck waiting for certain interests to come in to exploit that, for example, as a priority commercial network.

I don't see anything bad about that in terms of improving truck safety because I would like to see better truck safety. But I am also concerned that we have—as we got the tandems in the early 1980s, I am concerned that we now have the turnpike doubles and the triples waiting in the wings. If we improve this system, then it seems to me to be ripe for someone to come up and argue that we should now have these bigger rigs being able to run on many more miles of the Federal system.

Mr. SHUSTER. But how do we get around that? If I hear you right, that is an argument that says we shouldn't improve something because it is going to get more and heavier use. If you follow that logic to its conclusion, then we ought to go back to dirt roads.

Mr. DONALDSON. No. In fact, I am not advocating that this shouldn't ultimately occur. I am saying that we are raising the ante.

Mr. SHUSTER. You are saying we will have to be careful that we——

Mr. DONALDSON. We have to be very careful about——

Mr. SHUSTER [continuing]. We only permit that which——

Mr. DONALDSON [continuing]. How we are going to control it.

Mr. SHUSTER [continuing]. Is safe to occur.

Mr. DONALDSON. Yes, sir.

Mr. SHUSTER. That is all the questions I have. Thank you very much.

Mr. MINETA. Let me, if I might—I wonder if you would be able to summarize ways in which the current Federal standards are considered ineffective in achieving an optimal highway safety environment.

Mr. DONALDSON. Oh boy. In 50 words or less on the back of a Rice Krispies boxtop the way we used to do as kids. That is a hard one. If the summary runs too long, stop me.

Basically, what is wrong with our Federal design standards now for highways is that we have taken what were once fairly reasonable values and we have benchmarked them down at minimums that are so low that for all practical purposes it would be almost impossible to build a highway nowadays without being able to meet those standards.

One of the things in point most recently was the interstate design standards which went through rulemaking. Indeed, the eight-page document that emerged, in my opinion, was a document which does not fulfill anything close to what we need in terms of the design integrity for those highways, not only in terms of reconstructed design, but even for 3R design.

Mr. MINETA. Let me ask a question on that point. If we put more money into IVHS are there benefits that will come from that? Or is the technology already there to do some of these things and we ought to just get on with the job?

Mr. DONALDSON. We know how to make highways safer. We know how to build them safer. We generally know, particularly on the interstate system, what the preferred design values are. The basic character of what emerged in the recent interstate design standards was a political and economic statement, not a statement of what engineers know to be the best way to build an interstate. They know how to do it.

Smart vehicles and smart highways may be a potential in the future, but in the short-term I think that we have to enter a post-interstate construction era by asking the States now to show how they are going to systematically and—as Mr. Shuster was pointing out—uniformly raise overall design to a level where we can be sure that when you travel from State to State that you are going to get an environment which doesn't violate driver expectancies. The driver sees the same thing in Pennsylvania that he sees in Ohio and Nevada.

Mr. MINETA. Do you think that FHWA in certain cases has adopted a policy of permitting Federal funds to be used to purchase highway safety equipment which may not have been deemed to be crashworthy or to meet performance standards?

Mr. DONALDSON. Yes, there are quite a number of instances where inferior or unacceptable installations have continued to be put in place. That varies considerably according to the geography you are dealing with, Mr. Chairman, and it has to do with the fact that a great deal of discretion resides in a division administrator's office. The fact of the matter is that some divisions are more pliable than others, and so you will go in some States where certain installations are certainly not accepted as kosher, and in other States you will find them there.

Mr. MINETA. This last week I spoke to the American Traffic Safety Services Association.

Mr. DONALDSON. Yes. I am just trying to convert from that trip yesterday, myself.

Mr. MINETA. In preparing for that I had a memorandum that came out of the Federal Highway Administration. I believe it was dated December of 1989. As I was flying out I was reading this memorandum.

On page one it talks about this very thing you are talking about—the 8 percent increase in work zone fatalities.

Mr. DONALDSON. Yes.

Mr. MINETA. And then on page two it says they are going to do away with the division reports that require the States to keep reporting this. And so during my speech I interjected this anomaly. Immediately I was tackled by Gene McCormick, the deputy administrator of the Federal Highway——

Mr. DONALDSON. The anecdote reached my ears, Mr. Chairman.

Mr. MINETA [continuing]. Administration who then said, "No, no. That report was poorly written. It really wasn't intended that way. What we are saying now is that those reports, instead of coming to

FHWA central will be going to the regional offices." And I said, "But here it says that you are not going to be using these reports."

It just doesn't make any sense, and I intend to follow up on that.

Mr. DONALDSON. I hope you do, because we are still dismayed at trying to keep down the work zone safety countermeasures at a regional level because we believe that work zone safety needs a national approach. We think it needs uniformity. This kind of increased fragmentation of stewardship isn't going to help save any lives.

Mr. MINETA. The rationale was that it was to cut down on the paperwork.

Mr. DONALDSON. Well, I don't like taking a paperwork approach as the first approach.

Mr. MINETA. But when I see increases in work zone fatalities, not only as an absolute number, but the rate is increasing in terms of the contracts let—and that is the standard that has been used—it just didn't make any sense at all.

Mr. Shuster?

Mr. SHUSTER. With regard to Federal highways, Tom Larson is now the administrator. In eight years in Pennsylvania as the Secretary of Transportation he took what was considered by many—not only in Pennsylvania, but elsewhere—as one of the worst highway departments in America and turned it into one of the best. I would be interested in your evaluation of Doctor Larson's—not what he has accomplished, because he has only been there for several months, but the potential of what you think can be accomplished.

Mr. DONALDSON. A particularly interesting question, Mr. Shuster, because I think that Tom Larson has the potential to be one of the greatest Federal Highway administrators in the history of the agency.

He certainly did to—I have to disagree with you, as impolite as it may sound. I do not believe that Pennsylvania even then was the worst highway department in the United States.

Mr. SHUSTER. I said one of the worst.

Mr. DONALDSON. One of the worst. I think Tom Larson did a stupendous job. I followed it closely. I have worked with him and served with him on committees. He is a brilliant man. He is an unusual combination of a man that has academic excellence and management excellence. I see good things in the offing if he can get strong support.

Mr. SHUSTER. Of course, that is one of the reasons we are up here—to try to give some support.

Thank you very much.

Mr. MINETA. Well, thank you very, very much Mr. Jasny and Doctor Donaldson. You center has been really a cutting edge in terms of what has to be done in terms of safety, and we very, very much appreciate the work that you do given, frankly, the small nature of your organization. You are highly visible and the work is very effective. I want to thank you for what you do.

Mr. DONALDSON. Thank you.

Mr. JASNY. Thank you, Mr. Chairman.

[Mr. Jasny's prepared statement appears on page 1421.]

Mr. MINETA. I would like to now call on the President of the Insurance Institute for Highway Safety, Mr. Brian O'Neill.

Mr. O'Neill, we are pleased to have you here. Your statement will be made a part of the record. Please proceed in your own fashion, sir.

TESTIMONY OF BRIAN O'NEILL, PRESIDENT, INSURANCE INSTITUTE FOR HIGHWAY SAFETY

Mr. O'NEILL. Thank you, Mr. Chairman.

What I would like to do, in the interest of time, is just summarize the main points of my testimony.

What I want to focus on today at the subcommittee's request is highway safety issues but with special emphasis on speed and speed monitoring programs.

When speed limits were being raised from 55 to 65 miles an hour on rural interstate highways, proponents of this action said that motorists had been so frequently exceeding 55 that we had become a nation of lawbreakers and that 65 would correct this situation. Proponents of 65 argued that motorists had already chosen the speeds they felt safe and comfortable driving, so there wouldn't be any negative consequences of raising the speed limits.

We now have nearly three years of data about the effects of raising speed limits to 65. What we have found is that many motorists are driving faster now and that the higher speed limits are being routinely exceeded, just like 55 was being routinely exceeded.

What I would like to do is show the first chart, which is from the Institute's most recent survey of travel speeds involving about 37,000 vehicles traveling freely on rural interstates in 11 eastern States during late 1989 and early 1990. Six of these States—Connecticut, Maryland, Massachusetts, New Jersey, New York, and Pennsylvania—still have 55 mile an hour maximum speed limits posted on their rural interstates, and five—New Hampshire, Ohio, Vermont, Virginia, and West Virginia—have adopted 65 miles an hour.

What the survey shows is that the percentage of cars exceeding 70 miles per hour is much lower in the States with the lower speed limits. For example, 10 percent of cars on Pennsylvania's rural interstates where speed limits are still 55 exceed 70 miles per hour, where nearly three times that proportion are exceeding 70 in Ohio where the speed limit has been raised to 65.

Some proponents of higher speed limits point to data suggesting or indicating that average travel speeds have increased only slightly since speed limits were raised, but we at the Institute believe it is much more appropriate to focus on the increasing proportion of cars traveling at excessive speeds—70 miles per hour and faster—because this is the source of most of the increased risk from higher travel speeds.

Deaths increased 34 percent in 1988 on the rural interstates posted at 65 compared with deaths on the same roads during 1982 through 1986 when the speed limits were 55. Deaths increased only 4 percent during the same time period on roads other than rural interstates in the same States. Now, some of these increases occurred because of increased travel and possibly other factors, but

studies by the U.S. Department of Transportation, as well as by the Institute, Harvard, and other respected research organizations, estimate that the increase in deaths on rural interstates during 1988 that can be attributed to the higher speed limits is somewhere between 20 and 30 percent.

We estimate the 65 mile per hour speed limits have caused more than 700 additional deaths on rural interstates during 1987 and 1988 in the States that adopted those higher speed limits.

It is clear that we need to do something to control excessive travel speeds. The question is: what would work to accomplish this? We encourage the Federal Government to set compliance requirements for States to enforce whatever speed limits are in effect.

The compliance formula that is now under consideration would require collecting data on the percentage of vehicles exceeding specified speed thresholds on different road types. For each road type the percentages of vehicles in each speed category would be weighted. Faster speeds on 55 mile per hour non-interstates would get the most weight because high-speed travel on these roads is particularly hazardous, while going a few miles an hour faster than the speed limit on 55 mile per hour interstates would get the least weight. Such a formula would thus appropriately reflect different levels of speed violations on different road types in relation to the safety involved.

It is being proposed that each State's compliance core would be obtained by taking the weighted results for each road type and combining them to reflect the mix of mileage traveled on each kind of road within a State. A State's score would then be compared against the baseline score for the same State in order to determine compliance.

Compliance data would be gathered in each State during fiscal year 1990. From the State data, a baseline score would be established and, in subsequent years, each State would be allowed 110 percent of its baseline score before Federal aid highway funds would be reduced.

The problem is that this plan could tempt States to abandon speed enforcement during the baseline year, inviting, in effect, a year of lawlessness so that compliance in subsequent years would be much easier to achieve. We believe the way to solve this problem is to establish a compliance formula that uses national rather than State averages for the miles traveled on different roads. This way compliance could be assessed among the States—something that is not possible under the proposed plan.

Using a national formula to standardize for road mix would also avoid States where much of the mileage traveled is on congested roads with limited opportunities for speeding being favored.

But clearly, whatever compliance formula is ultimately adopted, it should be heavily weighted towards drivers going faster than 70 miles per hour because these are the riskiest drivers. They are exceeding the design speeds of most U.S. rural interstate highways, and the design speed is one that should not be exceeded even under the most favorable conditions.

Mr. Chairman, now that high-speed driving has increased on so many U.S. roads, it may be difficult and a long-term process to put the cork back on the speed bottle. Enforcing speed limits will help.

In fact, we believe it is essential. But we have also got to look for other ways to prevent high- speed crashes from resulting in highway deaths and injuries.

We have got to implement measures to increase safety belt use, for example. Right now use is generally at or below 50 percent, even in the States where safety belt laws are on the books. Part of the problem here is that so many U.S. safety belt laws provide only for so-called secondary enforcement, which limits police authority to stop and ticket motorists for failure to buckle up.

Of the 33 belt laws now in effect in the United States only 7 provide for primary enforcement, which means police may issue tickets solely for failing to use belts. In the other 26 States and the District of Columbia where primary enforcement isn't allowed, police have to stop motorists for other violations before they can enforce the safety belt law. Clearly we need more primary laws.

We need to develop programs to compensate for the increased loss of life that is occurring because of the faster travel. Our collective conscience still hasn't yet grasped that driving at high speed is an unacceptable risk—a risk in the same league as drinking and driving. Both cost lives. Both are against the law. Both are subject to uniform legal limits. Yet, driving while impaired is treated as a serious problem, while speeding is all too often thought of as okay if you can get away with it.

So while we are trying to come up with a fair and effective speed compliance formula for the States, let's also remember this: speeding, like impaired driving, ought to be unacceptable, not just under the law but according to social mores.

Mr. Chairman, I would be happy to take any questions you might have.

Mr. MINETA. Thank you very, very much Mr. O'Neill.

The Transportation Research Board in its study, "Fifty-five: a Decade of Experience," reported that one risk factor in speed limits over 55 related to the speed differential that was seen prior to enactment of the 55 mile per hour national maximum speed limit. Does that phenomenon appear to be recurring in 65 mile per hour States? In States where truck speeds are still 55 on 65 mile per hour posted roads, do you believe that the speed differential creates as much or more of a hazard than where the speed limit is the same for cars and trucks?

Mr. O'NEILL. Mr. Chairman, much has been made of some research findings from some years back that speed variance is a factor, as well as speed, per se, in the likelihood of crashes occurring. However, I think that the effects of speed variance on divided highways has been greatly overstated. Much of the research on speed variability comes from roads that were not divided and involve a lot of special circumstances such as crossing vehicles and opposite direction vehicles. But there is no doubt that speed variance does contribute to the likelihood of crashes. What we do know is that a sure way to increase speed variance is to increase the speed limit, because some motorists do speed up and some do not, so you have increased the variance.

When we went to a national 55 mile per hour speed limit, speed variance decreased. Now that we have gone in many States to a 65

mile an hour speed limit, speed variance has increased in those States.

The question of split speed limits for trucks is, I think, rather straightforward. We have taken measurements of speeds in States with and without split speed limits for the trucks and we find no difference in the speed variance in the States with split speed limits for trucks than we find in the States that have just gone to 65 for all vehicles. Variance has increased in both circumstances.

Mr. MINETA. In your testimony you state that the Federal Government should set compliance requirements in order to encourage States to enforce existing speed limits. But you state a concern that the proposal that is currently under review allows States three years, during which they might be tempted to abandon speed enforcement so that compliance in subsequent years would be easier to achieve. You suggest a standard based on national averages for miles traveled on different types of roads.

If you were to craft a monitoring formula that was intended to achieve equity and safety, what would those components be?

Mr. O'NEILL. Mr. Chairman, I think the same measurements could be taken in the States. In other words, the same measurements of the proportions of vehicles traveling at different speeds on different highway types. But instead of then combining those measurements using weights from the State, you could combine those measurements using the same weights for each State so that the scores can then be compared across States because we do know that today some States are taking speed violations seriously. They are out there enforcing. They are trying quite seriously to control speeds. This includes some States with 55 mile per hour limits and some States with 65 mile per hour limits. There are other states that have substantially de-emphasized speed enforcement. They are not taking it very seriously at all.

If we allow a formula that says, "Well, let's see how well you did in 1990," I think we are going to be unfairly penalizing the States that are currently and presumably would continue in 1990 doing a good job, and we would let the States that are not taking speed enforcement very seriously right now have an easier time of complying in the future.

Mr. MINETA. Mr. Shuster?

Mr. SHUSTER. No questions.

Mr. MINETA. Mr. Visclosky?

Mr. VISCLOSKY. I have no questions, Mr. Chairman.

Mr. MINETA. Very quickly, since we have a vote to respond to, in earlier testimony it was mentioned that one highway safety priority might be the promotion of responsible advertising on the part of auto manufacturers that does not glorify fast, powerful cars and driving practices. Can you tell us how such cars rank in terms of involvement in fatal crashes?

Mr. O'NEILL. Yes, Mr. Chairman. We took the lead in complaining rather vocally about Nissan's ad for its ZX Turbo that aired on the Superbowl with much fanfare. We heard yesterday from Nissan Motor Corporation that they will no longer air that ad, and we thank them for that. We think that airing it once was too much because it was an ad that simply said, "Look how fast this car can go." The fact is that high-performance cars or sports cars or cars

with a sporty image have very high fatality rates—much higher than average. When you look at the fatality rates for individual makes and models of cars, the cars that have the highest fatality rates are all sports or sporty models—high-performance cars—that are often touted and advertised in ways that emphasize their excessive speed capabilities.

Let's just think about the Nissan ZX Turbo. This is a turbocharged car with a top speed of 155 miles an hour. That top speed is electronically controlled by the design chosen by the manufacturer. They could have chosen to electronically control that top speed at 100 miles an hour or 110 miles an hour and still had the same acceleration capabilities for driving at legal speeds. They chose 155 miles an hour.

I think that we have to ask some questions about what we are doing in our society when we have maximum speed limits of 65 and manufacturers deciding that 155 is the appropriate speed that the car cannot be driven above.

Mr. MINETA. Well, maybe the Maryland State Police will buy those kinds of cars.

Again, Mr. O'Neill, let me thank you very much for your leadership with the Highway Safety Institute and thank you for your appearance here today.

Mr. O'NEILL. Thank you, Mr. Chairman.

[Mr. O'Neill's prepared statement appears on page 1444.]

Mr. MINETA. We have a call to the House for a vote and so we will recess for ten minutes.

[Recess.]

Mr. MINETA. The committee will come to order.

We are pleased to have Colonel Elmer H. Tippett, Superintendent of the Maryland State Police, representing the International Association of Chiefs of Police for us today.

Colonel Tippett, your statement will be made a part of the record. Please go ahead and proceed in your own fashion, sir.

TESTIMONY OF COL. ELMER H. TIPPETT, SUPERINTENDENT OF THE MARYLAND STATE POLICE, REPRESENTING, INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE, ACCOMPANIED BY RON SOSKOWSKI, EXECUTIVE DIRECTOR, INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE

Colonel TIPPETT. While you were gone I went out and tried to buy one of those 280s and I couldn't afford it, Mr. Chairman, so we pass. [Laughter.]

Good afternoon, Chairman Mineta. It is a pleasure to be here today. I am Elmer Tippett, Superintendent of the Maryland State Police. Today I am representing Superintendent Thomas A. Constantine, the General Chairman of the State and Provincial Police Division of the International Association of Chiefs of Police.

We have surveyed our members State by State concerning the new speed compliance formula so that we could accurately represent the feelings of State law enforcement agencies. Our members are clear: the IACP Highway Safety Committee and the State and Provincial Division continue their strong support of the national maximum speed limit concept through enforcement and education,

but we also continue our strong opposition to the Federal monitoring/sanctions process.

We feel that monitoring speed, as with the NMSL, will improve safety, but in an ironic twist the monitoring/sanctions process causes reductions in highway funds allocated to the States which, in effect, results in a negative safety impact by deferring necessary highway improvements. In States where compliance figures are satisfactory, oftentimes this is because other safety priorities such as DWI and drug interdiction are relegated to secondary and tertiary priority.

Thus, we in law enforcement are in the classic Catch 22. If we don't comply, safety is negatively impacted because our funds are reduced. If we comply, safety is negatively impacted because other priorities are reduced. It is hard to see how we can win this one.

Allow me to expound briefly on our position.

Police executives know that many factors contribute to fatal and injury vehicle crashes in this country. Primary known causes are: speed, drunk and drug driving, and other hazardous moving violations. Speed, therefore, cannot be looked upon as the sole issue, but only part of a complex puzzle. Therefore, speed enforcement is a top priority, but it is only one component of a total, comprehensive highway safety plan.

The compliance program does not recognize overall safety efforts, and, by reducing funds, would reduce the highway improvement and safety projects that a State could undertake.

The speed monitoring formula and the corresponding sanctions tend to create a traffic enforcement program that is not properly balanced. Limited resources and other critical factors, such as the national proliferation of narcotics trafficking, complicates an administrator's responsibilities of assignment and prioritization, especially when examining the factors influencing traffic accidents.

Although it is true that the States' rights argument can be manipulated for many purposes—both legitimate and otherwise—there are sound reasons to conclude that an issue such as this one practically should be left to State determination. It goes without saying that geographically, commercially, economically, and trafficwise, States are different.

For example, the term "non-interstate road" encompasses a wide range of realities. The accident records of an urban freeway and a two-lane rural roadway are probably quite different. Under the compliance formula, these roads are treated equally.

Some of the data elements in the proposed formula may be determined by a small volume of vehicles in a given category and, therefore, subject to large, year-to-year fluctuations. A State could go in and out of compliance because of random variations.

It appears to many of our members that the formula will favor the urban States with high vehicle miles traveled. It appears to some that the formula will favor States which have a poor history of compliance. Whatever your interpretation of the formula, one thing is clear: no plan will adequately represent all the States equally because of the inherently different situation of each case. So the main argument for States' rights in this case is simple: the State roads and traffic are very different State to State.

That sanctions have been designated as a way to approach this problem does not seem totally warranted by the information. The U.S. General Accounting Office has found little relationship between the current Federal compliance requirement and the level of a State's highway or enforcement efforts. Honestly speaking, we all want the highway funds, and speed is a top priority of all of us in the State police agencies; but, in the final analysis, we do what we have to do to make the best use of the limited resources we have and to protect and aid our citizenry. We ultimately have to answer to our State constituency.

State police executives have historically stated that the use of sanctions for noncompliance are dysfunctional because it reduces the amount of money available for traffic safety. This can only lead to a downward spiral of noncompliance, less money, and increased sanctions.

On the other hand, incentive base rewards for compliance could lead to a reduction in fatal accidents. This would lead other States to see the financial benefit of compliance and reduced fatals and, over a period of time, have a significant effect on the fatal accident rate in the country.

There are several specific comments our members have made about the formula which we would like to share with you.

If a base index value is used, it should be based on a three- to five-year measurement or observation period and not a single year. If the base year is, for whatever reason, nonrepresentative of the State's average traffic volume or speed compliance level, the State could find itself in noncompliance due solely to the statistical aberration.

We would, therefore, recommend that the base State score be the average of no less than three and not more than five consecutive years.

The formula focuses on fixed speeds rather than on variability of speed.

It is fairly difficult for many of our members to evaluate the formula because much of the data is not currently collected. Estimating the State compliance scores is difficult because the data is not currently gathered on these speed ranges.

Gentlemen, I can only reiterate our support for the concept of a national maximum speed limit and our opposition to the Federal monitoring/sanction programs. I have attached to my testimony a copy of our resolution concerning this issue. I think the resolution speaks for itself.

Thank you for allowing me the opportunity to address you.

Mr. Chairman, I may also add that next weekend, the 30th of March, all of the State police superintendents will be meeting with Secretary Skinner in Chicago to come up with some comprehensive programs for speed enforcement and safety on our highways in the United States.

I would also like to add that Maryland is one of the States that is going to be adversely affected by the sanctions that are placed on it. We have a very, very comprehensive speed enforcement program in our State, but, because of the sheer volume of traffic and other things for our police officers to do, we are unable to come into compliance. However, over the years we have continued to in-

crease our enforcement and we have continued to increase our drunk driving and our narcotics interdiction, and all those things play on what we can do as far as speed compliance.

Thank you, Mr. Chairman.

Mr. MINETA. Thank you very much, Colonel Tippett, for your testimony.

You are right. I guess California, Massachusetts, Maryland, and Connecticut, among others, have been notified of this latest in terms of sanctions. I was just looking at the California letter. I guess it is something like 53.6 percent in terms of noncompliance.

One thing that did strike me: on page three of your testimony you said that limited resources and other critical factors such as the national proliferation of narcotic trafficking complicates an administrator's responsibilities of assignment prioritization, especially when examining the factors influencing traffic accidents.

I am wondering about the terms of affecting assignments and prioritization. I guess I am asking how it is that the national proliferation of narcotic trafficking complicates assignments?

Colonel TIPPETT. Well, again, we only have a limited resource of the number of police officers that we have that we can assign specifically to the traffic enforcement function. Again, I guess the biggest scourge, as we all know, in this nation now that is facing us is the narcotics problem. Therefore, I am required, just by the mere problem, to divert some of the people that would be out there on the enforcement level on the highways to transfer them into the narcotics section to address that problem. Therefore, there are less people on the highway to enforce the speed limit.

Even at that, we have assigned special interdiction squads that actually are out there that are trained to look for other things when they become involved in speed enforcement. They look for narcotics violations. Therefore, if you stop someone for a speed violation and you find narcotics in the car, that then takes the police officer off of the street and there is nobody out there to enforce compliance.

Mr. MINETA. Can you tell us in what way the data elements of the proposed formula would be more susceptible to annual fluctuations in smaller States than in larger States?

Colonel TIPPETT. Again, it has to do with volume. And I am not so sure that anybody knows what this formula says. I think everybody looks at it, and I think as many people as there are in this room you will probably have a different interpretation of the formula.

Here with me today is Mr. Soskowski of the IACP who is our executive director. If Ron or the lady with him would care to answer that part of it—I have no idea what that formula means. We try to comply with it. We say we are doing something, and it is not.

Even if we, in Maryland, changed our roadways to 65, we would probably come into compliance. But we are not in a position to do that because we think we are saving lives at 55. We are being penalized for that.

Mr. MINETA. You state that sanctions reduce the amount of money available for highway safety. Since the sanctions do not affect highway safety authorizations, in what ways do highway safety funds get reduced when States are, in fact, sanctioned?

Colonel TIPPETT. Well, you just lose that amount of money and they take away—it is not the money that you would get, it is the money that is filtered through your Department of Transportation, which would then cut back on the amounts of money it has available to do other programs; therefore, it reduces all of our programs.

Mr. MINETA. Let me ask something about the last page. You reiterate your support for the concept of a national maximum speed limit.

Colonel TIPPETT. Yes, sir.

Mr. MINETA. And your opposition to the Federal monitoring/sanctions programs.

Colonel TIPPETT. Yes, I think——

Mr. MINETA. If we drop that monitoring program, what makes you think we are going to get compliance?

Colonel TIPPETT. Well, I don't have any problem with monitoring. I think what we need to do is—we need something more of a proactive rather than a negative type of sanction. Look at what the States are doing out there and reward them appropriately. Just don't take money away because they can't meet a certain formula.

Again, as I said, in my state we have a very aggressive enforcement program, but we are not meeting the requirements. Therefore, our State is going to be penalized for that. But we have an aggressive enforcement program not only in the areas of speed, but also drunk driving and everything. I think that is what you have to look at. It is more of a carrot and stick type of thing rather than a negative.

Mr. MINETA. All right.

Mr. Visclosky?

Mr. VISCLOSKY. I have no questions, Mr. Chairman.

Mr. MINETA. Well, Colonel, let me thank you again very much for your being here and for representing the IACP on this very, very important issue. Thank you for your leadership on this issue.

Colonel TIPPETT. My pleasure, Mr. Chairman.

[Colonel Tippett's prepared statement appears on page 1452.]

Mr. MINETA. Now I would like to call Mr. John Archer, the Managing Director of Government Affairs for the American Automobile Association.

Mr. Archer, your statement will be made a part of the record. Please go ahead and proceed in your own fashion.

TESTIMONY OF JOHN ARCHER, MANAGING DIRECTOR, GOVERNMENT AFFAIRS, AMERICAN AUTOMOBILE ASSOCIATION

Mr. ARCHER. Thank you, Mr. Chairman.

AAA, serving more than 31 million members, appreciates the opportunity to testify. While our testimony addresses a number of concerns, I will touch on just four: highway safety, expansion of the highway system, highway funding, and opposition to a gas tax for deficit reduction.

Regarding the tax issue, AAA continues to take President Bush at his word. In a letter to AAA he stated the following: "A gas tax increase to balance the budget would particularly hurt lower wage earners, families with both spouses working, and farmers and residents of Western States who have to drive long distances. Let me

say it one more time: as President, I will oppose any attempt to raise taxes to balance the budget. That means gas taxes, too."

In addition to the arguments noted in the President's letter, three others are especially important.

First and foremost, the American people are against a gas tax for deficit reduction.

Second, a gas tax increase for deficit reduction would not raise the money predicted by its proponents. The estimate of $1 billion for each penny is wrong. Those are gross receipts. Net receipts have been variously estimated from about $300 million to $600 million for each penny raised, depending on estimated economic drag and whether diesel fuel is covered by the tax.

Finally, such a tax would fundamentally damage the highway program. We care about that program and would like to see it expanded.

AAA particularly would like to see more bypasses around congested urban areas, and outer beltways where feasible. Of course, that is going to take more money.

Like many other people and groups, AAA believes the Federal Government should establish minimum annual obligational ceilings no lower than annual trust fund receipts, including interest. It should not increase reliance on tolls, because toll financing leads to excessive interest costs, collection inefficiency, motoring inconvenience, and constitutes double taxation of the motorist.

Proposals to relax Federal toll constraints are particularly difficult to understand when more than $10 billion languishes unspent in the Federal highway trust fund.

Highway funding, of course, relates to another key issue—traffic congestion. Approaches to solve it should emphasize incentives, not penalties. For example, if the Federal Government wants to encourage public transportation, it should make the cost of commuting to work by public transportation tax deductible. It should not tax free parking, as many would suggest.

Successful intermodal planning emphasizes linkages to the automobile because the auto is the dominant mode of travel. For example, if you want to improve transit ridership, increase parking at subway stops—especially end-of-the-line stations.

AAA supports all reasonable efforts to reduce congestion that preserve personal mobility and don't discriminate against the motorist. Examples include some of the old reliables such as synchronized traffic signals, fringe parking for transit, carpools and vanpools, staggered work hours, and realistic land use planning.

We also support some approaches that are more controversial, including incentives for large trucks to refrain from using crowded urban beltways and streets during rush hour, and for the future intelligent cars and highways.

Those so-called smart cars relate to another paramount AAA concern—highway safety. For all the compelling reasons that have already been mentioned at this hearing, all reasonable highway safety measures should be implemented. Examples would include: automatic restraints in all passenger vehicles; universal adoption of effective safety belt and motorcycle helmet laws; application of all Federal motor vehicle safety standards to vans, mini-vans, and pick-up trucks; improved side-impact standards for cars; anti-lock

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brakes in all vehicles, especially large trucks; and a variety of other truck safety measures—particularly effective implementation of the recently-enacted improved licensing and testing standards.

AAA also continues to be seriously concerned about the safety implications of large trucks sharing the highway system with the growing fleet of smaller cars; thus, AAA opposes any further increases in existing Federal maximum truck size and weight standards.

Thank you for the opportunity to appear.

Mr. MINETA. Thank you very much, Mr. Archer, for your very complete statement here.

The Committee on Public Works and Transportation, as you are very well aware, has introduced and supported H.R. 41 through the committee leadership of Congressman Anderson and Congressman Hammerschmidt. Of course, this is to oppose any increase in motor fuels excise taxes for deficit reduction purposes.

Does AAA base its opposition to a gas tax increase primarily on the adverse affects of such a proposal on the Federal aid highway program?

Mr. ARCHER. That is certainly one factor, but it is not the only one. We are concerned about the fact such a tax would adversely affect the tourism industry. We also believe that a gas tax for deficit reduction would be the cruelest kind of regressive tax. A gas tax makes sense if imposed to improve roads. What could be fairer than the concept that the more you drive the more tax you pay? But when you begin to use the gas tax as a general funding mechanism, it begins to impact lower-income groups, in a discriminatory way.

Mr. MINETA. The committee has received testimony identifying urban congestion as a major concern throughout the nation. Some recommendations for relieving urban congestion problems have focused on the use of more mass transit and shared ride transportation. Does AAA support the establishment of an urban flexible program that would provide local entities the authority to use highway trust fund revenues for both highway and mass transit projects to relieve urban congestion?

Mr. ARCHER. Frankly, no. It is very difficult, when you have unfunded highway needs on the order of $30 billion a year, to ask our members to fund transit. That is not to say that transit isn't important. We recognize it is important. But so are roads, and we think that the viability of the trust fund concept is undermined when you begin to commingle funds.

One of the best ways to move people today is through carpools and vanpools going down Shirley Highway-type carpool/vanpool lanes. That is one approach to examine.

Also relevant are future demographics: the population increases are not going to occur in the inner cities where heavy transit is particular advantageous; rather, growth primarily will occur in the low-density suburbs in the South and the West. In those areas, a better-planned road system that would feature carpool lanes is the first step that should be implemented.

AAA also favors of fringe parking lots, an obvious approach that ironically in the 1970s was opposed by some for clean air reasons. One of the big complaints we get from our members is, "I don't use

the subway because I want to drive to the parking lot and I am not sure I can use the lot." (Because it might be filled to capacity.) A program that would increase parking at the end-of-the-line of subway stations would constitute a surprising benefit.

AAA also would like to see traffic lights and other signals synchronized in a systematic way, rather than having situations such as in Alexandria, where signals are specifically designed to create congestion.

We think that those are the kinds of reasonable things that could be done easily.

Approaches that are more difficult to achieve but we think are meritorious include limiting the usage of large trucks and other commercial vehicles during rush hour, as was done in the Los Angeles Olympics. Obviously ATA and others are going to have severe problems with that. But if it is implemented with incentives that allow shippers and others that they can save money by delivering at 12:00 when the roads are empty, you achieve the happy circumstance where both the trucking industry and the motorist benefit.

Mr. MINETA. AAA opposes any further increases in the existing truck size and weight standards. I assume that is based on safety considerations. Is there evidence available to support the safety concerns that AAA has expressed to the committee?

Mr. ARCHER. Yes.

One factor that muddies the safety record of larger trucks is that they are primarily operated under a restricted permit system. Those particular trucks—by being under a permit system—are limited to very safe roads—roads built to the highest design standards, often very straight roads that are compatible with those trucks.

Those trucks also are typically driven by the very best drivers in the industry.

If you expand truck size and weight standards, those trucks will no longer be driven only by the best drivers; they will be driven by the worst drivers, too. No matter how the truck network is structured, these big trucks will be driven everywhere.

The history of the 1982 Act I think supports that contention. Initially what was envisioned was a restricted network. But the emerging reality is that those large trucks travel everywhere particularly if they are going to terminals or shipping points.

Mr. MINETA. Under the proposed scenic byway program there would be approximately 39,000 miles of scenic roads. Would the States be permitted to construct new scenic roads, or would the proposal only focus on the existing highway network?

Mr. ARCHER. The existing highway network that you are alluding to, I believe, is the AAA program, which is a designation program. We certainly would not want to foist anything down the States' throats. As a first step we should designate routes. The economic benefits to those designations are very significant, particularly because overseas tourists traveling to the U.S. become one of our best "exports."

The question of whether or not you construct new roads is obviously a question of funding priorities. As a staunch advocate of scenic roads, I would have to admit that there are many other priorities and funding is scarce. However, if funding was increased,

either at the State, local or Federal level, then it seems to me construction of new scenic roads should be examined.

Mr. MINETA. Based upon the well-documented transportation needs of the nation, there is strong support for increasing expenditures to address the kinds of needs that have been talked about. In addition to drawing the cash balance in the highway trust fund, what other recommendations would AAA support for increasing expenditures to address the kinds of needs that everyone brings to us?

Mr. ARCHER. First, we would certainly support impact fees. We think that is eminently sensible because those developers creating congestion should pay for it. But we wouldn't dismiss the notion of the highway trust fund balance. We fervently believe that it is more important than a lot of people think. The reason for that is psychological. How can you realistically go to the American public—or, in our case, our 31 million members—and tell them to pay more money for roads if the Federal Government is not willing to spend the money that it is already collecting?

So spending that $10 billion-plus in the Highway Trust Fund not only provides an additional $10 billion; its additional virtue, is to show credibility to the people that the money will be spent and thus make it easier to raise taxes. It would make it easier for AAA, for instance, to go to our members and say, "Look, there really are great roads. We need more money. If raised, the money will be used appropriately."

Right now the trust concept is being undermined to the point where a lot of people don't believe that. They believe that if taxes are increased—either Federal or State, but particularly Federal—because of the games that are being played with the Federal deficit, you just may increase budgetary gimmicks. The suspect increased taxes really won't improve our road system. As long as that situation exists, it is going to be very difficult to raise taxes.

Mr. MINETA. Mr. Visclosky?

Mr. VISCLOSKY. I would like to follow up on the chairman's last question. Does the AAA currently support, if we begin a spend-down on the Highway Trust Fund, an increase in the gasoline tax, for example?

Mr. ARCHER. That is not a policy issue that we have addressed. We won't address the issue of raising the Federal gas tax until such time as the trust fund balance has begun to be spent down. Right now it is increasing, as you know. The latest budget contemplates $12 billion to $13 billion in highway spending. In fact, the trust fund right now can support $15 billion if you count the interest—and you definitely should count the interest.

Mr. VISCLOSKY. I just want to be clear. On the last page of your testimony in your stance regarding tolls—which I appreciate—you do say there are better ways than toll financing to solve the problem, such as drawing down on the Highway Trust Fund balance, impact fees, and traditional taxing methods.

Mr. ARCHER. That's right.

Mr. VISCLOSKY. You are specific about Highway Trust Fund, you don't have a position on the tax?

Mr. ARCHER. As I said, we have not addressed the issue of a Federal gas tax, and we won't do so until the trust fund begins to be drawn down.

Mr. VISCLOSKY. Okay.

Thank you, Mr. Chairman.

Mr. MINETA. Mr. Archer, let me ask: what kinds of education information programs do you believe have been most effective in enhancing highway safety? I know AAA does a lot of that.

Mr. ARCHER. We do, Mr. Chairman. You are kind to say that. We are one of the holdouts. We believe that driver education still has benefits that are substantial. We were the first ones to say that bad driver education is worthless—and there is a lot of that around. But if you get a good program, it does do very good things. We are very proud of our program that we run with the military. They say it is one of the best programs that they have ever had in terms of reducing accidents.

Mr. ARCHER. But, in general, when you look at driver education there is an awful lot of lousy driver education. But if it is done right, it has substantial benefits.

Like everybody else who has appeared in this room this morning, AAA fervently believes that seatbelt education is absolutely right, child restraint education is absolutely right. Child restraint education may even more important because, unfortunately, a lot of people are using child restraints in improper ways, as you know. We need to educate mothers who think they are using child restraints correctly but, in some instances, aren't. That is a wonderful objective, it seems to me.

Another program AAA has begun is "Starting Early." It now reaches a little over 20 percent of the nation's schools. It is a program to familiarize kids from kindergarten up to 12th grade, but particularly from kindergarten to 6th grade, regarding the problems with alcohol.

Our foundation published a study that basically suggested very strongly that kids are inundated with advertising for beer and alcohol selling the notion of drinking and driving. This "Starting Early" program that AAA initiated is an attempt to try to combat such advertising. By getting to kids before they get a license to drive, before they have seen literally thousands of beer commercials, we hope to prove to them—that drinking and driving is wrong.

Mr. MINETA. With the growing population, should we have a driver education program for seniors?

Mr. ARCHER. That is a good question. The resources that it would take, to conduct such a program nationally, very frankly, would test budget realities. That is not to say that I don't think that such programs would be a good thing. In fact, AAA runs such programs. But they are expensive, and if you try to do it for the whole nation you will be looking at a considerable cost.

Mr. MINETA. Do you have any thoughts on the specific components of what a comprehensive highway safety program might look like in a new authorization program for us?

Mr. ARCHER. Well, we certainly think that the emphasis currently on occupant restraints is absolutely right and should continue. We certainly believe that the emphasis that this committee should

be proud of in pushing for the MCSAP programs—and the American Trucking Association's approach they can also be proud of—is absolutely right and should be continued.

One area that I believe you will probably hear more about—you alluded to it, I believe, earlier—is the question of accident data and whether we have good accident data. I would differ with one of the earlier witnesses. It is absolutely true that, with respect to fatalities, we have good data. After that available data is very suspect.

Statistical measures are changed so often that you find yourself citing statistics that you meticulously calculated and know are right, and you have an opponent who has done the same, but yet you seem to prove different things. The notion of having some kind of accident data center seems to me to be long overdue.

The one point that Ms. Claybrook made earlier—that we ought to have more critical evaluation of data—I think is absolutely right. We have to define what safety approaches will really save lives and prevent accidents and then employ those safety techniques. The best way to start doing that is to develop better data and data analysis than we have right now.

Mr. MINETA. One of the other big things I believe that AAA has been involved in is uniform signage. How do you feel your campaign is doing on that score?

Mr. ARCHER. Not as well as we would like. The Federal Government manual we think is excellent. We support that. We are on its advisory committee in fact. But, I suspect there are a lot of nonconforming signs. I also suspect another that with an aging population we are going to have to start looking at signs that are, frankly, just bigger.

Mr. MINETA. Well, Mr. Archer, thank you very, very much for your testimony and thank you for the work of AAA in terms of what you have done over the years. We appreciate your being here.

Mr. ARCHER. That is very kind, Mr. Chairman. Thank you.

Mr. MINETA. Thank you.

[Mr. Archer's prepared statement appears on page 1397.]

Mr. MINETA. There being no further business before the subcommittee, we stand adjourned.

Do we have a next meeting date yet? Not yet? Then I guess it will be at the call of the Chair.

Thank you very much.

[Whereupon, at 2:51 p.m., the subcommittee was adjourned, to reconvene at the call of the Chair.]

PREPARED STATEMENTS OF WITNESSES

Testimony of

John Archer
American Automobile Association

Before the

Subcommittee on Surface Transportation

Re the

Reauthorization of the Surface Transportation Program

March 22, 1990

The American Automobile Association, serving more than 31.5 million members, appreciates this opportunity to comment on the reauthorization of the federal highway program and the current reexamination of U.S. surface transportation.

When contemplating possible changes in transportation it is essential to focus on two simple but critical facts:

First, **Americans depend on cars** to get to work and to lead their everyday lives. Indeed, the entire economy depends on the motor vehicle.

Second, **transportation must address people's needs.** It must emphasize **positive incentives** that make sense to people, so they will readily embrace them because it's in their interest to do so. If it includes extreme measures the American people have rejected many times before, it will be a very conspicuous failure.

This two-part perspective strongly influences AAA's views on the nine issues AAA will address today:

- **opposition to a gas tax increase for deficit reduction**
- **highway funding**
- **expansion of the highway system**
- **scenic byways**
- **traffic congestion**
- **Intelligent Vehicle/Highway System**
- **highway safety**
- **truck size and weights; and**
- **toll financing**

OPPOSITION TO A GAS TAX INCREASE FOR DEFICIT REDUCTION

Regarding the tax issue, AAA continues to take President Bush at his word. In a letter to AAA he stated the following:

> **"A gas tax increase to balance the budget would particularly hurt lower wage earners, families with both spouses working, and farmers and residents of Western states who have to drive long distances... Let me say it one more time: As President, I will oppose any attempt to raise taxes to balance the budget. That means gas taxes, too."**

In addition to the arguments noted in the President's letter, three others are especially important:

First and foremost, the American people are against a gas tax for deficit reduction. The Washington Post's own poll shows more than 70 percent oppose such a tax.

Second, a gas tax increase for deficit reduction would not raise the money predicted by its proponents. The estimate of a billion dollars for each penny is inaccurate -- those are gross receipts. Net receipts have been variously estimated from about 300 to 600 million dollars for each penny raised, depending on estimated economic drag and whether diesel fuel is covered by the tax.

Finally, such a tax would fundamentally damage the highway program.

HIGHWAY PROGRAM

We care about that program and would like to see it expanded. AAA particularly would like to see **more bypasses around congested urban areas**, and **outer beltways where feasible.**

Whether those roads would be designated as part of an expanded interstate system or labeled part of a "system of national significance" is not really important. But they should be built to the safe design standards of today's limited access highways. Of course that is going to take more money.

The Federal Highway Trust Fund annually produces approximately $15 billion in tax revenues and interest income. Let's put trust back into the trust fund concept and start spending all of that $15 billion on roads -- not on making the deficit look smaller.

Many groups are joining in an effort to increase Federal-Aid Highway spending from approximately $12 billion in fiscal year 1990 to $15 billion in fiscal year 1991. AAA joins virtually all the associations representing state and local governments in calling for the Federal Government to establish minimum annual obligation ceilings no lower than annual trust fund receipts, including interest.

Spending down the balance in the Highway Trust Fund, including interest earned on highway users' monies paid into the

Trust Fund, will help restore the efficacy of the basic user fee concept.

Forty-seven of the nations' Governors have urged the Appropriations Committee "... not to deprive taxpayers of some $3 billion worth of transportation improvements they are paying for at the gas pump this year." AAA agrees with these 47 Governors that "... at a time when highway and bridge needs are critical and expenditures inadequate, gas tax revenues continue to accumulate in the Highway Trust Fund."

TRAFFIC CONGESTION

Highway funding concerns relate directly to another key issue: **traffic congestion.** In the old days, the rallying cry for roads was **"Get the farmer out of the mud!"** Today it's **"Get the commuter out of gridlock!"**

That's obviously of interest to AAA. Our members comprise about 20 percent of the U.S. adult driving population. They want a better planned transportation system.

But better planning means more realistic planning and more **realistic planning emphasizes incentives, not penalties.** For example, if the federal government wants to encourage public transportation it could make the cost of commuting to work by public transportation tax deductible. It should not tax free parking, as some suggest.

Successful intermodal planning emphasizes linkages to the automobile because the auto is the dominant mode of travel. For example, if you want to improve transit ridership, increase parking at subway stops, especially end-of-the-line stations.

AAA supports all reasonable efforts to reduce congestion that preserve personal mobility and don't discriminate against the motorist.

Examples include some the old reliables, such as:

- synchronized traffic signals;
- fringe parking for transit;
- car and van pools;
- staggered work hours; and
- realistic land use planning.

We also support some approaches that are more controversial, including:

- incentives for large trucks and certain other commercial vehicles to refrain from using crowded urban beltways and streets during rush hour;
- and for the future, intelligent cars and highways.

INTELLIGENT CARS/HIGHWAYS

Advanced technologies offer potential for reducing urban congestion in the future through more efficient use of the freeway and roadway system. Artificial intelligence is currently

being tested in various areas associated with driver safety and routing systems, all designed to make the task of getting from point A to point B a less aggravating experience.

Advanced technology researchers are experimenting with computers, digital maps, and telecommunications, searching for high-tech systems that will manage traffic and keep it flowing. The goal is to integrate roads with vehicles into a smoothly running, efficient transportation system. One very long range goal is to make roads so "smart" that they can guide "intelligent" vehicles without direction from the drivers.

Those so-called smart cars are related to another paramount AAA concern: Highway Safety.

HIGHWAY SAFETY

To ensure continued success in reducing the number of accidents, injuries and deaths, AAA supports accelerated research designed to provide solid, substantive information to evaluate safety programs and vehicle safety standards already adopted.

In an effort to ensure the greatest level of safety possible for all motor vehicles AAA strongly supports NHTSA proposals to apply all federal motor vehicle safety standards to vans, minivans, and light trucks.

Safety considerations should be an integral part of every aspect of a new federal highway program, including efforts to promote safety improvements in vehicles and roadway operations. AAA believes driver safety can be enhanced through continued education and information programs.

Highways should be developed and maintained in such a manner as to reduce highway crashes and minimize the severity of injuries from accidents when they do occur. To prevent accidents and develop a more "forgiving highway environment, emphasis should be given to safer highway design, improved road conditions, and to the elimination of roadside hazards.

More than 45,000 people are killed and 3 million injured in traffic accidents each year. Because vehicle miles traveled are expected to double by the year 2020, fatalities could increase to approximately 90,000 in 2020 unless the fatality rate is reduced. In light of this harsh reality, it's essential to implement all reasonable highway safety measures.

Examples include:

- **Passenger restraints in all passenger vehicles;**
- **Universal adoption of effective safety belt laws;**
- **Application of all federal motor vehicle safety standards to vans, minivans and pick-up trucks;**
- **Improved side impact standards for cars;**
- **Anti-lock brakes in all vehicles, especially large trucks; and**

- **A variety of other truck safety measures, particularly implementation of improved licensing and testing standards.**

TRUCK SIZE AND WEIGHTS

AAA continues to be seriously concerned about the safety implications of large, heavy trucks sharing the highway system with a growing fleet of smaller passenger cars. Thus **AAA opposes any further increases in existing federal maximum truck size and weight standards** because the present legal size and weight limits applying to trucks and combinations of vehicles already tax the limits of safety.

AAA also opposes the establishment of one set of truck size and weight limits for the Interstate System and higher limits for other highways. Grandfather clauses which permit size or weight limits greater than current federal maximums should be repealed.

AAA opposes efforts to liberalize the use of so-called "longer combination vehicles" (LCVs). The Federal Highway Administration has already found that "the states are currently providing opportunities for controlled use of LCVs. There are positive use aspects of LCV use, but many unresolved issues argue against their immediate widespread use."

The trucking industry contends that states should be given the discretion to allow the use of LCVs having gross weights in

excess of 80,000 pounds. This would be the first step in establishing an extensive network for the operation of LCVs. It would not be long before the industry would conduct an all-out campaign in the states to convince legislatures that their laws should be in compliance with the more permissive federal law. Not long thereafter the industry would be back at Congress's door asking for a national network for LCVs in the interest of "nationwide uniformity" and greater productivity.

Congress -- and particularly this subcommittee -- is to be commended for the leadership it has demonstrated in truck safety issues in recent years. But in those years Congress has also curtailed state authority to place limitations on truck dimensions. Congress should not turn its back on the potential dangers of LCVs and throw the decision back into the laps of states while preempting the states' powers to address these issues.

SCENIC BYWAYS

AAA strongly supports scenic roads. Increasingly we have members who want more pleasant alternatives to Interstate travel.

They want to travel on roads that take them through the most scenic, historic, or culturally interesting areas. To satisfy that desire, AAA has designated 39,000-miles of scenic roads. To be included, a road must meet at least one of five criteria:

- **quintessential scenery** (the best of the characteristic features or scenery of a state or region)
- **natural beauty** (strikingly scenic, natural features)
- **cultural beauty** (architectural, historic, or economic activities)
- **uniqueness** (usually a limited area unique to a region), and
- **scenic roads on public land** (byways designated by the federal government)

Scenic roads also have significant economic potential because of the synergistic relationship between scenic roads, tourism and the economy. A few details will help make this last point:

- **Tourism is one of the top three employers in more than 40 states;**
- **Driving for pleasure is a favorite avocation of more than 40 percent of American adults;**
- **Approximately 50 percent of foreign visitors use a car at least part of the time when visiting the U.S.; and**
- **Over 80 percent of U.S. vacation travel is done by car, truck or recreational vehicle.**

A scenic roads program has the potential to benefit vacationers and at the same time produce substantial revenue for states and private interests alike.

For the highway program it has added potential: expanded political support for the road program at a time when it needs it. Organizations that care about tourism may help support the highway program if scenic roads are a part of the '91 bill.

A federal scenic roads system should be designated and run by the states and eligible for federal funding. States also should be allowed to use some of the federal funds already allotted for highway planning and research to plan their scenic roads system. Current uses of scenic roads should not be unduly restricted, and money should not be directed from current road improvement and maintenance programs.

Serious consideration should be given to establishing an office of scenic roads in the U.S. Department of Transportation to help implement a scenic roads program. It could serve as a central clearinghouse for information about state programs, help guide state and local governments in designating and marking their scenic roads, and issue maps and publications about the national scenic roads system.

TOLL ROADS

Understandably scarcity of road funds is driving the call for greater use of tolls. But AAA still is troubled by toll financing for a number of reasons.

Excessive Cost: Toll roads will probably cost 3 to 4 times as much as toll-free roads because of bond interest charges and toll collection costs.

Double Taxation: If gas taxes are used to construct new toll roads, motorists will be paying twice -- once at the pump, once at the toll booth.

Breach of Trust: Highway users have paid literally hundreds of billions of dollars to construct the nation's highway system; they should not now be charged a toll to use it.

Inefficiency: Currently, fifteen percent of toll revenues are needed for the collection process while only one percent of motor fuel taxes are devoted to tax collection.

Inconvenience: Toll roads often provide few exits in order to minimize the number and therefore the costs of toll personnel. Users can't get off the road at convenient places and people living in some small communities cannot use toll roads built right next to them.

In taking an anti-toll stance, AAA doesn't minimize today's serious funding problem. But there are better ways than toll financing to solve it, such as drawing down the Highway Trust Fund balance, impact fees, and traditional taxing methods.

Thank you for the opportunity to express AAA's views on these important issues.

Richard F. Celeste
Governor

OFFICE OF THE GOVERNOR
STATE OF OHIO
WASHINGTON OFFICE

444 North Capitol St. N.W.
Suite 528
Washington, D.C. 20001
202/624-5844

TESTIMONY BY

RICHARD F. CELESTE

GOVERNOR OF OHIO

on

SURFACE TRANSPORTATION REAUTHORIZATION

before

HOUSE PUBLIC WORKS AND TRANSPORTATION

SUBCOMMITTEE ON SURFACE TRANSPORTATION

March 22, 1990

Mr. Chairman, I am pleased to appear here today before the House Public Works and Transportation Subcommittee on Surface Transportation to discuss congressional reauthorization of the highway, transit and highway safety programs. I feel especially at home since Ohio is so well-represented on the subcommittee by Representatives Applegate, Traficant, and McEwen. Mr. Chairman, I also understand that a majority of my state's delegation has already testified on Ohio's behalf, and I am pleased to have the chance to lend my voice to theirs.

You will notice that my voice is somewhat hoarse, and, coincidentally, this affliction is related to highways themselves. I have spent much of this week traveling my state, announcing more than $1.1 billion in new highway projects. So I come to you a little the worse for wear, but with a recent and clear impression of Ohio's infrastructure needs.

Like other governors across the country, I followed with great interest the unveiling of the Bush Administration's "Moving America" policy. But I must say that I found it very disappointing. Although Secretary Skinner provided us with an excellent analysis of the problems plaguing our infrastructure, the plan itself falls far short of any real solutions to these problems.

Indeed, I believe that the Bush plan represents a reversal of the original intent of the Highway Act of 1956, the legislative embodiment of President Eisenhower's National System of Interstate and Defense Highways. If President Eisenhower's plan was a clarion call intended to "unite the nation," then I am afraid the current President's plan sounds a note of retreat from this ambitious purpose.

In his message, President Eisenhower noted the desperate need for highway development, repair and improvement. He said that "to correct these deficiencies is an obligation of government at every level. The highway system is a public enterprise. As the owner and operator, the various levels of government have a responsibility for management that promotes the economy of the nation and properly serves the individual user."

He saw the condition of our highway system as nothing less than a matter of our national defense. He was right then, and in this world of increasing economic competition, Dwight Eisenhower is even more right today!

President Eisenhower went on to say in his special message to the Congress that "in the case of the

federal government...expenditures on a highway program are a return to the highway user of the taxes he pays in connection with his use of the highway."

In other words, the notion has always been that the states should get back what we put in. But now, 35 years later, it is far from a reality. The "Moving America" plan moves us farther away still. This year, Ohioans will receive about $496 million in federal-aid highway funds. We will pay approximately $531 million in federal gas taxes. In total, Ohio will lose about $35 million just this year.

Even with the enactment of the 85% minimum allocation provision in the 1982 highway bill, Ohio's cumulative return has only been 80 cents for every dollar sent to Washington. And the irony is that in every major national infrastructure study released in the last 10 years, Ohio has ranked among the top five states where needs are measured against the lack of sufficient resources. 13% of our urban interstate, 22% of our rural interstate, and 21% of our bridges are considered structurally deficient.

And although we have been experiencing nothing less than highway robbery for more than a decade, President Bush has proposed a plan which would make the situation even worse. Instead of repairing the inequities in the current allocation of funds, the President wants to fly the white flag of surrender over the federal government's leadership role and shift responsibility even further to the states.

Secretary Skinner's introduction of the administration's proposal, I believe, belied an unfamiliarity with what states like Ohio are already doing to address infrastructure problems. Contrary to what the Secretary seems to think, in Ohio we have been taking up the slack left by diminished federal participation.

As I mentioned earlier, this week I announced a number of major highway projects throughout Ohio. We have funds for the projects because we raised our state gasoline tax by 5.2 cents. It is the second gas tax increase in three years. As a governor, I know that raising the gas tax is never an easy or popular action. But state legislators, the business community, and the traveling public have come to see the necessity of this additional revenue.

In addition, Ohio has passed a $1.2 billion bond referendum to finance local infrastructure and road improvements.

These increases have put the current gas tax in Ohio at 20 cents--one of the highest in the region. We will spend more than $800 million this year in state funds on highway and bridge improvements.

This is the reason I was particularly startled when Secretary Skinner's major recommendation was that state and local governments do more.

The Secretary even went so far as to say that the federal government cannot "bail out every system that hasn't been able to care for itself."

I disagree on two counts with the premise implicit in the Secretary's remarks.

First, infrastructure funding is not a federal bail out. It is a federal commitment that Secretary Skinner and President Bush are abandoning--which contrasts, incidentally, with the federal government's response to the Savings and Loan crisis--which was, in fact, a bail out.

I fail to understand why the federal government can be quick to come to the aid of failing private enterprises, but cannot seem to find the money to assist state and local governments in meeting the critical need we are discussing here today.

While countries around the world are responding to the need for more efficient infrastructure, the United States is allowing its to crumble. Why should the Secretary of Transporation have to go to Europe to see one of transportation's newest technologies--high speed rail? The federal government should be leading our investment in such technologies here at home. Instead of the states--Ohio, Pennsylvania, Florida and others--are struggling to make high speed rail work in the United States.

Second, I find it ironic that the administration would call into question the budget practices of state governments when $17 billion of highway and transit funds are being hoarded to disguise the size of the federal deficit. The results of this sort of budgeting, for highways as well as for other vital services, are obvious. I am proud to say that we in Ohio have avoided such gimmicks during the past eight years.

In Ohio, "read my lips" doesn't build roads. Across the country, "read my lips" doesn't build highways. States, like Ohio, are fulfilling our part of the Eisenhower bargain. I believe the time has come for the federal government to step forward to become a full partner with us once again, rather than sound the trumpet of retreat.

In an effort to help re-establish this partnership, I would like to offer the following recommendations. Many of these are similar to the policy principles adopted by the nation's governors at our recent winter meeting. I suggest that the federal government

**Maintain a significant federal role in assisting the states in financing highway and public transit projects.

**Increase the federal investment in transportation by fully utilizing the balances in the highway and transit trust funds.

**Increase the flexibility in federal transportation programs. One of the reasons the 85% Minimum Allocation Program is so successful--besides the additional funds coming

back to the states--is its flexibility. Ohio can use this money for any project, and it is not subject to the highway obligation ceiling.

**Initiate major changes to the distribution formulas which allocate billions of highway dollars. Factors that reflect the relative use of highways are more equitable to states like Ohio that have fewer miles of highways but are heavily traveled. For example, Ohio has 3.4% of the nation's interstate miles, but 5.2% of the traffic on the nation's interstate system.

**Increase the Minimum Allocation Program to 90% and make any discretionary money available to all states--including donor states. While I hope the Congress makes major structural changes to the federal-aid highway program that will eliminate Ohio's donor status, at the very least I believe the minimum allocation should be increased.

**Finally, maintain federal funds for operating assistance for our increasingly important system of public transportation.

Mr. Chairman, only with the firm adoption of these principles can we achieve the federal participation so crucial to the rebuilding of our nation's infrastructure. The President, Secretary Skinner, and many Members of Congress should be applauded for indentifying infrastructure as a priority. However, the real measure of the administration and, frankly, the Congress' resolve will be whether the rhetoric is matched with a federal funds. As we say in Ohio, this is where the rubber hits the road.

Mr. Chairman, I am pleased to have had the opportunity to share my thoughts with you. Although this is my first appearance before this subcommittee, as you may know the history of Ohio and the importance of public works for national defense and economic development have been intertwined since the founding of our nation.

Albert Gallatin, Secretary of Treasury under President Jefferson, developed a plan for an elaborate network of canals and roads to promote national defense and economic development. He convinced Congress to finance the construction of these public works through an innovative funding arrangement. Because of Secretary Gallatin's efforts, in 1802 the act that admitted Ohio

into the Union earmarked 5% of federal land sales in the new state for building roads linking the state with the navigable waters flowing to the Atlantic. The initial product of this effort was the nation's first interstate highway--the Cumberland road.

Mr. Chairman, thank you again for this opportunity, and with this shared history in mind, I look forward to our continued work together.

CENTER FOR AUTO SAFETY
2001 S STREET, NW SUITE 410 WASHINGTON, DC 20009 202•328•7700

TESTIMONY ON THE REAUTHORIZATION OF THE FEDERAL-AID HIGHWAY ACT BEFORE THE

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

MARCH 22, 1990

Thank you, Mr. Chairman. My name is Henry Jasny. I am the senior attorney at the Center where I work exclusively in highway safety. The Center is a not-for-profit, public-interest, consumer advocate organization dedicated to reducing losses on our nation's streets and highways because of unsafe motor vehicle and highway designs. I'm accompanied by Dr. Gerald Donaldson, our Associate Director for Highway Safety, who is here to help answer any questions you may have regarding our ideas for an improved Federal highway program.

Mr. Chairman, America's highway program is in serious trouble, with more threats launched against it than ever before, and a crisis in funding for the future that must be overcome by rapid, assertive action by our Congress. We believe that this reauthorization legislation will determine much of the quality of life in this country into the next century. This is no time to cripple our transportation system with short-term gains in deficit reduction by mugging the Highway Trust Fund, nor to continue practicing bookkeeping sleight-of-hand which holds this money hostage.

Two weeks ago today you were presented with a short-sighted vision of our nation's highway program that radically reduces Federal leadership in achieving improved safety, mobility, and economic health for America. You heard a proposal to dump large areas of the existing highway program into the laps of the states, counties, and cities with either much lower or no Federal funding.

Where will the money come from to assure the improvement and maintenance of these orphaned highways, streets, and bridges? How will improvements in materials and design that naturally produce more efficient, as well as safer, operations, come about if funding is supposed to issue from each state legislature where road funds often compete directly for general revenue with other, non-transportation programs? How will fragmentation of our highway program produce the increasing design uniformity that lowers the chances for accidents?

Cutting our Federal program to so-called systems of national significance is a retreat in the face of an even greater need than ever before for enhanced safety and mobility, and transportation-based prosperity. The Center believes that there are defensible national goals and needs that rise all the way from a county major collector route that is a lifeline for farmers and coal trucks, through an urban artery that is essential for the distribution of goods, up to an Interstate

highway with 100,000 vehicles a day. These national goals of safety, mobility, and economic well-being can be assured only through increased Federal funding and leadership.

As you appropriately stressed in your remarks of March 8 which opened the consideration of this watershed reauthorization bill, our transportation system must not be regarded as a collection of individualized concerns, but as a national program with overarching goals that are wisely managed by innovative leadership: "How we spend Trust Fund monies is as important -- if not more important -- than how much money we spend."

In his testimony before this committee on March 8, Secretary Skinner also stressed sound infrastructure management programs. He proposed that management programs become a condition for Federal aid because the states have not spent, in his words, these "free" Federal dollars as wisely or carefully as state and local funds.

We agree with this wholeheartedly, Mr. Chairman, and, in response, we are submitting to you today a highly detailed package of management initiatives which address the core program areas of the Federal-aid Highway Act. These comprehensive management proposals integrate many diverse provisions scattered throughout the current statute into major, cohesive programs for pavement, Interstate 4-R, highway safety, bridges, and maintenance. In each instance, the states would have to adopt

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appropriate management systems approved by the Secretary in order to receive Federal funds.

In addition, we have also addressed specific critical problems of highway safety that need special emphasis in their own, new programs. One of these is a national effort to reduce the horrifying rate of losses we have begun to incur because of the 65 mph speed limit on rural Interstate highways. We call this the Interstate Safety Emphasis Program (ISEP), a national effort which will systematically improve geometric design, traffic control devices, safety equipment, and pavement markings so that the highway environment is safer for all drivers of all ages and capabilities.

The other safety emphasis area we propose is the Work Zone Safety Program which is aimed squarely at reducing the unacceptable losses in highway work zones. Last year America suffered a nearly 8% increase in work zone fatalities and the FHWA's response to this leap in deaths has been to dismantle what little regulatory and reporting machinery that has existed.

Apart from these two targeted safety areas, we also propose other amendments that, in concert with the preceding programs that I have referred to, will address the needs of elderly and handicapped drivers who need special help on the road. America's aging pyramid is being rapidly squared and it is time to meet the requirements of older drivers and drivers with diminished

capabilities.

We are convinced, Mr. Chairman, that our detailed legislative recommendations are the kind of brainstorming this Congress must engage in so that the transportation policy leadership this country so desperately needs and deserves will emerge over the next year and a half. Congress needs a forward-looking blueprint for reinvigorating our national highway program. Expanded, comprehensive safety policies and a systematic management approach to program expenditures must be keystones of the next highway bill. It will require hard work among you and your colleagues with the input of the private transportation community to forge the necessary changes.

Although we are a very small organization, our freedom to serve the public interest unreservedly, places us in an unique position to help our country's transportation program to achieve new levels of safety, economic benefits, and personal mobility. We stand ready to assist you in whatever way we can in the drafting of an innovative, responsive legislative document that will secure these goals.

We ask that the text of our oral testimony and accompanying legislative proposals be made a part of the hearing record, and we are prepared to answer any questions you may have for us.

STATEMENT BEFORE THE

SUBCOMMITTEE ON SURFACE TRANSPORTATION

OF THE HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

RELATING TO

TRANSPORTATION SAFETY

SUBMITTED BY:

LEONARD W. LEVINE

COMMISSIONER

MINNESOTA DEPARTMENT OF TRANSPORTATION

MARCH 22, 1990

Mr. Chairman, I am Leonard Levine, Commissioner of the Minnesota Department of Transportation. Thank you for permitting me to appear before your Subcommittee. I am very pleased to be here.

Transportation safety is a crucial issue in every state. Today I would like to briefly outline Minnesota's efforts to improve highway safety.

Minnesota's Approach

Governor Rudy Perpich has made improved transportation safety a top priority for the state of Minnesota. In spite of the fact, Minnesota has been a national leader in highway safety. During the last 3 years Minnesota has had the lowest traffic fatality rate in the nation.

However, we need to remember that this outstanding safety records does not tell the whole story. This week, in Minnesota, about 1,000 citizens will be treated in a hospital for injuries resulting from road accidents. This week twelve people will lose their lives on Minnesota roads. This week about $12 million dollars will be spent to provide medical care to those involved in traffic accidents in Minnesota. These figures indicate that we need to do more to improve the safety of our highways and railroad crossings. Our goal in Minnesota is to cut our highway death rate in half by the year 2000. That would reduce our highway fatality rate to .75 per 100 million vehicle miles traveled.

Last fall 14 public transportation safety forums were held around the state of Minnesota. These forums were led by local citizens who volunteered to coordinate and chair local task forces. These local task forces joined with the Minnesota Department of Transportation in sponsoring and promoting the public forums. We were very impressed by the dedication and hard work of these local citizen leaders and by the safety concerns expressed by the hundreds of citizens who testified at these meetings.

State legislators from both political parties participated in the safety forums. The issue is absolutely bipartisan. 2,000 people attended these safety forums and more than 700 men, women, and young people provided oral or written testimony. This citizen input has helped us identify transportation safety problems in Minnesota.

The Minnesota Department of Transportation has developed a Transportation Safety Enhancement Plan in response to the safety concerns addressed at the public forums. This plan includes short-range and long range elements.

Short-Range Elements

1. enforcement to modify driver behavior - with special focus on seat belt usage and increased DWI enforcement

2. support for safety legislation - including possible license plate revocation for repeated DWI offenses,

lowering the legal blood alcohol content to .08 percent and changes to the speed limit laws.

3. challenge local government to emphasize safety - local governments will be encouraged to develop their own highway safety plans and Mn/DOT will recognize counties completing at least one safety project in 1991 and 1990 by inducting them into a Transportation Safety Hall of Fame.

4. Improve rail crossings - railroad grade crossings constitute a significant transportation safety hazard. Mn/DOT has established a Minnesota Grade Crossing Safety Program and designated a program management team. Survey forms and instructions are being developed to field review and recommend specific signs and markings on 634 public railroad-highway crossings this year.

During 1990, Mn/DOT will conduct a demonstration project on the most heavily used rail line in the state. This demonstration project will focus on combining grade crossings and improving the remaining crossings on secondary roads in the project area. The results of the demonstration project will be used to develop a five year program to address similar concerns on other rail lines in the state. Priority will be given to the 12 busiest rail lines in the state.

5. add $7.6 million for highway safety improvements - low-cost safety improvements at hundreds of locations

throughout the state in 1990-91 will include improved striping, better sign visibility, additional turn lanes and longer pedestrian crossing times at intersections.

Long-Range Elements

The long-range plan focuses on four key areas:

1. the roadway - improvements to the roadway to enhance safety will include brighter pavement markings, improved sight distances on curves, better lighting and intersection improvements. Highway safety enhancements totalling $500 million will require obtained funding from the State Legislature

2. the vehicle - increased use of passive restraints and/or airbags, more frequent vehicle safety checks and use of daytime headlights are examples of the kinds of vehicle safety enhancements that will be actively supported and promoted

3. the driver - increased emphasis on education programs in such areas as pedestrian safety, bicycle safety, the needs of the older driver, seat belt usage and drunk driving will increase public awareness of actions that must be taken to address these safety issues

4. enforcement - aggressive enforcement of DWI laws, speed limits, pedestrian, bicycle and seat belt laws, and increased use of vehicle safety checks can contribute substantially to improved transportation safety

Increased Truck Inspections Two issues facing the trucking industry are violations of driving regulations and the safety of trucks on the road.

The FHWA authorized Mn/DOT to use federal truck safety funds to utilize State Patrol aircraft to help apprehend trucks attempting to avoid safety checks.

Last November, Minnesota instituted an enhanced truck safety program. This program includes a statewide truck air surveillance program and periodic saturation truck inspections. Both the air surveillance and the saturation inspection programs are in partnership with the Minnesota Departments of Transportation (Mn/DOT) and Public Safety (DPS).

The truck air surveillance program, the first of its kind in the country, was the result of a meeting with Gene McCormick, Deputy Administrator of the Federal Highway Administration (FHWA).

We have also established a truck safety "hot-line" for citizens to report suspected truck safety violations and joint truck inspections with neighboring states.

Work Zone Safety

Work zone safety is another important part of Minnesota's comprehensive highway safety program. More than 35% of Minnesota's roads are over 50 years-old. This combined with increased traffic and heavier trucks has resulted in deteriorated road which need significant repair and reconstruction. Unlike the major construction activities of the past, maintaining today's highways requires that the roadways remain open to the travelling public while the work activity is underway.

Mn/DOT has full time Work Zone Safety Coordinators in the Central Office and each of the 8 Mn/DOT districts in the state.

Working closely with contractors, construction, maintenance, and traffic engineering and communications personnel, Mn/DOT has develop an extensive year-around work zone safety public awareness campaign.

An aim of the program is to assist in establishing uniform work zone traffic controls for all highways in the state regardless of governmental jurisdiction.

In addition, Mn/DOT is working with the American Traffic Safety Service Association (ATSSA) to certify traffic control supervisors in 1990. A complete quality assurance program is being developed that includes all necessary standards and guidelines, training and the development and implementation of

state-of-the-are traffic controls to assure that proper work zone safety controls are used on all projects.

A four part public education work zone safety package is also being developed which includes:

A. K-6 Awareness Activities

B. Transportation Education in Social Studies, grades 7-12

C. Beginning Drivers Training

D. Defensive Drivers Training with emphasis on Mature Drivers

A Federal-State-Local Partnerships

In closing I want to emphasize the importance of the federal-state-local partnership in transportation safety. Federal efforts such as the "402" safety program have provided benefits far beyond the modest expenditures made under the program. The data analysis, engineering studies and analyses, technical guides, workshops, seminars, safety training, and vehicle and driver safety programs carried out by "402" funding has had a far-reaching impact on state and local highway safety efforts.

The Hazard Elimination Program has saved thousands of lives by providing special funding to make necessary improvements at high accident locations.

The Rail-Highway Crossings Program has helped to focus attention on a critical national issue and need. Public concern about the safety of rail-highway crossings was very evident at the transportation safety forums conducted throughout Minnesota last fall.

A continuation of the very fruitful federal-state-local partnership in transportation safety is essential to continued safety improvement during the 1990's and beyond. It is important that I publicly commend the outstanding help we have received from the Federal Highway Administration. In particular, I wish to acknowledge the close federal-state relationship we enjoy in Minnesota under Charles Foslien, FHWA Division Administrator.

The American Association of State Highway and Transportation Officials (AASHTO), in their recommendations on the future direction of the federal surface transportation program, strongly support continued federal involvement in highway and transportation safety. AASHTO's recommendation is that, "The safety of Americans, using the surface transportation facilities and services, should be preserved and enhanced through the continued national commitment to safety research, safety applications and safety projects".

I wholeheartedly concur in the recommendations made by AASHTO.

Thank you for this opportunity to present the views and recommendations of the Minnesota Department of Transportation on

this most important issue, Mr. Chairman. I will be pleased to respond to any questions you might have.

STATEMENT
ADVOCATES FOR HIGHWAY AND AUTO SAFETY
Before Hearings of the
House Public Works and Transportation Committee
Surface Transportation Subcommittee
March 22, 1990

Presented By Co-Chairs
Gerald L. Maatman, President, Kemper National Insurance Companies
and
Joan Claybrook, President, Public Citizen
accompanied by
Judith Lee Stone, Executive Director

Mr. Chairman, I am Gerald L. Maatman, President of Kemper National Insurance Companies, and Co-Chair of Advocates for Highway and Auto Safety, a new coalition of consumer, safety and insurance organizations formed six months ago to promote passage of highway and auto safety laws and policies to reduce death and injury on America's highways, and economic losses due to motor vehicle crashes. Advocates is working at the federal, state and local levels to improve highway safety and we have a strong interest in seeing the highway program reauthorization emphasize the importance of tougher laws and other programs for safer highways.

With me today is Joan Claybrook, former National Highway Traffic Safety Administration (NHTSA) Administrator and President of Public Citizen and my co-chair of Advocates, and Judith Lee Stone, its executive director. Joan and I will share the presentation of this testimony; we'll summarize its key points, and ask that the entire statement be inserted in the Record.

Advocates has identified a number of critical issues to advance highway and auto safety in the coming decade, and we are developing and implementing strategies to address them. Many of these problems for which we seek solutions will be permanently affected by the highway bill to be shaped this year and next in this committee. Our safety list includes the following:

- Drunk driving countermeasures, including passage of administrative license suspension laws in the states without them (currently there are twenty eight with such laws), open container laws and promotion of roadside sobriety checkpoints.

- Occupant protection legislation, including passage of safety belt use laws in states without them (33 states and D.C. currently require use); upgrading existing laws to provide for primary enforcement and more and better protection for children, both in child safety seats and safety belts; and better education about and promotion of air bags, now standard equipment on the driver side in increasing numbers of cars, and when used with safety belts provide the best overall motor vehicle occupant protection. We know state laws increase restraint use. Belt use has climbed from 12 percent to 48 percent since the first use laws were passed in 1984 and now are saving 4500 lives annually. Child restraint use has grown from 10 percent to 80 percent since the first law was passed in 1977 and now are saving 250 lives annually.

- Adoption of motorcycle helmet use laws, covering riders of all ages. Three states have recently reenacted use laws which experience almost 100 percent compliance and reduce deaths and head injury by at least 25 percent. We support motorcycle helmet and safety belt use legislation sponsored in the Senate by Senator Chafee (R-RI), and in the House by Representative Cooper (D-TN); we no longer can afford lack of uniformity in state use requirements in these two important safety areas.

- A return to the national maximum speed limit of 55 miles per hour (this law saved at least 25,000 lives between 1974 and 1986 according to the National Academy of Sciences); increased enforcement of all speed limits; a ban on radar protectors in both trucks and passenger cars; and promotion of responsible advertising on the part of auto manufacturers that does not glorify fast and powerful cars and driving practices.

- Renewed emphasis by the federal government (particularly the Federal Highway Administration) on remedies for high accident locations, specifically by increasing tough enforcement of existing standards followed by the states for roadway appurtenances, such as guardrail ends. There is need for FHWA to ensure that the states implement uniform, and high, safety standards, and to improve worker and motorist safety by using high-standard equipment in construction areas already open to traffic.

- Opposition to wider, longer and heavier commercial motor vehicles, and to their access to additional roads; and support for more effective truck braking systems, including more widespread installation of anti-lock brakes in big trucks.

- More funding and other support for enhanced traffic safety law enforcement.

- Additional funding and emphasis on research, development and demonstration for highway safety programs, across-the-board.

- Quick and effective promulgation of new federal motor vehicle safety standards (FMVSS) to improve side impact passenger protection, to upgrade all standards to apply to vans and light trucks, and to improve child restraint, pedestrian and rollover crash protection standards. We also support reauthorization of the National Highway Traffic Safety Administration (NHTSA) motor vehicle safety program; S 673 has passed the Senate, and lies dormant in the House.

Advocates participates in an informal group of organizations who are particularly interested in broadening and strengthening highway safety in this legislation, and who are developing consensus around certain principles. All are in agreement that the highway safety program of the 1990's and beyond must build on the progress of the past 25 years, take advantage of changed public attitudes demanding more safety in both cars and roads, and expand levels of funding and technological support, if we are to make further progress. Indeed, we will have to do all of this, just to keep the numbers of fatalities and serious injuries due to motor vehicle crashes at current levels, much less lower them. Corresponding societal and economic costs -- such as hospital and other medical costs, short-term and long-term rehabilitation, Medicaid and other government support programs,

insurance, even lost years of productivity -- will escalate further, adding to budget deficit burdens, in the absence of more aggressive pursuit of preventive highway safety measures.

Over 45,000 people are killed each year on our highways, and hundreds of thousands more injured. Our nation is paying an enormous, unnecessary price in dollars, family tragedy and lost productivity. Therefore, our consensus group is in agreement that:

- The successful federal/state/local partnership for highway safety, through the highway Trust Fund, be continued, and funding for its major grant and research and demonstration programs be substantially increased. These include the Section 402 State and Community Highway Safety Grant program, both Sections 408 and 410 alcohol safety incentive grant programs, Section 403 research and demonstration programs, the federal highway safety construction grant programs (Hazard Elimination and Rail-Highway Grade Crossing), and the federal motor carrier safety grant programs (Motor Carrier Safety Assistance Program and Commercial Driver Licensing).

- Existing federal highway safety incentive grant programs (sections 408 and 410) aimed at curbing drunk driving, should be combined into a single program and expanded to address occupant protection, speed and other priority safety issues.

- Additional emphasis should be placed on the need for accelerated research and supporting data collection (and its analysis and dissemination) regarding types and severity of crashes, injuries and fatalities, in order to assist in better problem identification of new vehicle, roadway driver behavior safety standards.

Mr. Chairman, at the beginning of a new decade, and approaching what is potentially a far more complex, dangerous and expensive new century, we have several options in the highway safety field. One option that Advocates has chosen is to lobby aggressively for tough, strong, and effective laws and regulations that serve as the foundation for society's efforts to save lives and prevent costly injuries. We know such laws and other policies are even more fully effective when combined with highly-visible police enforcement and public education and publicity about safety enforcement, and we know the general motoring public is supportive of such public health and safety activities.

Highway and auto safety has come "of age" in recent years, and it can no longer be said these are "motherhood and apple pie" issues. Some motor vehicle manufacturing leaders are marketing safety now, and other industries recognize that they can no longer afford not to require safety belt use of their employees, or not to install air bags in their vehicle fleets. Victims who have survived crashes, or have lost loved ones in a crash, dramatically demonstrate the needless nature of lost lives and crippling injuries, and teach us that such a high price need not be paid. Motor vehicle crashes are costing us too much money, their high numbers are classified as a major public health epidemic, and we all have a responsibility to ourselves and the nation to further institutionalize the known preventive vaccines.

We urge you, this committee and this Congress, at this critical point in the life of the federal highway program, to consider increasing resources at all levels for highway safety. Since passage of the federal highway and motor safety acts in the late sixties, we have learned that investments in successfully designed program standards to avoid crashes, and to protect highway users, should

a crash occur, are necessary, possible, and cost-effective. They have prevented hundreds of thousands of lost lives and injuries. This fact -- that highway safety should be a clear and major priority in our nation's transportation system -- is recognized and highlighted throughout other efforts to prepare for reshaping the highway program.

It is quite clear that this is not the time to pull back, or even to accept the status quo for highway safety, if we are to build on our knowledge of how to successfully prevent death and injury on the highway. These programs need significant boosts in funding and increased emphasis within the overall highway program. Such an investment now will reap benefits well into the next century.

COUNTY HIGHWAY DEPARTMENT
DOUGLAS COUNTY, MINNESOTA
P. O. BOX 398
ALEXANDRIA, MINNESOTA
56308

March 17, 1990

STATEMENT BEFORE THE

SUBCOMMITTEE ON SURFACE TRANSPORTATION

OF THE HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

RELATING TO TRANSPORTATION SAFETY

THURSDAY, MARCH 22, 1990

SUBMITTED BY:

ERNEST L. OLSON, P.E.

COUNTY HIGHWAY ENGINEER
DOUGLAS COUNTY, MINNESOTA

CURRENT SECRETARY-TREASURER
NATIONAL ASSOCIATION OF
COUNTY ENGINEERS (NACE)

TELEPHONE (612) 763-6001

AN EQUAL OPPORTUNITY EMPLOYER

Mr. Chairman, I am Ernest Olson, a County Highway Engineer from West-Central Minnesota and a member of the Minnesota Transportation Alliance, which was formerly known as Minnesota Good Roads, Inc. Thank you for the opportunity to appear before this Subcommittee.

County Government is an active particiapant in the Minnesota Department of Transportation effort to maintain and improve Minnesota's success in the area of highway safety. Local highway safety improvement programs have been funded with a combination of local, state, and to a greater extent, federal safety funds. The success of these programs is the direct result of the favorable local-state-federal working relationship we have in Minnesota. Examples of our accomplishments may help to emphasize the real need for continued federal financial participation:

Douglas County, Minnesota, has been able to install automatic signalized railroad-highway crossing protection at two locations with a third crossing scheduled for this spring. Seven additional grade crossings have been identified as critical locations needing improved protection. The hazards of unprotected railroad grade crossings were mentioned repeatedly at the series of public transportation safety forums recently held throughout the State of Minnesota. It is a tragic reality because of funding constraints, that crossing improvement priorities are driven by accident-fatality rates.

In the early 1980's the Minnesota Department of Transportation (MnDOT) spent nearly $5 million of federal aid off-system safety funds to improve regulatory and warning signs on the road systems of Minnesota's 87 counties and also in cities having a population of 5,000 or more. This signing project generated a lot of interest in upgrading township signing.

Early in 1986, MnDOT developed a Local Government Off-System (Township) Signing Program to help correct regulatory and warning sign deficiencies. The purpose of this traffic safety program is to make federal safety funds (Hazard Elimination Safety, HES) available to local road authorities to bring regulatory and warning signing on local roads and streets into compliance with the Manual on Uniform Traffic Control Devices. A single project is developed for each county under the administration of the county engineer. In 1987, Governor Perpich accepted a national safety award from the Federal Highway Administration in recognition of Minnesota's efforts to improve signing. To date, 70 of Minnesota's 87 counties are participating with a total of $10.2 million in Federal Safety Funds allocated for this program.

Minnesota's bridge repacement program is another example of the accomplishments which can be achieved with the local-state-federal partnership. Fortunately, Minnesota has had a Bridge Inventory System in place since 1967 and we were ready when special federal bridge replacement funds became available in 1975. Since that time, federal funds in excess of $111 million have been a major factor in the replacement of 4,000 plus deficient structures on the county and local road systems. Unfortunately, Minnesota still has more than 4,000 structures which are considered deficient by federal criteria. There are several emerging issues that will significantly impact and most likely add to the cost of Minnesota's bridge needs (all systems) in the next twenty years. These issues include truck weight increases, revised rating standards, ability of local units of Government to meet growing bridge replacement needs and decreasing availability of Federal Discretionary Bridge Replacement dollars.

We urge the members of this Subcommittee and your colleagues in Congress to keep the transportation needs of local government in mind as you consider new federal transportation legislation. It has been said, with substantial documentation, that "America Runs on Local Roads". Federal Aid Secondary Funds, Federal Aid Bridge Replacement Funds and Federal Aid Safety Funds have been a vital part of local road improvements in the past. Given our aging infrastructure, increasing traffic volumes on all highway systems, and increasing truck weights, it is absolutely critical that adequate federal funds be provided to preserve the tried and proven local-state-federal transportation partnership.

In closing, Mr. Chairman, I wish to call your attention to an attachement to the written copies of my remarks which have been provided to this Subcommittee. This attachment states the position of the National Association of County Engineers (NACE) on the future of the Federal Surface Transportation Program. This position paper expresses the concerns and suggestions of NACE for the role of the federal government regarding local transportation issues in the so-called post-interstate era.

I feel honored for the privilege to appear before this Subcommittee and thank you for your attention and consideration. I would be pleased to respond if there are any questions.

Statement before the U.S. House of Representatives Subcommittee on Surface Transportation, Hearing on Highway Safety Issues Including Speed Limit Monitoring

Brian O'Neill, President

March 22, 1990

INSURANCE INSTITUTE FOR HIGHWAY SAFETY

1005 N. GLEBE ROAD, ARLINGTON, VA 22201 (703) 247-1500

The Insurance Institute for Highway Safety is a nonprofit research and communications organization, supported by the nation's property and casualty insurers, that identifies ways to reduce motor vehicle crashes and crash losses. I'm the Institute's president and, at this subcommittee's request, I'm here to discuss highway safety issues with special emphasis on speed monitoring programs.

When speed limits were being raised from 55 to 65 mph on rural interstate highways in 40 states, proponents of this action painted a rosy picture. They said motorists were so frequently exceeding 55 that we had become a nation of lawbreakers. They said 65 would correct this situation so that, almost overnight, we would become a nation of law abiders. Proponents of 65 further argued that motorists had already chosen the speeds they felt safe and comfortable driving, so there wouldn't be any safety consequences of raising speed limits.

Travel Speeds Are Up

But has this happened? No. We now have nearly three years of data about the effects of raising speed limits to 65 mph. What we've found is that many motorists are driving faster now, and higher speed limits are being routinely exceeded -- not exceeded by as many motorists as ignored 55 mph speed limits, but exceeded by plenty of motorists to ensure that our highways are less safe now than they used to be.

For example, the percentage of cars exceeding 65 mph on Virginia's rural interstates nearly doubled (32 percent to 58 percent) from immediately before to immediately after speed limits were raised in July 1988. Now three of four passenger cars are exceeding 65. The proportion exceeding 70 mph also doubled right after speed limits were raised (8 percent to 17 percent) and then increased again during the first year of the higher limits. Now one in three cars is exceeding 70 (figure 1) on Virginia's rural interstates. In neighboring Maryland, meanwhile, speed limits on rural interstates are still 55 mph, and the proportion of cars exceeding 70 mph has not shown an upward trend.

New Mexico raised speed limits to 65 mph in April 1987 -- it was the first state to do so -- and, during the following 27 months, the proportion of cars exceeding 70 mph on New Mexico's rural interstates increased nearly fivefold.

Some proponents of higher speed limits point to data indicating that average travel speeds have increased only slightly since speed limits were raised. But we at the Institute believe it's more appropriate to focus on the increasing proportion of cars traveling at excessive speeds -- 70 mph and faster -- because this is the source of most of the increased risk.

The Institute's most recent surveys of travel speeds involve about 37,000 observations of free-flowing traffic on rural interstate highways in eleven eastern states during late 1989 and early '90. Six of these states (Connecticut, Maryland, Massachusetts, New Jersey, New York, and Pennsylvania) still have 55 mph maximum speed limits posted on their rural interstates, and five (New Hampshire, Ohio, Vermont, Virginia, and West Virginia) have adopted 65. What we've found is that the percentage of cars exceeding 70 mph is much lower in the states with the lower speed limits (figure 1). For example, 10 percent of cars on Pennsylvania's rural interstates, where speed limits are still 55, exceed 70 mph, while nearly three times that proportion are exceeding 70 in Ohio, where the speed limit has been raised to 65 mph.

Some states have posted 65 mph speed limits on rural interstates for cars only. Truckers are still supposed to adhere to 55 -- a policy that has some effect on travel speeds. In California and Illinois, for example, where differential speed limits are in effect, 3 to 4 percent of trucks are going faster than 70 mph. But in Arizona and Iowa, where speed limits are posted at 65 mph for cars and trucks, the percentages of tractor-trailers exceeding 70 mph are much higher -- 14 percent in Arizona, 9 percent in Iowa.

Rural Interstate Deaths Up, Too

A wealth of new research thus establishes that motorists do go faster when speed limits

are raised. Some go a whole lot faster -- increases in speeds faster than 70 mph are especially dramatic -- and the unfortunate result is an increase in highway crash deaths and injuries. Specifically, deaths increased 34 percent in 1988 on rural interstates posted at 65 mph, compared with deaths on the same roads during 1982-86. Deaths increased only 4 percent during the same time period on roads other than rural interstates in the same 38 states. Some of these increases occurred because of increased travel and, possibly, other factors. But studies by the U.S. Department of Transportation as well as the Institute estimate that the increase in deaths on rural interstates during 1988 that can be attributed to the higher speed limits is between 20 and 30 percent (figure 2).

Sixty-five mph speed limits caused more than 700 additional deaths on rural interstates during 1987-88 in the states that raised their speed limits, according to Institute research. Only on rural interstates are we seeing this kind of jump in deaths.

It's clear, then, that something needs to be done to control excessive travel speeds. The question is, what'll work to accomplish this? We encourage the federal government to set compliance requirements for the states to enforce whatever speed limits are in effect. But, at the same time, the formula that's adopted for this compliance program ought to be not only effective in encouraging enforcement but also as fair to one state as another.

Establishing a Speed Compliance Formula

The compliance formula now under consideration would require collecting data on the percentages of vehicles exceeding specified speed thresholds (55, 60, 65, 70 mph, etc.) on different road types (55-mph interstate highways, 65-mph highways, and 55-mph noninterstates). For each road type, the percentages of vehicles in each speed category would be weighted: Faster speeds on 55-mph noninterstates would get the most weight, because high-speed travel on these roads is particularly hazardous, while going a few miles an hour faster than the speed limit on 55 mph interstates would get the least weight. Such a formula would thus appropriately reflect different levels of speed violations on different road types.

Each state's compliance score would be obtained by taking the weighted results for each road type and combining them to reflect the mix of mileage traveled on each kind of road within the state. A state's score would then be compared against a baseline score for the same state in order to determine compliance. (Compliance data would be gathered in each state during fiscal 1990 and from the data a baseline score would be established. In subsequent years, each state would be allowed 110 percent of its baseline score before federal-aid highway funds would be reduced.) The problem is, this plan could tempt states to abandon speed enforcement during the baseline year -- inviting, in effect, a year of lawlessness -- so that compliance in subsequent years would be easier to achieve.

The way to solve this problem is to establish a compliance formula that uses national rather than state averages for miles traveled on different road types. This way, compliance could be assessed among the states -- something that's not possible under the proposed plan. Using a national formula that's standardized for road mix would also avoid favoring states where much of the mileage traveled is on congested roads with limited opportunities for speeding.

Whatever compliance formula is ultimately adopted should be heavily weighted toward drivers going faster than 70 mph. Why? Because these are the riskiest drivers. They're exceeding even the design speeds of most U.S. rural interstate highways -- and the design speed is the one that should not be exceeded even under the most favorable conditions. The compliance formula presently under consideration is based on percentages of drivers exceeding established speed limits, whatever they are, but at the same time the formula correctly recognizes that a motorist going 61 mph on a rural interstate highway posted at 55 mph, for example, poses a lesser risk than a motorist going 71 mph on a rural interstate posted at 65. Both drivers are exceeding the speed limit -- and they're exceeding it by the same amount -- but they don't pose an equal risk. This aspect of the compliance formula should be retained because it's the one that encourages states to curtail the fastest drivers.

Other Ways to Reduce High-Speed Crash Deaths, Injuries Needed

Now that high-speed driving has increased on many U.S. roads, it may be a difficult and long-term process to put the cork back on the speed bottle. Enforcing speed limits will help -- in fact, it's essential -- but we've also got to look for other ways to prevent high-speed crashes from resulting in highway deaths and injuries. We've got to implement measures to increase safety belt use, for example. Right now, use is generally at or below 50 percent, even in states where safety belt laws are on the books.

Part of the problem is that so many U.S. safety belt laws provide only for so-called "secondary" enforcement, which limits police authority to stop and ticket motorists for failure to buckle up. Of the 33 belt laws now in effect in the United States, only seven provide for "primary" enforcement, which means police may issue tickets solely for failing to use belts. In the other 26 states and the District of Columbia, where primary enforcement isn't allowed, police have to stop motorists for other violations before they can enforce the safety belt law. Clearly, we need more primary laws.

We also need publicity and enforcement of safety belt laws to achieve use rates of 80 percent or more. This doesn't mean we need a police state with motorists getting tickets right and left. What we need are strong safety belt laws on the books. And then we need police -- and motorists -- to take these laws very seriously, as seriously as more and more motorists now are taking drinking-and-driving laws.

Only a few years ago, many people thought driving while a little over the legal alcohol limit was acceptable behavior. But now driving while impaired by alcohol has become socially unacceptable to most people. We have to develop the same overall attitude about speeding that we have about impaired driving. It's widely recognized, for example, that even drivers who've consumed only moderate amounts of alcohol have slowed reaction times and other impairments that increase their chances of being in a crash. Although speeding doesn't impair skills like alcohol does, it reduces the time drivers have to avoid crashes. So the effect of driving fast is similar to alcohol impairment -- it

increases both the likelihood of crashing and the severity of crashes that do occur.

Our collective conscience still hasn't yet grasped that driving at high speed is an unacceptable risk -- a risk in the same league as drinking and driving. Both cost lives. Both are against the law. Both are subject to uniform legal limits. Yet driving while impaired is treated as a serious problem while speeding all too often is thought of as O.K. if you can get away with it. So, while we're trying to come up with a fair and effective speed compliance formula for the states, let's also remember this: Speeding, like impaired driving, ought to be unacceptable, not just under the law but also according to social mores.

Figure 1 **Percentage of Cars Exceeding 70 Mph on Rural Interstates in Late 1989 and Early 1990**

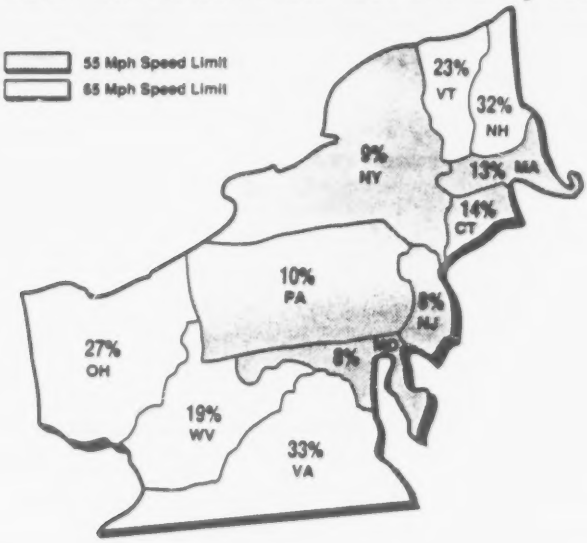
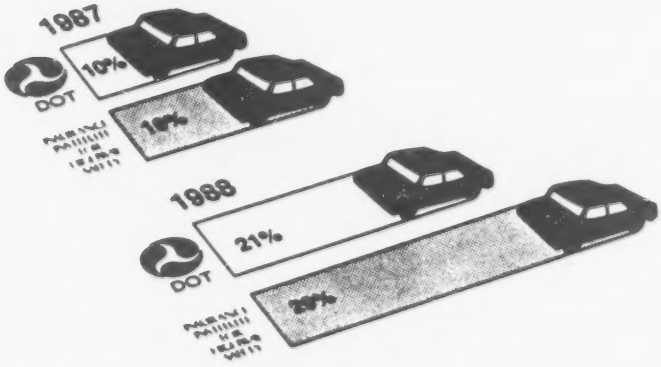


Figure 2 **Percent Increase in Deaths on Rural Interstate Highways Attributable to Higher Speed Limits**



U.S. Department of Transportation Estimate

Insurance Institute for Highway Safety Estimate

Estimates are based on data from the 38 states that raised speed limits in 1987.

INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE

DIVISION OF STATE AND PROVINCIAL POLICE

Testimony of Elmer H. Tippett before

THE SURFACE TRANSPORTATION SUBCOMMITTEE

CONCERNING

HIGHWAY SAFETY

March 22, 1990
2167 Rayburn House Office Building
U.S. House of Representative

INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE
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INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE

POLICE

SINCE 1893

The International Association of Chiefs of Police is a professional organization comprised of over 14,500 top law enforcement executives from the United States and 76 nations. IACP members lead and manage several hundred thousand law enforcement officers and civilian employees in international, federal, state, and local governments. Members direct North America's largest police departments including New York City, Los Angeles, Toronto, Chicago, Detroit, Montreal, and Houston, and head the national police forces of Israel, Denmark, the Phillipines, Korea, and Liberia, among others. Thousands of suburban and rural police agencies throughout the world are also represented.

Since 1893, the IACP has facilitated the exchange of important information among police administrators and promoted the highest possible standards of performance and conduct within the police profession. This work is carried out by functionally oriented committees consisting of police practitioners with a high degree of expertise that provide contemporary information on trends, issues, and experiences in policing for development of cooperative strategies, new and innovative programs, and positions for adoption through resolution by the association.

Throughout its existence, the IACP has been devoted to the cause of crime prevention and the fair and impartial enforcement of laws with respect for constitutional and fundamental human rights.

1110 North Glebe Road
Suite 200
Arlington, Virginia 22201
Phone (703) 243-6500
Cable Address IACPOLICE

President
Charles A. Gruber
Chief of Police
Shreveport, LA

Immediate Past President
Charles D. Reynolds
Chief of Police
Dover, NH

First Vice President
Lee P. Brown
Chief of Police
Houston, TX

Second Vice President
Richard L. Dotson
Chief of Police
Louisville, KY

Third Vice President
C. Roland Vaughn III
Chief of Police
Conyers, GA

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Robert L. Suthard
Superintendent
Virginia State Police
Richmond, VA

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Chief of Police
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Chief of Police
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Superintendent
New York State Police
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Division of State Associations
of Chiefs of Police
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Chief of Police
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Past President and
Parliamentarian
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Nassau County, NY

Executive Director
Daniel N. Rosenblatt
Arlington, VA

COLONEL ELMER H. TIPPETT

Biographical Sketch

Colonel Elmer H. Tippet was born in Washington, D.C. and raised in Prince George's County, Maryland. He was appointed to the Prince George's County Police Department in March, 1966 after completing a tour of duty with the United States Army. He became a Detective, assigned to the Vice Squad in 1971 after serving in the uniform patrol force. Colonel Tippett's supervisory career began in 1973 with his promotion to Sergeant, Homicide/Sex Section, Bureau of Criminal Investigation. His varied career included serving as Executive Assistant for Chiefs of Police and Chief of the Bureau of Support Operations. In January, 1986 Colonel Tippett was appointed Deputy Chief of Police, Chief, Bureau of Operations, assuming responsibility for the day-to-day direction of all operational functions of the Prince George's County Police Department. Colonel Tippett retired from the Prince George's County Police Department in November, 1987 after twenty-one years of service, when he was appointed Superintendent of the Maryland State Police by Governor William Donald Schaefer.

Colonel Tippett holds a Bachelor's Degree in Administration of Justice from the American University, Washington, D.C.

He lives in Laurel Maryland, is married, and has three children. He belongs to several law enforcement organizations and is the recipient of numerous awards and citations.

TULSA
IACP 1990

Good morning Chairman Mineta. It is a pleasure to be here today. I am Elmer H. Tippett, Superintendent of the Maryland State Police. Today I am representing Superintendent Thomas A. Constantine, General Chairman of the State and Provincial Police Division of the International Association of Chiefs of Police. We have surveyed our members, state by state, concerning the new speed compliance formula -so that we could accurately represent the feelings of state law enforcement agencies. Our members are clear:

> The IACP Highway Safety Committee and the S&P Division continue their strong support of the National Maximum Speed Limit concept through enforcement and education, but we also continue our strong opposition to the federal monitoring/sanctions process.

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We feel that monitoring speed, as with the NMSL, will improve safety, but in an ironic twist, the monitoring/sanctions process causes reductions in highway funds allocated to the states, which, in effect, results in a negative safety impact by deferring necessary highway improvements. In states where compliance figures are satisfactory, often times this is because other safety priorities such as DWI and drug interdiction are relegated to secondary and tertiary priority. Thus, we in law enforcement are in the classic Catch-22. If we don't comply, safety is negatively impacted because our funds are reduced. If we comply, safety is negatively impacted because other priorities are reduced. Its hard to see how we can win this one, Gentlemen.

Allow me to expound briefly on our position.

Police executives know that many factors contribute to fatal and injury vehicle crashes in this country. Primary known causes are speed, drunk and drug driving and other hazardous moving violations. Speed, therefore, cannot be looked upon as the sole

issue but only a part of a complex puzzle. Therefore, speed enforcement is a top priority, but it is only one component of a total, comprehensive highway safety plan. This compliance program does not recognize overall safety efforts, and, by reducing funds, would reduce the highway improvement and safety projects that a state could undertake. The speed monitoring formula and the corresponding sanctions tend to create a traffic enforcement program that is not properly balanced. Limited resources and other critical factors, such as the national proliferation of narcotic trafficking, complicates an administrator's responsibilities of assignment and prioritization, especially when examining the factors influencing traffic accidents.

Although it is true that the "states' rights" argument can be manipulated for many purposes both legitimate and otherwise (and certainly has been in the halls of the U.S. Congress) there are sound reasons to conclude that an issue such as this one, practically, should be a state determination. It goes without saying, that geographically,

commercially, economically, and traffic-wise, states are different. For example, the term "noninterstate road" encompasses a wide range of realities- the accident records of an urban freeway and a two-lane rural road are probably quite different. Under the compliance formula, these roads are treated equally. Some of the data elements in the proposed formula may be determined by a small volume of vehicles in a given category and, therefore, subject to large, year to year fluctuations. A state could go in and out of compliance because of random variations. It appears to many of our members that the formula will favor the urban states with high vehicle miles traveled; it appears to some that the formula will favor states which have a poor history of compliance. Whatever your interpretation of the formula, one thing is clear: no plan will adequately represent all of the states equally, because of the inherently different situation of each case. So, the main argument for "states' rights" in this case is simple: the state roads and traffic are very different.

<u>That sanctions have been designated as the way to approach this problem does not</u>

seem totally warranted by the information. The U.S. General Accounting Office has found little relationship between the current federal compliance requirement and the level of a state's highway safety or enforcement efforts. Honestly speaking, we all want the highways funds, and speed is a top priority for all of us in state police agencies, but in the final analysis, we do what we have to do, to make the best use of the limited resources we have, and to protect and aid our citizenry. We ultimately answer to our state constituency.

State police executives have historically stated that the use of sanctions for non compliance are dysfunctional because of essence it reduces the amount of money available for traffic safety. This can only lead to a downward spiral of even non-compliance, less money and increased sanction. On the other hand, incentive base rewards for compliance, would lead to a reduction to fatal accidents. This would lead other states to see the financial benefit of compliance and reduced fatals and over a

period of time have a significant effect on the fatal accident rate for the country.

There are several specific comments our members have made about the formula which we would like to share with you:

1. If a base index value is used, it should be based on a 3-5 year measurement/observation period and not on a single year. If the base year is, for whatever reason, nonrepresentative of the state's average traffic volume or speed compliance level, the state could find itself in noncompliance due solely to the statistical aberration. We would, therefore, recommend that the base "state score" be the average of no less than three, and not more than five, consecutive years.

2. The formula focuses on fixed speed levels, rather than the variability of speed.

3. It was fairly difficult for many of our members to evaluate the formula because much of the data is not currently collected. Estimating the state compliance scores is difficult because the data is not currently gathered for these speed ranges.

Gentlemen, I can only reiterate our support for the concept of a national maximum speed limit and our opposition to the federal monitoring/sanctions program. I have attached to my testimony a copy of our resolution concerning this issue. I think the resolution speaks for itself. Thank you for allowing us the opportunity to address you on this issue. I would be happy to respond to any questions.

1110 North Glebe Road
Suite 200
Arlington, Virginia 22201
Phone (703) 243-6500
Cable Address IACPOLICE

President
Charles A. Gruber
Chief of Police
Shreveport, LA

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Chief of Police
Dover, NH

First Vice President
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Houston, TX

Second Vice President
Richard L. Dotson
Chief of Police
Louisville, KY

Third Vice President
C. Roland Vaughn III
Chief of Police
Conyers, GA

Fourth Vice President
Robert L. Suthard
Superintendent
Virginia State Police
Richmond, VA

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Steven R. Harris
Chief of Police
Redmond, WA

Sixth Vice President
Sylvester Daughtry, Jr.
Chief of Police
Greensboro, NC

Treasurer
G. H. Kleinknecht
Superintendent of Police
St. Louis County, MO

Division of State
and Provincial Police
General Chairman
Thomas A. Constantine
Superintendent
New York State Police
Albany, NY

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Darryl L. Bruestle
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Daniel N. Rosenblatt
Arlington, VA

MAXIMUM SPEED LIMIT SANCTIONS

WHEREAS, a national maximum speed limit has always been supported by state law enforcement agencies and should continue to be encouraged on roads where it is appropriate; and,

WHEREAS, the federal speed monitoring program is inequitable because states have widely varying road systems and monitoring is not consistent among the states. This calls into question whether there is a consistent basis for sanctioning one state vs. another' and,

WHEREAS, federal sanctions are counterproductive to improving highway safety. They reduce the number of highway improvements and safety projects that a state can undertake; and,

WHEREAS, the U.S. General Accounting office has found little relationship between the current federal compliance requirement and the level of a state's highway safety or enforcement efforts; and,

WHEREAS, sanctions also force the over-concentration of limited resources for the express purpose of attaining compliance rather than application of resources in a manner most effectively enhancing total highway safety; and,

WHEREAS, the U.S. Department of Transportation has testified before Congress that the sanction/compliance process should be repealed; and,

WHEREAS, the U.S. Congress is now considering a revised compliance formula for both 55 and 65 MPH speed limits, now therefore be it,

RESOLVED,that the Division of State and Provincial Police of the International Association of Chiefs of Police urges the U.S. Congress to abolish the present and proposed federal requirements relating to monitoring and sanction provisions of the national maximum speed limits, and be it further,

RESOLVED, that incentives, rather than sanctions, would more effectively promote improvements in highway safety; and be it further,

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RESOLVED, that a copy of this resolution be transmitted to the Majority and Minority leaders of the U.S. Senate, the Speaker of the U.S. House of Representatives, and to appropriate commitee chairmen and other members of Congress.

SUBMISSIONS FOR THE RECORD

CENTER FOR AUTO SAFETY
2001 S STREET, NW SUITE 410 WASHINGTON, DC 20009 202•328•7700

FEDERAL-AID HIGHWAY ACT SAFETY PROVISIONS

1. INTERSTATE SAFETY EMPHASIS PROGRAM.

SUMMARY: PROVIDES FOR SYSTEMATIC UPGRADING OF GEOMETRIC DESIGN AND TRAFFIC CONTROL DEVICES OF RURAL INTERSTATE HIGHWAYS POSTED AT 65 MPH IN ORDER TO REDUCE FATAL AND INJURY ACCIDENTS.

Problem: Rural Interstate highways and other freeways/expressways that are posted at 65 mph have produced disproportionate and unacceptable increases in fatalities and injuries over the past few years.

Legislative response: Assuming that the 55/65 mph law remains unchanged, some reasonable countermeasures need to be implemented in statute that will ameliorate the highway losses that are being sustained on the 65 mph posted Interstates and freeways.
An Interstate Safety Emphasis Program needs to be put into operation that requires each state that has posted, or intends to post, any qualifying highway at 65 mph to undertake a reconstruction or rehabilitation project that will elevate the alignment, cross-section, and traffic engineering features of the highway to the highest feasible level of state-of-the-art design.

Overall upgrading of the governing design and operating features of the highway will advance highway safety by providing wider lanes and shoulders, better design speeds with improved sight distance, better entrance and exit ramp geometry, better skid resistance, larger and brighter signs and other state-of-the-art traffic control devices and pavement markings, and safety appurtenances that would respond to the needs of the entire range of vehicle sizes and types (bridge railings, barriers, and impact attenuators that will contain and redirect heavy trucks, etc.). These improvements will enhance the capability of the highway to accommodate elderly drivers with slower perception-reaction times and vehicles with inferior performance, especially large trucks.

These projects must therefore be executed to the highest geometric and traffic engineering design principles that are achievable, and each proposed project must be approved by the FHWA. In addition, these projects must be designed, bid, and let in as short a time as possible and will be funded by a required expenditure of part of each state's annual I-4R apportionment. We recommend a minimum of 5% and a maximum of 20% of annual I-4R funds as a mandated range within which each state with 65 mph highways shall fund ISEP projects. When a state demonstrates that its remaining ISEP work falls below the minimum required fiscal year amount, it may be granted an exemption from the

minimum expenditure.

A certification statement and accompanying documentation must be supplied each fiscal year by each state that verifies that it has spent dedicated I-4R ISEP funds within the mandated range for ISEP work. Also, each ISEP project must be reviewed at completion by the FHWA in coordination with each state highway department in order to confirm that the highest feasible state-of-the-art design features were incorporated in accordance with the Federally approved PS&E, before FHWA approves the project for payment of the Federal share.

2. INTERSTATE MANAGEMENT PROGRAM.

SUMMARY: PROVIDES FOR A COMPREHENSIVE, FEDERALLY APPROVED MANAGEMENT APPROACH TO THE QUALITY AND SAFETY OF THE ENTIRE INTERSTATE SYSTEM BY REQUIRING EACH STATE TO HAVE AN APPROVED INTERSTATE MANAGEMENT PROGRAM THAT ENCOMPASSES MAINTENANCE, PAVEMENT, HIGHWAY SAFETY STRATEGIES, AND THE USE OF IMPROVED INTERSTATE DESIGN STANDARDS AS A CONDITION FOR THE USE OF I-4R FUNDS.

Problem 1: The current Interstate maintenance guidelines are weak and ineffectual. No performance standards for pavement durability, skid resistance, traffic control device condition and performance, and many other operational characteristics of the Interstate system are contained in these maintenance guidelines.

Legislative Response: In the post-construction Interstate era, Congress should require a unified, comprehensive management process for all aspects of the Interstate system, including pavement design and renovation strategies, maintenance calendars and procedures, and high geometric standards as described in the following section under Problem 2. Such a comprehensive Interstate Management Program (IMP) should couple the Interstate

aspects of the states' comprehensive Bridge Management Systems, Pavement Management Systems, and Highway Safety Management Systems with superior design standards that will achieve substantial increases in operating safety, and with Interstate maintenance standards that determine the procedures, intervals, and performance standards for both remedial and preventive maintenance. Such Interstate maintenance standards within a comprehensive Interstate Management Program would ensure durability and improved safety that will increase the cost-effective use of I-4R funds. These maintenance standards and the comprehensive Interstate Management Program model should be established by notice-and-comment rulemaking to become effective no later than two years following the enactment of a reauthorization bill. Congress should charge the Secretary with instituting Federal procedures for the approval of each state's submitted IMP and each state shall have an approved and implemented IMP no later than four years following the enactment of the bill. The Secretary shall perform an annual comprehensive review at the end of each fiscal year of the adequacy of each state's approved IMP and shall report his findings to Congress by March 31 of the following year. The Secretary's review shall include, but not necessarily be limited to, the evaluation of each state's effectiveness in implementing high design standards

on each I-4R project to ensure improved safety, durability, and capacity; of its success in coordinating and implementing the maintenance, bridge, highway safety, and pavement management elements of its comprehensive IMP; and the extent to which the state's use of a comprehensive IMP has improved the cost-effective use of Federal I-4R funds.

Comment: There is no essential reason why a revamped I-4R approach could not be entered under the heading of an Interstate Management Program. Furthermore, the requirement of applying improved Interstate standards for I-4R work produced by the Secretary and the need for a comprehensive management process that emphasizes rational, cost-effective strategies for maintenance that are coordinated with I-4R projects, could be effectively linked to the receipt of I-4R funds. I-4R project PS&E evidencing the use of the improved standards generated by the Secretary's rulemaking plus an approved IMP could be required as a condition for using I-4R funds. The Secretary can be directed to withhold approval of any I-4R PS&E unless the state has an approved IMP.

Problem 2: The newly revised AASHTO Interstate design policy currently in FHWA rulemaking, is an attempt to introduce

extraordinary flexibility into the design parameters for the Interstate system. The basic design values for both reconstruction and R-R-R work allow any existing designs to be deemed acceptable for Federal assistance. In addition, the maneuver of the first page of the policy on R-R-R standards is to allow state design discretion to control completely in the use of I-4R funds and thereby to eliminate the Federal approval role.

The Center filed detailed line-by-line comments demonstrating both the safety shortcomings and the political motives behind this policy. The fundamental defect of the document is that it cannot ensure that higher quality, better safety, and a more uniform driving environment will emerge through the use of its low design values. FHWA cannot demonstrate that the statutory goals of 23 U.S.C. Sec. 109(a) can be met through the obligation of Federal I-4R funds for projects designed in accordance with these standards. The use of the lowest design values and engineering practices allowed by the policy would produce obsolete facilities.

The drive of the new policy is to predetermine, along with other recent regulatory initiatives, a fait accompli regulatory environment for the administration's legislative scenario that proposes a reduced Federal role and increased state flexibility. The Interstate standards approach is one of a number of instances

where the agency and the states are exercising their discretion in an area where the Federal-aid Highway Act is silent in order to realize particular political and fiscal goals.

Legislative response: Congress should direct the Secretary to establish through notice-and-comment rulemaking, standards for the reconstruction, resurfacing, restoration, and rehabilitation of the Interstate system that will, as much as is feasible, increase its uniformity of design and its safety to the maximum extent and accommodate both current and probable future traffic needs. The Secretary must also be directed to establish procedures for the review and approval of all I-4R projects by the FHWA to meet these goals of uniformity, safety, and mobility.

Comment: The statutory command to the Secretary to establish such optimal Interstate standards should be coordinated with the ISEP initiative in No. 1, supra, so that non-65 mph Interstates are also assured of significant safety upgrading through the use of superior design standards. If, arguably, an ISEP is required in each state, a significant disparity in quality and safety could be produced between superior ISEP 65 mph posted Interstates and all 55 mph posted Interstates whose designs would be subject to the extremely wide ranges of alignment and cross-section

values of the AASHTO document.

3. PAVEMENT MANAGEMENT PROGRAM.

SUMMARY: PROVIDES FOR A REQUIRED, FEDERALLY-APPROVED COMPREHENSIVE PAVEMENT MANAGEMENT PROGRAM IN EACH STATE THAT INTEGRATES STANDARDS FOR PAVEMENT PERFORMANCE LIFE, DESIGN, RESTORATION STRATEGIES, AND MAINTENANCE TECHNIQUES WITH SKID RESISTANCE SAFETY NEEDS BASED ON THE STANDARDS ISSUED BY THE SECRETARY PURSUANT TO THE RECOMMENDATIONS OF A NATIONAL ACADEMY OF SCIENCES STUDY.

Problem 1: FHWA completed a rulemaking action in early 1989 to require each state to formulate a Pavement Management System (PMS) in four years that "is acceptable" to the FHWA.

The final rule is exceptionally weak and does not protect the Federal interest in ensuring that only long-lived, durable pavement with good surface safety properties will be subsidized with Federal funds. Much inferior pavement has been laid at preponderant Federal expense over the last fifteen years under the R-R-R approach and this policy cannot ensure that durable, safe pavement will be used in every instance by each state in its application of Federal funds.

Here are the main features of the pavement policy Final Rule, with special concentration on the character of the PMS

the agency is requiring of the states:

* No initial performance period specified for new and fully reconstructed Federal-aid (FA) pavement.

* No Federal specifications for type selection and design of new, reconstructed, or rehabilitated pavements.

* Thirty-year pavement analysis period deleted in Final Rule; any analysis period is a product of negotiation between each Division Administrator and his state.

* Interstate and Federal-aid Primary major arterials have only an 8-year performance requirement for rehabilitation pavement, with exceptions allowed.

* Minor arterials and collectors have only 5-year performance period for rehabilitated pavement.

* Economic analysis of alternative actions for design of minor rehabilitation projects deleted from Final Rule.

* No specific skid resistance Federal minimum standards for new and maintained pavement surfaces - only one hortatory sentence in Final Rule.

* No prohibition of use of polish-susceptible aggregates in Final Rule.

* No requirement for skid testing in Final Rule.

* Final Rule excludes pavement design and type selection from PMS. State highway departments can use any pavement design

procedures it chooses.

* PMS not required to be formalized or written.

* PMS to be "operational" in 4 years, but meaning of 'operational' is unspecified - changed from 'implemented' in NPRM.

* PMS can be any approach found "acceptable" to FHWA (although NPRM required "approval" by FHWA, states objected and so FHWA changed to "found acceptable"). No management criteria on how Division Administrators will operationally define 'acceptable'.

* PMS can contain any management processes states are currently following. FHWA is not requiring any specific elements or format to be used in any given state's PMS.

* Final Rule eliminated proposed requirement of system inventories of pavement design and condition as basis of a good PMS.

* User costs first excluded from definition of 'life cycle costs' and then life cycle costs requirement as part of PMS eliminated from Final Rule.

The upshot of this "regulation" is a complete lack of nationally uniform pavement design parameters, of minimum initial performance periods for new and reconstructed pavements laid at preponderantly Federal expense, and of Federal controls over the

quality of skid-resistant pavement surfaces. This policy does not require any changes in state designs, type selection, or current performance quality of new and reconstructed pavements either in durability or in skid resistance.

Legislative response: As in the case of comprehensive Bridge Management Systems (BMS), Congress should direct the Secretary:
- to require comprehensive PMSs for all states, to become effective contingent upon explicit FHWA approval no later than three years after the enactment of the reauthorization bill.
- to establish through notice-and-comment rulemaking, pavement life performance standards for new and fully reconstructed pavement and to review the need to establish longer pavement life cycles for rehabilitated pavement on all of the FA systems.
- to create through notice-and-comment rulemaking, an appropriately specific PMS model for emulation by the states that will be used as the basis for FHWA approval of a state's PMS. This should include, but not necessarily be limited to, Federal specifications for type selection and design of new, reconstructed, and rehabilitated pavements; specific analysis periods; system inventories of pavement design and condition, particularly for the purpose of being used as the basis for cost-effectiveness choices for pavement renovation; the inclusion of

user costs as part of life cycle costs; a requirement for systematic skid testing; economic analyses of alternative approaches for the design for all Federally assisted pavements; and maintenance performance criteria and strategies. The provision and/or legislative history should make clear Congressional intent that any approved comprehensive PMS should effectively integrate design, type selection, and construction/reconstruction/rehabilitation methods with maintenance calendars, strategies, and techniques. The Secretary shall perform an annual review at the end of each fiscal year of the adequacy of each state's approved PMS and report his findings to Congress by March 31 of the following year.

Problem 2: No performance standards for skid-resistance on Federal-aid Highways exist in Federal regulation. The only guidance for the states is a single-sentence exhortation that all Federal-aid projects shall have a skid-resistant surface. Many states do not lay pavement with adequate long-term skid resistance. Some states use polish-susceptible aggregates with FHWA Division office approval that quickly wear to low skid numbers, especially for wet weather conditions. Some states do no routine skid number testing on their highways and some states

do not even own skid trailers to make skid tests. The NTSB has severely criticized the lack of uniform skid resistance criteria for the Federal-aid program and the commensurate lack of Federal maintenance standards for holding skid resistance levels to minimum acceptable conditions. A Center petition for rulemaking was granted, but the rulemaking process was terminated following the Advance Notice of Proposed Rulemaking because of strong opposition by the states to any standards of any kind for skid resistance.

Legislative response: The National Academy of Sciences shall conduct research into the requirements for skid-resistant pavement surfaces on highways and streets. The results of such research, together with the National Academy's recommendations, shall be provided to the Secretary no later than two years following enactment of this bill and shall form the basis of proposed rulemaking by the Secretary to establish nationally uniform standards for instituting and maintaining highly skid resistant pavement surfaces on all Federally assisted highways and streets, such standards to become effective no later than September 30, 1995.

4. HIGHWAY SAFETY MANAGEMENT PROGRAM SUMMARY: PROVIDES FOR A UNIFIED HIGHWAY SAFETY IMPROVEMENT PROGRAM THAT COMBINES THE GOALS OF THE CATEGORICAL SAFETY CONSTRUCTION PROGRAMS WITH THOSE OF SEC. 402 BY INTEGRATING SAFETY WORK WITH REGULAR AUTHORIZATION PROGRAM R-R-R PROJECTS. CREATES A COMPREHENSIVE HIGHWAY SAFETY MANAGEMENT PROCESS REQUIREMENT FOR EACH STATE THAT MUST BE APPROVED BY THE SECRETARY. ALSO REQUIRES FEDERALLY PRESCRIBED IMPROVED ROADSIDE SAFETY AND SAFETY APPURTENANCE DESIGN STANDARDS, UNIFORM TRAFFIC CONTROL DEVICE STANDARDS ISSUED AND AMENDED BY THE SECRETARY, AND NEW FEDERAL STANDARDS FOR SIGN LEGIBILITY.

Problem 1: The safety categorical programs have failed to accomplish the extent and consistency of safety improvements that are needed on existing roads. The reasons for this failure are numerous.

First, the categorical programs have not been coordinated in statute or in state highway department practice with the regular construction programs. This lack of coordination has become even more evident and acute with the advent of non-Interstate R-R-R work.

Second, the states have used the money for "pet" projects whose cost-effectiveness has been suspect. For example, one

state used all of its allotted funds in one fiscal year to perform nothing but intersection signalization work.

Third, the failure of Congress to direct compliance with the Act by the Secretary by providing him with explicit enforcement powers has led to manifold abuses of Secs. 130 and 152. For example, some states still do not have FHWA-approved highway safety improvement processes for all aspects of the programs 17 years after their inception. In other instances, many states have not conducted the comprehensive engineering survey of all hazardous locations, do not have a priority listing for correction, and perform specious before-and-after evaluations of project effectiveness.

Fourth, the programs have suffered because Congress allowed R-R-R work to proceed under reduced design principles without an explicit understanding of the need to enhance operating safety on older roads in specific ways. Not only were basic safety improvements not accomplished in R-R-R projects, but in many states safety construction categorical work was programmed for projects after a R-R-R project had been completed.

This inordinately wasted Federal funds in a number of ways: safety work that could have been performed more efficiently and economically was performed ex post facto, and, if done at all, was often grafted onto a highway that had received only

resurfacing with a short-lived, thin overlay. Other important safety work that the road needed badly was not accomplished by the R-R-R project and the cross-section, alignment, and some roadside environment improvements were outside the scope and the funding of the safety construction project. The result was systematic safety needs not accomplished under R-R-R -- and, indeed, they still are not -- and not accomplished under the safety construction programs. Safety fell through an enormous crack.

Lastly, safety suffered because the scope of the categorical safety construction programs was so narrow that it made them inherently vulnerable to low, and continually reduced, funding. "Safety" was ghettoized in narrowly-focused, low-funded programs and the regular authorization programs began to concentrate on R-R-R work which overwhelmingly had pavement renewal as its theme.

Legislative response: The safety construction categorical program approach must be interpolated into a much wider safety countermeasure effort in the Federal-aid Highway Act that mandates the states to engage in safety construction work as part of their project requirements in performing R-R-R work. Each state must have a comprehensive highway safety management program which is approved by the Secretary and modelled on the management

principles and requirements enunciated in the governing policy produced by the Secretary through notice-and-comment rulemaking, such policy to be implemented no later than two years following enactment of this bill. (This approach can therefore also encompass the goals of the Sec. 402 program.) Such principles and requirements shall include, but not necessarily be limited to: provisions for an effective record system of accidents; adequate accident investigations to determine the probable causes of accidents, injuries, and deaths on all Federal-aid highways; geometric design and traffic control standards that can ensure the highest feasible levels of operating safety; provisions for work zone safety; roadside and highway safety appurtenance design standards that ensure the highest feasible levels of safety for single-vehicle accidents; the safety elements of maintenance and bridge management programs; skid resistant pavement design; a system for evaluating the safety cost-effectiveness of projects completed with funding under this section; and other such principles and requirements for areas of management, design, and operation as the Secretary shall deem necessary and proper.

A comprehensive safety management process in each state will require a safety needs review of each project programmed for construction, reconstruction, or R-R-R and the selection of the

most cost-effective safety countermeasures. The safety needs review would comprise geometric design, roadside safety, and traffic engineering needs, and the judgment of how extensive the corrections should be, given available funding, must be founded on preliminary systemwide safety needs reviews. This is necessary in order to avoid piecemeal decisionmaking on an ad hoc, project-by-project basis.

The systemwide reviews would list all hazardous locations, both potential and those verified through accident experience, and establish a priority schedule for correction that calendars safety improvements on projects planned for pavement renewal and increased capacity. Notwithstanding any other provision in this section or in the Act, however, if a state's safety review demonstrates a need for a specific safety countermeasure that is not part of a regular project for the reconstruction, resurfacing, restoration, or rehabilitation of any Federally assisted highway, funds authorized under this section may be used for such project.

No project for any purpose receiving Federal assistance will be approved by the Secretary unless it is designed pursuant to a fully approved state Highway Safety Management Program (HSMP) and is therefore a product of the decisions made on the basis of an existing systemwide safety review and a project-specific safety

needs evaluation.

For the purpose of establishing a comprehensive Highway Safety Management Program, carrying out both systemwide and project-specific safety reviews, and correcting hazardous conditions as part of a regular reconstruction, resurfacing, restoration, or rehabilitation project, or as an independent hazard elimination project, including the installation, retrofit, replacement, or repair of traffic control devices and their supports, safety appurtenances, barriers, railings, parapets, impact attenuators, and correction of other hazardous conditions, the Federal share payable shall be 90 percent of the cost.

The Secretary shall perform a comprehensive review at the end of each fiscal year of each state's approved HSMP and shall report its findings to Congress by March 31 of the following year. The Secretary's review shall comprise, but not necessarily be limited to, an evaluation: of the effectiveness of each state's safety needs reviews; of the safety countermeasures performed as an integral part of each reconstruction, resurfacing, restoration, and rehabilitation project; of the quality and reliability of the safety effectiveness evaluations performed by each state following completion of each project; and of the overall level of safety benefits achieved through the projects of the previous fiscal year.

Problem 2: The Roadside Design Guide currently in FHWA rulemaking was authored jointly by FHWA and The American Association of State Highway and Transportation Officials (AASHTO). The Guide contains no mandatory standards, is intended as a guide to be used completely at the discretion of the practitioner, and allows both unsafe and untested devices and practices to be used on Federal-aid projects. The roadside design safety principles will be pivotal to the quality of safety decisions and designs for projects programmed in accordance with the requirements of the Highway Safety Management Program. Therefore, it is crucially necessary to improve this document substantially and elevate it to the level of standards.

Legislative response: Apart from other sections of the new authorization bill that direct the Secretary to establish principles and standards for the states' management of maintenance, bridges, and pavement, the Secretary is also directed to establish through notice-and-comment rulemaking, crashworthiness performance criteria for all highway roadside design features, including the nature and extent of the clear zone, drainage structures and slopes, traffic control devices and their supports, barriers, bridge railings and parapets, and impact attenuators, such standards to be made effective no later

than September 30, 1993. The goal of such standards shall be to provide the highest feasible levels of crash performance in order to reduce both fatalities and injuries and their severity as much as possible.

Problem 3: The Federal Highway Administration has proposed repeatedly to relinquish its stewardship over and publication of the national standards for traffic control devices presently contained in the Manual on Uniform Traffic Control Devices (MUTCD) for Streets and Highways. In addition, the agency has considerably slowed its amendment of these standards. The MUTCD is not being updated in a timely manner so that the revision of its standards and practices afford practitioners state-of-the-art information to apply in the field. The last set of amendments were done in 1988. Lastly, many county, city, and even state roads and streets do not conform to the current standards in the MUTCD and therefore violate driver expectancies by installing unique or "maverick" devices. The FHWA does not attempt to enforce the provisions of the MUTCD off the Federal-aid systems of highways. No national uniformity of devices and practices in fact exists.

Legislative response: two changes are necessary, one in 23 U.S.C. Sec. 109(a) which establishes the Secretary's responsibilities in ensuring safe, durable, economical Federal-aid projects, and the other in Sec. 109(d) so that the scope of the standards for traffic control devices will be universal -- for all jurisdictions and for all roads and streets -- and the responsibility for issuing and revising the MUTCD resides exclusively with the FHWA. This will result in a substantial enhancement of traffic control quality on all roads and streets which will benefit all drivers, especially those who are elderly, vision-impaired, and with other physical incapacitations.

Amend Sec. 109(a) to add a subsection (3) as follows:

"(3) that conforms to the standards and practices for the design and use of traffic control devices promulgated by the Secretary, who is directed to approve only such installations as will promote the safe and efficient utilization of the highways."

Amend Sec. 109(d) to read as follows:

"(d) On any highway project, the location, form and character of informational, regulatory and warning signs, curb and pavement or other markings, other traffic control devices providing warning, delineation and channelization of traffic, and traffic signals installed or placed by any public authority or other agency, shall conform to the nationally uniform standards

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and practices for the design, performance, and maintenance of such signs, markings, devices, and signals, as promulgated by the Secretary and promptly revised by him from time to time to accommodate the state of the art in traffic engineering and highway safety."

Comment: Neither of these provisions explicitly mandates statutory enshrinement of the MUTCD per se, an action which is arguably improper. However, they explicitly require the Secretary to create the appropriate uniform standards as a continuing Federal responsibility, to amend them in a timely manner, and to ensure that they apply to all streets and highways. Therefore, it is virtually certain the MUTCD would continue to be the vehicle through which the FHWA would generate, amend, and enforce such standards. It should be noted that a sustainable interpretation of these provisions is that the Secretary is authorized to produce and enforce traffic control standards that are not codified within the MUTCD.

Problem 4: The standards for sign legibility are patently inadequate, especially for the older driver whose average visual acuity will not allow adequate perception-reaction time, particularly under nighttime driving conditions, to perform many

driving maneuvers safely. The size of highway sign word message lettering needs to be increased to meet the needs of all legally licensable drivers. Although the FHWA is studying the need for revising legibility standards, largely in response to the Center's petition for rulemaking and the recent TRB report on the needs of elderly drivers, it has established no timetable for action. There is every reason to believe that the agency will not act on this topic until the retroreflectivity rulemaking is concluded some years hence. This is an improper approach: standards for conspicuity and detection should be generated simultaneously and compatibly with legibility standards.

Brighter and larger signs would be a giant step in improving highway operating safety. Without a statutory mandate and a time certain calendar, the agency will temporize on establishing standards in both areas because of the burdens for the states.

Legislative response: Congress should direct the Secretary to propose rulemaking that would establish revised legibility standards for signs that will accommodate all licensed drivers, including the elderly and other motor vehicle operators with diminished visual capabilities. These standards must be appropriately coordinated with any standards adopted by the agency for minimum maintained levels of retroreflectivity. This

rulemaking should be concluded with standards to take effect in a time certain that is asserted in the Act. In order to alleviate the cost burdens, the legislative history accompanying the provision should make clear that the Secretary is authorized to require compliance in a series of stages within the statutory timeframe. The timeframe asserted in the provision proper will have to be fairly generous, i.e., something in the range of 5 years or more for full compliance.

5. BRIDGE MANAGEMENT PROGRAM.

SUMMARY: PROVIDES FOR A REQUIREMENT THAT EACH STATE HAVE A COMPREHENSIVE BRIDGE MANAGEMENT SYSTEM APPROVED BY THE SECRETARY AND BASED ON A MODEL PRODUCED BY SECRETARIAL RULEMAKING THAT APPROPRIATELY INTEGRATES THE DECISIONMAKING PROCESSES OF SUCH TOPICS AS REPLACEMENT AND RESTORATION STRATEGIES, MAINTENANCE FORECASTING AND STRATEGIES, INSPECTION INTERVALS AND TECHNIQUES, AND OPERATIONAL SAFETY NEEDS.

Problem: Although comprehensive bridge management systems (BMS) are badly needed in the states, FHWA's response in April 1988 to the study requirement in the 1987 STURAA advocated a laissez faire Federal approach to BMS requirements. The agency conceded the shortcomings of the states by asserting that only half of the states had written procedures for determining priorities in selecting bridge projects. In addition, only 33 states had master plans for rehabilitating their on- and off-system bridges; and few states had a priority selection process that took preservation activities into account in a systematic way. The agency went on to describe, as we had demonstrated for years, many current state management efforts as informal, loosely coordinated, and both subjective and intuitive.

Many bridge programs are still run by a seat-of-the-pants approach, with virtually complete reliance for the operation of a bridge program on the personal skills and idiosyncratic memories of a few key personnel. There is often no communication between different sections of the bridge department, such as between design and maintenance, and no cost-effectiveness selection criteria worth the label for bridge replacement, reconstruction, rehabilitation, and maintenance.

FHWA in its report views a comprehensive BMS as comprising the following elements:

* Has a suitable data base.

* Incorporates analytical tools for objectively assessing bridge needs.

* Fully integrates all decisions and activities relating to bridges, including design, programming, maintenance, rehabilitation, and replacement. For example, a comprehensive BMS would rationally link maintenance strategies and techniques with rehabilitation and replacement choices.

* Incorporates procedures for assessing the trade-offs and implications of present actions and policies on long-term needs.

* Provides a system-wide perspective to complement the project perspective. The system-wide perspective would provide the proper basis for prioritizing project selections.

Despite these clear delineations of need in the content of BMSs for the states, FHWA nevertheless recommended in its study conclusions that Congress not mandate BMSs for the states, nor that minimum Federal requirements for their content be determined by FHWA. This position was thoroughly a product of the states' lack of enthusiasm for the comprehensive BMS concept. When FHWA performed a survey of the states' interest in having comprehensive BMSs, only two states asserted that they were committed to formulating and applying them. The majority of responses characterized their states' attitude towards BMSs as only mildly interested or, in some cases, as uninterested. The bulk of the uninterested or mildly interested responses were the states with the poorest records of bridge maintenance, National Bridge Inspection Standards compliance, underwater inspections, and demonstrated cost-effective use of Federal bridge funds.

Legislative response: Congress must require all states to have comprehensive BMSs no later than 4 years following enactment of the new authorization bill. The comprehensive BMS for each state must be formalized, written, subject at all points to explicit approval and modification by FHWA, and appropriately representative of a comprehensive BMS model that Congress directs the Secretary to establish through proposed rulemaking, the final

rule to become effective no later than one year following enactment of the reauthorization bill. Since many counties and cities use Federal funds on their bridges, Congress should direct the states to ensure that all jurisdictions which accept Federal assistance for the inspection, replacement, and rehabilitation of their bridges shall have BMSs.

Congress should also make clear its intent that FHWA ensure that the BMS in each state include alternative strategy evaluation for each bridge project, systemwide analysis of design choices, systemwide based cost-effectiveness selection criteria, priority ranking for rehabilitation and replacement, the specification of rigorous inspection criteria and intervals (especially for in-water bridge supports), maintenance performance goals and procedures, and maximum attention in project design to consequent operational safety needs. It is crucially important that these controlling features be itemized in the statute. If they are not, the agency will tend to reproduce its recent impotent rulemaking policy on Pavement Management Systems (q.v., supra, pp. 10-12).

Furthermore, legislative history should make it clear that Congress expects that the basic Federal policy apparatus controlling the national bridge inventory, inspection, and replacement/rehabilitation effort be subjected to notice-and-

comment rulemaking. Apart from the NBIS of 23 CFR Pt. 650, none of the other documents governing the national bridge program are amended in the sunshine, including the Standard Bridge Specifications, Maintenance Manual for the Inspection of Bridges, Bridge Inspector Training Manual, and the Recording and Inventory Guide. All of these have been, and prospectively will be, revised by FHWA in concert with AASHTO without public rulemaking unless Congress directs to the contrary.

The Secretary is directed to perform a comprehensive review at the end of each fiscal year of each state's comprehensive BMS which shall appropriately assess, among other things, the effectiveness of each state's BMS in establishing bridge maintenance, rehabilitation, and replacement needs through systemwide priority scheduling; the effectiveness of maintenance strategies and techniques, and their integration with bridge rehabilitation and replacement; the timeliness and effectiveness of bridge inspections, including, in particular, underwater inspections; and the effectiveness of alignment, cross-section, safety appurtenance, and traffic engineering strategies to improve operating safety. The Secretary shall report the results of such comprehensive reviews to Congress no later than March 31 of the following year.

6. HIGHWAY MAINTENANCE MANAGEMENT PROGRAM.

SUMMARY: PROVIDES FOR A NATIONAL ACADEMY STUDY OF MINIMUM MAINTENANCE PERFORMANCE STANDARDS AND OF THE ELEMENTS NECESSARY FOR COMPREHENSIVE MAINTENANCE MANAGEMENT SYSTEMS IN THE STATES.

Problem : The states have chronically undermaintained their Federally assisted highways and much R-R-R work performed until recently was due to persistent deferral of routine and preventive maintenance, a state obligation under 23 U.S.C. Sec. 116, in favor of qualifying for Federal assistance under the revised definition of construction in 23 U.S.C. Sec. 101(a). The GAO has criticized the states' maintenance practices on a number of occasions over the past fourteen years and the specific lack of any clear Federally-established standards for adequate maintenance for the states to abide by. The GAO is currently investigating the states' maintenance practices and policies.

The cost-effective use of scarce Federal dollars requires vigilant oversight by the states of maintenance needs on Federal-aid roads and timely maintenance actions so that capital needs for more extensive reconstruction and rehabilitation projects do not have to come into play any sooner than necessary. The states and the FHWA have resisted all efforts to establish Federal

maintenance performance standards and Federal criteria for state maintenance management systems.

A substantial portion of the annual maintenance review findings of each FHWA Division has been devoted to serious safety-related maintenance deficiencies, such as unrepaired and deteriorated barriers, impact attenuators, and breakaway supports; degraded, illegible signs, faded markings, and damaged traffic control devices; edge-of-pavement dropoffs; right-of-way violations on Interstates; and severe pavement deterioration including spalling, ravelling, shoving, etc., and poor surface skid resistance.

A study provision in the 1987 STURAA (H.R. 3129, Sec. 159) required the Secretary to enter into appropriate arrangements with the National Academy of Sciences to conduct a complete investigation of the appropriateness of establishing minimum Federal guidelines for maintenance of the Federal-aid primary, secondary, and urban systems similar to those established for the Interstate System. The Secretary was directed to report to Congress on the results of the investigation and study along with any recommendations, not later than 180 days after the date of enactment of this Act. However, according to the Program Management Branch of the Construction and Maintenance Division of the Office of Highway Operations of FHWA, three successive budget

requests from U.S. DOT for this and two other studies were denied by Congress and, to date, nothing whatever has been done to carry out the study mandate of the section. Therefore, House Public Works will have nothing before it as an assessment of Federally-created maintenance principles for non-Interstate Federally assisted highways. It can surmised, however, that the results of such a study might well have been similar or identical to the recent FHWA bridge management study which the Center also sponsored (Sec. 158), that concluded that comprehensive bridge management systems are needed in the states, but that Congress should not mandate them and no fundamental content of the systems should be required by FHWA. Furthermore, the Center does not believe that "guidelines" would be successful in curtailing maintenance abuses by the states, including systematic deferral of routine maintenance, but, rather, that standards of minimum performance are necessary for improved maintenance by the states and for Federal assessment of maintenance adequacy.

Legislative response: First, the National Academy of Sciences should independently carry out a study of the need for fundamental minimum maintenance performance standards for the non-Interstate Federal-aid systems, to be concluded and provided to the Secretary no later than eighteen months after the

enactment of a new authorization bill. This study shall form the basis for proposed rulemaking by the Secretary to establish such minimum maintenance performance standards to become effective no later than one year after his receipt of the National Academy study.

Second, the National Academy of Sciences, in appropriate consultation with the FHWA and the states, should study the need for the states to conduct their maintenance activities under a comprehensive maintenance management system. Legislative history could suggest that such a comprehensive maintenance management system would presumably encompass such features as systemwide pavement needs, riding surface adequacy, shoulder integrity, drainage needs, vegetation control, traffic control device and pavement marking cleaning and repair, and the maintenance of roadside and appurtenance safety conditions. The system would contain analytical tools and decision mechanisms for determining the most timely and cost-effective techniques for maintaining these areas and would also feed into the other major program areas of the state highway department involving design, programming, and the choice of reconstruction and R-R-R strategies.

The existing subsections (a), (b), and (c) of Sec. 116 should be replicated in a new bill to continue the states'

responsibilities and the Secretary's enforcement powers.

Comment: This legislative approach avoids the serious defects in charging the Secretary with carrying out a study with the assistance of the National Academy. When a study is charged exclusively to the National Academy, it is always carried out expeditiously by reliance on the annual operating budget for the Transportation Research Board. When the study is placed under U.S. DOT authority, it is only performed pursuant to specific earmarked funding. If that funding is not forthcoming, the agency in many cases is only too happy to avoid the multiple burdens of conducting the study and reporting results to Congress that may be viewed unfavorably by the states.

It also needs to be pointed out here that it would be preferable to sponsor the creation of a Federal model for maintenance systems for the states that would be as comprehensive and coordinated as those described elsewhere in these pages for the Interstate system, bridges, pavement, and highway safety. However, unlike these other areas, the states have full funding responsibilities for regular highway maintenance and it can be argued that a mandated Federal model and subsequent FHWA approval of each state's maintenance management system would constitute an unwarranted Federal intrusion.

As against this, it can be argued that the Federal government has a legitimate interest in the cost-effective maintenance of facilities built and renovated with Federal funds because of the need optimally to protect the Federal investment and to increase the service lives of those facilities through judicious maintenance strategies in order to forestall the need for Federal reinvestment in reconstruction and R-R-R work.

Nevertheless, at the present time it is difficult to argue for a legislative response that goes beyond a study provision.

7. HIGHWAY WORK ZONE SAFETY PROGRAM

SUMMARY: PROVIDES FOR IMPROVED WORK ZONE SAFETY BY ENHANCING THE QUALITY AND EFFECTIVENESS OF TRAFFIC CONTROL DEVICES, SAFETY APPURTENANCES, TRAFFIC CONTROL PLANS, AND BIDDING PRACTICES FOR TRAFFIC CONTROL DEVICES AND SERVICES. REQUIRES FEDERALLY APPROVED SYSTEMS OF TRAINING AND CERTIFICATION FOR WORK ZONE SAFETY PERSONNEL RESPONSIBLE FOR IMPLEMENTING AND OVERSEEING TRAFFIC CONTROL AND OPERATIONAL SAFETY. REQUIRES COLLECTION AND ANALYSIS OF APPROPRIATE WORK ZONE ACCIDENT DATA AND ADEQUATE FEDERAL OVERSIGHT OF WORK ZONE SAFETY PRACTICES IN THE STATES. REQUIRES AN ANNUAL REPORT TO CONGRESS ON THE SUCCESS OF THE STATES' EFFORTS UNDER THIS SECTION.

Problem 1: Need specification in Fed-aid Hwy. Act of:

- character of signing and other traffic control devices in work zones;
- pavement marking practices in work zones;
- crashworthiness of traffic control devices and safety appurtenances.

Legislative response: "(a)(1) Signs, and other temporary and permanent traffic control devices and markings, used to inform,

warn, and guide motorists through the work zone, shall be as bright, conspicuous, and legible as is feasible under both day and night operating conditions. Such signs, devices, and markings shall provide the guidance and the legible symbol and word messages that meet the needs of older drivers and other vehicle operators with diminished capabilities. (2) The Secretary shall establish, through proposed rulemaking, nationally uniform standards for the conspicuity and legibility of signs and other traffic control devices and markings to become effective no later than September 30, 1993.

(b) Each state highway department shall ensure that all work zones open to through traffic shall at all times have appropriate temporary pavement markings and other supplementary delineation of the safe travel paths through the work areas. Such markings and supplementary delineation shall, as much as feasible, replicate the state-of-the-art centerline and edgeline delineation of permanent roadways.

(c)(1) All work zone temporary traffic control devices shall be designed and deployed in a manner to reduce, as much as is practicable, the potential for vehicle impact and to minimize the threat of injuries to workers, pedestrians, and vehicle occupants. (2) All traffic control devices and their supports, as well as barrier systems and impact attenuators, shall meet

crashworthiness performance criteria established by the Secretary through proposed rulemaking, the final rule to become effective no later than September 30, 1993. The goal of such standards shall be to provide the highest feasible levels of crash performance."

Problem 2: Some states still using lump sum bidding for traffic control in work zones despite exhortation of 23 CFR Sec. 630.1010(c). This practice often underfunds adequate traffic control and the contractor has an incentive to reduce to a minimum his costs for temporary traffic control.

Legislative response: "(d) Each state highway department shall use unit pay items for providing, installing, moving, replacing, and maintaining traffic control devices and safety systems of barriers and impact attenuators."

Problem 3: Some states allow the use of inadequate TCPs, including single-sheet layout "typicals" for even major projects. Moreover, some states allow unreviewed contractor TCPs.

Legislative response: "(e)(1) A traffic control plan (TCP) shall be developed for each project and included in its plans,

specifications, and estimates. The degree of detail in each TCP shall be commensurate with the highest feasible level of safety in the work zone that can be achieved for motorists, workers, and pedestrians. Each TCP shall be consistent with the requirements of this section, including the regulations that the Secretary is directed to establish pursuant to subsections (a)(1) and (c)(2) as well as with all existing policies that the Secretary has promulgated which govern work zone safety. (2) All TCPs developed by highway contractors shall be approved by each state highway department and all Interstate 4-R project TCPs shall be directly approved by the Secretary."

Problem 4: No Federal standards of training and certification for work zone responsible person (cf., 23 CFR Sec. 630.1010(b)). Many states used poorly trained and unqualified personnel as on-site TCP and work zone safety overseers.

Legislative Response: "(f)(1) Each state highway department shall designate for each project a person trained and certified pursuant to subsection (2) who will have the authority and primary responsibility for assuring that the TCP and other safety aspects of the work zone are effectively administered, including the authority to stop work, if necessary, to ensure the safety of

motorists, workers, and pedestrians and the responsibility to record all motor vehicle accidents that occur in the work zone. (2) The Secretary shall establish through a proposed rulemaking, standards for the training and certification of the persons directly responsible for temporary traffic control and project safety in work zones, as set forth in subsection (a), such standards to become effective no later than September 30, 1993." [Legislative history should assert that these standards should be formulated and adopted with due regard to the current training and certification system operated by the American Traffic Safety Services Association and should be equivalent, or superior, to this current private sector system.]

Problem 5: Many states do not collect work zone accident data, or collect data that is inadequate and/or incomplete. Current work zone accident data reporting to the FHWA is voluntary and many states do not comply or send only partial data. The agency asks only for data from the Primary system. Without adequate accident data collected and reported, the FHWA and Congress cannot determine how well or badly the program is working.

Legislative response: "(g)(1) Each state highway department shall collect data on all work zone accidents occurring within

the state which shall include, but not necessarily be limited to, the type of accident in each instance, whether single- or multi-vehicle, and the nature and extent of the damage, injuries, or fatalities sustained; the age of the vehicle operator(s); the type of highway on which each accident has occurred; the type of work zone in which the accident has occurred (construction, maintenance, utility, etc.); and the length, duration, traffic volume, percentage of heavy trucks and other relevant design and operational characteristics of the work zone. (2) Each state highway department shall analyze and use work zone accidents and accident data to continually correct deficiencies in each work zone and to improve future TCPs. The results of such analyses shall be made available to the Secretary on a continuing basis. (3) Each state highway department shall organize these work zone accident data for each fiscal year in a format to be determined by the Secretary and shall send such data to the Secretary no later than December 31 following the close of each fiscal year."

Problem 6: FHWA must perform effective oversight of work zone safety practices in the states and report on the progress of the states to Congress.

Legislative response: "(h)(1) The Secretary is directed to conduct annual reviews of work zone safety, including on-site inspections of temporary traffic control conditions at selected sites in each state and a review of each state's TCPs and other work zone safety procedures and policies. (2) The Secretary shall also make an annual assessment, both state-by-state and on a national level, of the previous fiscal year's work zone accident experience in order to determine the effectiveness of each state's work zone safety practices. The results of such state-by-state and overall national inspections, reviews, and assessments shall be annually reported to the Congress by March 31 of each year."

Problem 7: An enforcement provision must be added which specifically charges FHWA with ensuring state compliance with this provision.

Legislative response: (i)(1) If any on-site inspection, TCP review conducted pursuant to subsection (h), or other information demonstrates inadequate traffic safety conditions in any highway project work zone, the Secretary shall promptly notify the state in writing to take immediate corrective action to conform its work zone traffic safety practices to the requirements of this

section and other applicable provisions of this Act and Federal regulations. (2) Any state that has been notified by the Secretary of deficiencies in work zone traffic safety shall: (A) correct all identified deficiencies on projects within five days of the receipt of such notice; (B) review all other similar projects in the state for comparable deficiencies and correct those deficiencies within ten days of the receipt of the notice from the Secretary; and, (C) certify immediately to the Secretary in writing that necessary corrective actions on all affected projects have been completed. (3)(A) The Secretary shall withhold final approval for projects in any state that fails to comply with any portion of subsections (a) through (h). (B) The Secretary shall withhold final approval for any project(s) under subsections (i)(2)(A) and (i)(2)(B) which has not been certified by the State in accordance with subsection (i)(2)(C). (4) The Secretary shall promulgate regulations to assure prompt and timely implementation of this subsection.

Problem 8: 23 U.S.C. Sec. 120(d) needs to be amended to provide encouragement to the states to utilize superior traffic control devices and safety appurtenances in order to reduce the serious losses now occurring in the nation's highway work zones.

Legislative response: "(d) The Federal share payable on account of any project for the elimination of hazards of railroad-highway crossings, as more fully described and subject to the conditions and limitations set forth in Section 130 of this title, and for any project for traffic control signalization or for pavement marking or for commuter carpooling and vanpooling or for installations of traffic signs, <u>or for temporary traffic control devices, markings, and safety appurtenances for guiding, warning, and protecting traffic, workers, and pedestrians in highway work zones</u>, highway lights, guardrails, or impact attenuators, may amount to 100 per centum of the cost of construction of such projects . . ."

POSITION OF THE NATIONAL ASSOCIATION OF COUNTY ENGINEERS ON THE FUTURE OF THE FEDERAL SURFACE TRANSPORTATION PROGRAM JANUARY 1990

The National Association of County Engineers (NACE) views the process of developing a comprehensive national program for the future of our transportation system as an important task. Counties own and maintain 1.7 million miles of roads or 43 per cent of the total mileage in the United States; 208,000 bridges over 20 feet or 51 per cent of the bridges on the National Bridge Inventory; and own or contribute funding to 25 per cent of the public transit systems. The role of the federal government in this post-interstate era will be a crucial one as those decisions made at the federal level will most certainly impact the mobility and funding questions county officials must address at the state and local level.

BASIC PREMISE

The 43,000 mile Interstate system will be completed in 1991. County officials have supported the construction and completion of this system which has been done almost entirely with federal funds. While NACE supports continued involvement by the federal government in funding some rehabilitation of this system, it is now time to allocate a greater portion of the resources of the federal highway trust fund to other systems. Not only must the federal government redirect its spending, it must increase its investment in transportation infrastructure. The National Council on Public Works has pointed out that federal investment peaked in the mid 1970's and has since declined. NACE has identified several areas which should be considered in making decisions on the future of our national surface transportation system.

URBAN/SUBURBAN CONGESTION

The movement of people, goods and services in urban and suburban areas is reaching a crisis stage. While it is a problem having national implications, congestion is a local concern whether it occurs on county or state roads or on an Interstate highway servicing an urban or suburban area. The Interstates, though constructed to link the nation with a good highway system, have become part of the local road network in many areas with 70 per cent of Interstate traffic now being local in nature. To the highway user it makes little difference who has responsibility for a highway system if that system is congested and not serving the needs of the local public and business community. A revised surface transportation program must consider the new development patterns in suburban counties and the implications of growth on the ability of citizens to move around with as few constraints as reasonably possible. Such a program must also address the needs of the older urbanized areas which have suffered population decline. These areas may have less ability to pay for improved roads and transit services. At the same time areas within them are experiencing revitalization and growth and thereby generating severe traffic congestion. Both highways and transit need to be considered as solutions.

Land use planning must be given a high priority as we devise new solutions and develop new programs to solve our growing congestion problem. We must also acknowledge congestion's contribution to a decline in air quality due to auto emissions. The deterioration of road surfaces and protection of our environment are issues which must be linked to future surface transportation policies.

RURAL ACCESS

Our nation's rural secondary highways have, for the last thirty years, received the least attention of any system. This is ironic for it was the rural farm-to-market system which was the initial reason for the federal government involvement in a national highway program. While basic maintenance has been, and should continue to be, the responsibility of local government, the federal role in construction and rehabilitation must grow substantially. The number and size of trucks and other heavy equipment using these roads has expanded substantially in the last twenty years. The decentralization of industry and commerce has generated substantial truck traffic in areas heretofore almost untouched. The abandonment of thousands of miles of railroad branch lines has caused a significant shift in the movement of agricultural products from rail to truck and has put heavy and frequent truck traffic on routes never envisioned or designed for such impact. This has increased the rate of deterioration of the secondary system and requires a substantially heavier investment for reconstruction to adequate standards than previously envisioned. Good secondary roads in rural areas provide access to Interstates and primary roads, and are key factors for our agricultural, logging, mining, manufacturing and tourism industries.

FUNDING

-The federal surface transportation program should be user fee-based to the greatest extent possible. The source of these user fees should continue to be the gasoline, diesel and special fuel taxes, and the various other vehicle related taxes.

-There should not be a turnback to the states of any of the existing federal gas tax authority.

-There is a substantial balance in the trust funds which should be spent down gradually starting immediately. In the future all trust fund revenues and accrued interest should be allocated in a manner reflecting the spirit and original Congressional intent which accompanied the establishment of the trust fund.

-All levels of government should increase funding for surface transportation programs and all revenues generated by taxes on motor fuels should be dedicated to transportation purposes.

-States and local governments which dedicate all motor fuel and related transportation tax revenues for transportation purposes should receive preferential treatment in the distribution of federal highway trust funds.

-The distribution of highway trust fund money to the FAS and FAU systems should be on a pro-rata lane mile basis regardless of jurisdiction.

-Local match requirements should not be punitive to the extent that "the rich get richer and the poor get poorer". It must be recognized there is a great variation in the ability of county governments either to raise or to impose additional taxes. There should be a way to evaluate the ability of a county to match and to adjust the required local match accordingly.

-The opportunities for local infrastructure financing through tax exempt bonds should be increased. This is an excellent federal revenue investment and encourages use of private capital in solving local problems.

PLANNING/DECISION MAKING PROCESS

Support for continuing and increased federal funding of surface transportation depends on a strengthening of the federal-state--local relationship. This is true particularly for the federal aid highway program which has not had adequate local government input. The vast amount of travel in this country is local in nature and the concerns which NACE believe need to be addressed in the post-interstate era, i.e. congestion, rural access, and economic development, require solutions which must involve local governments.

The states have traditionally been the focal point for most federal highway funds. It can be stated fairly that fifty different systems of funding and planning exist in terms of what approach states use in the allocation of federal highway funds. The future federal transportation program should not impose a uniform decision making process on all states. It should recognize the degree to which county road needs exist and that these needs must be addressed in an equitable manner. This necessitates that local government's needs are considered fully as priorities are established and that local officials are equal partners with state officials in the decision making process.

CATEGORICAL PROGRAMS

Interstate/Primary Program This program would provide federal funds to resurface and rehabilitate the systems as needed to maintain them in basically the same condition as when first constructed. Emphasis would be placed on those sections especially in urban and suburban areas where additional lanes and/or interchanges are needed to deal with increasing traffic and congestion problems.

Urban Highway Program
This program, previously known as the FAU or FAUS program, would provide federal funds to upgrade existing city and county arterials in designated federal urban areas. Upgrading of these routes whether on the state, county or city systems would be directed at solving congestion and mobility problems in urban areas and high growth suburban areas in such a way as to relieve congestion on the Interstate system.

States would administer the program in consultation with local governments and/or metropolitan planning agencies where appropriate, for urbanized areas between 5,000 and 200,000 population. Funds would be passed-through to counties and other local governments in areas above 200,000 population. The pass through concept is a key component of the future transportation program since counties are in an excellent position to understand and undertake surface transportation projects aimed at addressing the mobility concerns of their residents. Larger counties have both the planning and engineering expertise to carry out these projects without direct state highway department involvement. In states where local government has little or no highway responsibility, funds would be spent by the state after consultation with local government officials on project selection.

Rural Highway Program--This program would be directed toward the upgrading, through a substantial increase in funding, of what is now known as the Federal Aid Secondary program (FAS). It is essential that rural roads be improved so they can carry the much heavier loads of today's vehicles and so they can serve as a link to the Interstate system and to various markets for the agricultural, logging, mining, manufacturing, and tourism industries. The high

operating costs to these industries associated with poor roads, and in turn the cost to the economy as a whole, makes the condition of rural arterial roads a national responsibility.

This program could continue to be administered by the states provided there are strong guarantees of county input in the planning, programming, and project selection process in states where such input does not now exist, or is not now permitted. Another option would be for a consortium of rural counties to enter into an agreement which would allow them to receive funds directly from the federal government.

On roads assisted through this program that fall into a "low volume" category, it should be possible to permit somewhat lower design standards than those applied on the entire system.

Bridge Program--This program would be continued essentially in its present format except that increased funding should be provided if inspection records indicate such a need. Adjustments to permit a greater percentage to be spent for "off-system" projects in some states may be necessary, if inspections demonstrate such a need.

Mandates--While certain federal requirements are appropriate, others simply impose undue burdens on local governments and waste finite resources. There needs to be a differential in imposing design standards on lower volume roads. There needs to be a review of those non-transportation goals which are included in federal surface transportation programs. Federal requirements attached to highway and transit funding should be reviewed and reduced.

Safety--This concern needs to be factored into a future highway program. Clearly, deteriorating roads, deficient bridges, poor roadway design, and other factors create a safety problem on the nation's highway system. Another aspect of safety which should be addressed is to what extent the federal government will require local governments to allow large vehicles access to all roads.

Research and Development/Technology Transfer--There is an appropriate role for the federal government in this area. The federal government needs to be involved in developing new technologies for both highways and mass transit systems. With no manufacturers of rail cars left in the U.S. and the emergence of new transit technology such as magnetic levitation and linear propulsion systems, it is incumbent on the federal government to take a leading role in research and development in this field. In addition, the federal government should take a leadership role in providing up to date information on new technologies, management approaches, etc. to local government.

The evolution of the Technology Transfer (T^2) program during the last ten years has proven to be an excellent mechanism for transmitting rapidly expanding technological information to local government agencies. This program is vital to counties and should be continued as a totally federally funded program without the cumbersome necessity of local match participation.

Continued participation of local officials on T^2 advisory committees is of primary importance, so that the entire effort can be carefully focused on the particular needs of our counties.

ADDITIONS TO THE RECORD

STATEMENT BY REP. TONY P. HALL
ON REAUTHORIZATION OF SURFACE TRANSPORTATION ACT
SUBCOMMITTEE ON SURFACE TRANSPORTATION
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
MARCH 22, 1990

Mr. Chairman, I would like to commend you for holding these hearings on the reauthorization of the Surface Transportation Act, and the possible restructuring of highway and mass transit programs to meet our future needs into the 21st century.

A number of my distinguished colleagues from Ohio as well as our Governor, Richard Celeste, have testified on the importance of this issue to our State of Ohio. I would like to add my support for an integrated transportation system, one that gives a fair return to states that have paid more to the Highway Trust Fund than they have received in benefits. In addition, I would urge the Committee to design legislation that takes into account the transportation needs of low-income citizens in urban areas such as Dayton, the community I represent.

Like many metropolitan areas, Dayton has suffered its share of economic dislocation over the last twenty years. In the 1970s, we lost sixteen percent of our population and several of our major employers. Although the 1980s have brought some recovery, the future still remains tenuous. But one thing is clear-- without good roads and transit service, our ability to attract new employers, support productivity improvements, and help people who need jobs, will be in jeopardy. Good roads and transit are an essential part of our recovery program.

For this reason, Mr. Chairman, I join my colleagues from Ohio in supporting an increase in the Minimum Allocation funding from 85% to 90%. This change is expected to increase Ohio's Minimum Allocation by

approximately $27 million annually. I also endorse changing current law to allow Ohio access to discretionary transportation funding without having to return an equivalent amount of Minimum Allocation funds.

As the program now stands, discretionary transportation funds are now available to states that get the most from the Highway Trust Fund without penalty. But donor states, like Ohio, who already get a lower return on their highway tax contributions, cannot accept discretionary funding without loss of an equivalent amount of Minimum Allocation dollars.

I am proud to say, Mr. Chairman, that Ohio and its local communities have done their share in raising supplemental funding. Now it is the federal government's responsibility to make sure that Ohio's taxpayers get a fair return.

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Southern Environmental Law Center

201 West Main St., Suite 14
Charlottesville, VA
22901-5011
804-977-4090

North Carolina Office
137 East Franklin St., Suite 10
Chapel Hill, NC 27514
919-967-1450 or 919-967-0999

March 22, 1990

The Honorable Norman Mineta, Chair
Subcommittee on Surface Transportation
House Public Works & Transportation Comm.
Room 2165, Rayburn Building
Washington, DC 20515

Dear Representative Mineta:

Originally, we had planned to give oral testimony last week before the House Subcommittee on Surface Transportation. Since the time was short, we deferred to other groups, such as Scenic America and the National Trust for Historic preservation. I hope the enclosed memorandum will help you to reconsider the policies implicit in the Highway Beautification Act of 1965. Please contact us for any additional information you may need.

Sincerely,

Katherine E. Slaughter

Katherine E. Slaughter
Staff Attorney

KES/dlp

Enclosure

cc: Kenneth House
Joseph Italiano

Southern Environmental Law Center

201 West Main St., Suite 14
Charlottesville, VA
22901-5013
804-977-4090

North Carolina Office
117 East Franklin St., Suite 30
Chapel Hill, NC 27514
919-967-1450 or 919-967-0999

MEMORANDUM

TO: The Honorable Norman Mineta
Chair, Subcommittee on Surface Transportation
House Public Works and Transportation Committee
House of Representatives, U.S. Congress

FROM: Katherine E. Slaughter, Staff Attorney CS
Southern Environmental Law Center

RE: Reauthorization Of The Post-Interstate Surface Transportation Programs
Highway Beautification Act of 1965

DATE: March 22, 1990

Since its inception in 1986, the Southern Environmental Law Center has focused on four areas of environmental concern, one of which is billboard and sign control. Over the past four years we have worked with state and local governments, state and local organizations, and interested citizens to combat visual pollution on our interstates, federal aid primaries, and on state and secondary roads in both and rural and urban settings. In the course of our work, we have consulted with over 150 communities in the Southeast, Federal Highway Administration (FHWA) officials in the regional and Washington offices, and state and local environmental groups.

The public had perceived that the Highway Beautification Act of 1965 (HBA) would eliminate the visual pollution caused by

billboard on our highways. Thus, ordinary citizens have been shocked to learn that instead, more than 300,000 new billboards --usually larger, higher and more prominent--have been constructed on federal aid primary and interstate roads and that after twenty-five years, only 114,000 nonconforming signs of all sizes have actually come down.

The failure of the Highway Beautification Act to address the need for visually pleasing roads is self-evident to all who traverse our highways.[1] One need only travel I-66 between Knoxville and the entrance to the Great Smokey Mountains National Park, or see the billboards in the Intracoastal Waterway between Wilmington and Wrightsville Beach, North Carolina. Problems with visual pollution are also most evident on one of the East Coast's most well travelled interstates, I-95 between Virginia and Florida.

Two major flaws exist under the Highway Beautification Act. First, there is an exception to the ban on outdoor advertising; it allows billboards to go up into areas that are either zoned commercial or industrial or, if unzoned, used for commercial and industrial purposes. 23 U.S.C. 131(d). This exception had a

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[1] Problems with the Highway Beautification program have been amply described in a number of documents, including the Comptroller General's Report to the Environment & Public Works Committee, U.S. Senate GAO/RCED 85-34 January 3, 1985, and regional and state studies, such as the 1984 Region IV Report on the Audit of the Highway Beautification Program, and the 1981 FHWA study of North Carolina program. Over the years, such issues as tree cutting on public rights-of-way, phony zoning, and phony designation of unzoned areas for new billboards have been reported to our organizations.

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rationale when it was adopted by the Congress almost twenty-five years ago. Much of the country did not have zoning; yet there were many industrial and commercial areas along our highways that seemed appropriate sites for billboard advertising. In reality, the unzoned exception led to creation of a loophole whereby the most minimal business activity on a rural road qualifies an otherwise scenic area for a billboard. And in other areas, a rural and scenic location zoned for high-quality industrial and commercial development becomes subject to billboard construction under the HBA before the land is actually developed. This has occurred, for example, in Henrico County, Virginia, outside Richmond.

Second, localities are prohibited by the HBA from ridding themselves of unwanted billboards on federal aid primary and interstates, and instead must pay cash in order to remove the signs. 23 U.S.C. 131(g). Yet since 1981 there have been no funds to pay the federal share, which is seventy-five percent of the cost.

We propose is that this subcommittee consider endorsing a policy that either (1) prohibits all future construction of billboards on federal aid primary and interstate roads or (2) removes the cash compensation provision so that localities may amortize signs and phase them out as they can do with other nonconforming uses under local and state land use laws. To this end, we suggest the following areas for review:

ZONED AND UNZONED "COMMERCIAL & INDUSTRIAL" AREAS

While the federal government has spent over $200 million to remove 114,252 nonconforming billboards, over 300,000 new billboards have been constructed under the Act in either zoned or unzoned commercial and industrial areas; many of these have been constructed in rural and scenic areas.

Regarding unzoned areas, FHWA and the states are aware of many instances of sham businesses and business uses not visible from the road -- situations utilized to designate unzoned areas as commercial and industrial solely for the purposes of constructing billboards.

In terms of zoning, there are two problems. The first is phony zoning, a practice where a locality that has no zoning ordinance zones a portion of its jurisdiction--an area along a highway--solely for the purpose of constructing billboards. Numerous instances of this type of bogus zoning have been reported to us, especially in the Southeast, where there are still large areas without comprehensive zoning.

At the time the Highway Beautification Act was passed, land that was zoned usually had existing uses on it; only agricultural lands or unzoned areas remained open from development. Twenty-five years later, much of the agricultural land around towns and cities is being rezoned as commercial and industrial in anticipation of possible future growth and development.

Under the Highway Beautification Act, and FHWA regulations such zoning permits billboards to be constructed in largely rural

areas. Both the General Accounting Office and a White Paper developed for the Carter Administration's National Advisory Committee on Outdoor Advertising also noted this problem. (See Comptroller General's Report to Congress, "Obstacles to Billboard Removal," March 27, 1978, pp. ii, 27; "White Paper: Zoning" National Advisory Committee on Outdoor Advertising.) Both studies recommended requiring actual use in such zoned areas. For example, in Henrico County, outside Richmond, Virginia, agricultural areas were rezoned to industrial use in anticipation of industrial park development. The billboard companies inundated the state highway department with permit requests, which were legally permissible, because Henrico had no local ordinance to cover the situation. Henrico did then pass a comprehensive sign ordinance prohibiting future billboards. But on this interstate, the damage had been done, and state permits will grandfather those signs indefinitely under the HBA.

Congress should prohibit future construction of billboards on interstates and federal aid primary roads. If it chooses instead to permit new signs, then it should limit these to areas that are not only zoned but have actual use as commercial and industrial activities.

NONCONFORMING SIGNS

The Highway Beautification Act contemplated a phasing out of nonconforming signs through purchase by state and federal monies. 23 U.S.C. (l)(m). As is common with other nonconforming structures, the statute also anticipated that many signs would be

lost through physical deterioration by weather conditions. Although federal regulations were designed to prevent rebuilding of signs, most states have adopted formulas to restrict maintenance to a percentage of replacement cost (See 23 CFR § 750.707(a)(6)(i)). This so-called restriction actually permits signs to be constantly refurbished and, over time, totally replaced.

Congress should remove the cash compensation provision of the HBA so that localities may phase-out billboards. If it chooses to retain the cash compensation provision, Congress at a minimum should prohibit any rebuilding of existing nonconforming signs.

TREE CUTTING ON RIGHTS OF WAY AND BLOCKED OUT ZONES

Current FHWA policy permits tree cutting on public rights-of-way of federal aid primary and interstates to permit billboards to be more visible.[2] This practice is contrary to public policy, for it is a use of public property for private purposes. We need vegetative buffers along our highways for

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[2] According to the Federal Aid Highway Program Transmittal 156 (September 26, 1975), "instances involving the destruction of trees and shrubs on the right-of-way in order to increase or enhance the visibility of an outdoor advertising sign . . . are contrary to the provisions of 23 CFR 1.23 and state laws and regulations. The state highway department should take all legal and administrative action at its disposal to abate these practices. . . ."

Unfortunately, later statements by FHWA officials have de-emphasized federal policy and have instead focused on whether or not state laws allow tree cutting. Subsequently, a number of states have permitted tree cutting on the rights-of-way at the same time that federal and state funds were used to create vegetative buffers along these highways.

appearance and safety purposes. In this time of increasing environmental awareness, we should preserve rather than destroy trees along our roadways. Congress should prohibit such practice on the public rights-of-way.

The regulation prohibiting billboards in the "blocked-out zones" near interchanges was designed to exclude excessive and distracting signs at areas where traffic is leaving or entering the highway. However, billboard companies have recognized that businesses existing close to these interchange provide a "commercial area" that allows billboards for unzoned areas. Thus they have often sought to push the limits of the regulations regarding blocked-out zones in order to erect more billboards.

REAUTHORIZATION OF THE POST-INTERSTATE SURFACE TRANSPORTATION PROGRAMS

TUESDAY, APRIL 24, 1990

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON SURFACE TRANSPORTATION,
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:09 a.m., in room 2318, Rayburn House Office Building, Hon. Norman Y. Mineta (chairman of the subcommittee) presiding.

Mr. MINETA. The subcommittee will please come to order. This hearing of the Subcommittee on Surface Transportation is a continuance of the hearings that we initiated relative to the whole issue of reauthorization of the Surface Transportation Assistance Act.

This morning we have our distinguished colleague from Iowa, Congressman David Nagle. And, David, we have your statement, so that will be made a part of the record. And if you would go ahead and proceed in your own fashion.

TESTIMONY OF HON. DAVID NAGLE, A REPRESENTATIVE IN CONGRESS FROM IOWA

Mr. NAGLE. Thank you, Mr. Chairman. Let me just take a few minutes to summarize that formal statement which I have submitted for the record. I appreciate this opportunity to appear before you today to discuss my thoughts and the need, the importance, and the urgency of a sound, aggressive National Highway Transportation policy.

When we talk about coordination and cooperation between Federal, State and local authorities to address a national need in this century, there is no greater success story than the development of the interstate highway network and the Federal highway system over the past 45 years. This Committee can be particularly proud of the central role you've played in that effort. And as we prepare to enter the 21st century, however, I believe we need a new national effort to build on that success. The reauthorization of the 1987 Surface Transportation Act is where it can and should begin. For America is at an economic crossroads; we will either invest in the future or become its victim. We'll either be prepared for new economic challenges or we'll suffer the inevitable consequences of being unprepared.

Whether America will be prepared or not in large part depends on whether we take the necessary steps today to rebuild and

strengthen our infrastructure. The growing international economy and marketplace demands that transportation no less than any other product input be of the highest quality, be the most efficient and be at the least cost. At a minimum, our national transportation highway system must include four important components.

First, our national highway transportation policy must recognize the need to continue to provide a Federal block grant to State departments of transportation for the maintenance and construction of secondary roads.

Second, the Federal Government should continue its commitment to and cooperation with States in developing their primary road systems. For example, in my own State, the entire northeast corner of Iowa has been isolated and shut off from a vibrant commerce because of an inadequate highway system. The primary systems, the major way State and local Governments are able to complement national transportation networks, but they need help to do so. I will be back on another day to make the case for improving U.S. Highway 63 north from Waterloo, Iowa to Rochester, Minnesota for precisely this reason. For now, suffice it to say that we all gain when we help States complement national transportation networks by strengthening State networks. One obviously builds upon the other.

And, third, our national highway transportation policy must recognize that Federal funding decisions and formulas must include the number of miles of roads that must be maintained as well as the normal criteria of population and traffic levels.

And, finally, our national transportation policy must recognize that the interstate highway system is a success nearing completion, we must continue the Federal commitment to develop a network of major routes which connect major metropolitan centers. To achieve that final point, I support creating a new authorization mechanism which would create a classification called Highways of National Significance. This classification would build upon the interstate system and would produce a network composed of a combination of interstate highways, primary highways and improved State highways. The Highway of National Significance Program would not only help make our transportation network more efficient and ready to meet the needs of the future, but would also provide the critical cost savings which are essential in this era of budget constraints.

A highway program which builds upon the Highways of National Significance Program can achieve nearly the same benefits as our current interstate system at nearly half the cost. There is no better example of this than a project which would pass through my State, Iowa, as it connects St. Louis, Missouri to St. Paul, Minnesota. The project is known as the Avenue of the Saints. I am here today to discuss that project with you, to recommend to seek your support for funding it. But I am here also to discuss how we should fund it. Because this project funded through a Highway of National Significance Authorization Program is a classic example of how we can meet important national transportation needs while at the same time significantly cutting the cost of doing so.

For the past three years I've worked with several colleagues in the House and Senate in the development of a four-lane highway

for St. Louis, Missouri to St. Paul, Minnesota. In 1988 my colleague from Iowa, Senator Tom Harkin, initiated a proposal to fund a study to determine the feasibility and the necessity of constructing a four-lane highway between those major metropolitan centers. Last month the committee appointed by the Federal Highway Administration submitted to the FHWA the St. Louis to St. Paul Feasibility and Necessity Study. This study looked at the feasibility of the Avenue of the Saints from five perspectives—engineering, environment, need, travel efficiency and economic development. This study found that from all of the perspectives, the development of this highway corridor is not only feasible, but would be in the national interests of the United States. This corridor which has 8.4 million people has a reasonably good east-west four-lane highway network would pour north-south arteries. The feasibility study found that the development of this missing link in the Nation's arterial system would spur economic growth within the corridor, and from the national perception improve travel efficiency to the point where the economy would be better off with the highway than without. From the local, State and national levels the development of this highway corridor is warranted.

The study also found that to take the interstate highway approach would be excessively costly. It would require the construction of a new four-lane highway at freeway standards to transverse nearly the entire route. The study determined this approach would double the cost, result in only slight increases in traffic, and given the higher costs involved, lower the cost benefit ratio to a marginal even negative levels.

By using instead the Highway of National Significance approach—that is, a mix of existing interstate highways, upgrading existing two-lane highways to four-lane roads at expressway standards—we can achieve the desired result at half the cost, in less time with less impact on surrounding lands, and with highly favorable returns to the taxpayer.

In the case of the Avenue of the Saints, $1.30 return for every Federal $1.00 expended under a Highway of National Significance Program compared to just $.81 return for every Federal $1.00 expended under an interstate highway program approach.

I am well aware of and sensitive to the many competing demands this Committee will receive for projects from many of the different regions of the country. Most are urgently needed and most would represent a wise investment of public funds. Unfortunately, limited resources dictate that only a few will win funding. I understand the hard choices you're called upon to make and, frankly, I don't envy you. I think there are several reasons to support this specific project which go well beyond the compelling arguments identified by the Feasibility Study Committee.

Generally your Federal dollar goes further in rural areas because many costs of construction, primary rights-of-way costs are much lower than they are in urban areas. Strengthening and improving America's rural transportation network also has an important effect which benefits in urban America as well. One way to ease the chronic problems of urban America, many of which can be traced back in one form or another of overcrowding, is to make rural America a more viable option as an alternative place to live.

A modern, comprehensive and efficient transportation network is a key element in that equation.

Thank you, Mr. Chairman, for the opportunity to appear in front of you this morning.

Mr. MINETA. Thank you very much, Congressman Nagle, on your complete and full statement with regard to this Avenue of Saints. This subcommittee is very well aware of your efforts as well as the efforts of my former colleague and classmate, now U.S. Senator, Tom Harkin, in terms of advancing the construction of this Avenue of the Saints Highway Project. I'd like to ask, since you've mentioned in your statement, the proposal for the development of a category of Highways of National Significance that this would be the basis for construction of the Avenue of the Saints.

Is it your understanding that if the Congress were to establish this category of Highways of National Significance, that the States within the corridor between St. Paul, Minnesota and St. Louis, Missouri would then work cooperatively and allocate the necessary resources in order to make sure that this vitally important project is completed?

Mr. NAGLE. That is correct, Mr. Chairman. I think that the seed for that was, frankly, planted when the feasibility study required all three State transportation departments of the three States to work together in terms of coming up with a specific route recommendation. The degree of cooperation that was achieved between the three States in selecting a route under very competing demands from different communities and the fact that they picked the least cost route and one of the most efficient routes in terms of travel time is indicative that they'd have that capacity to cooperate were this project authorized under the Highways of National Significance Section of the new Surface Transportation bill.

Mr. MINETA. Very well. Mr. Shuster.

Mr. SHUSTER. No questions, thank you.

Mr. MINETA. Mr. Duncan.

Mr. DUNCAN. Mr. Nagle, how far is that Avenue of the Saints; how many miles is it from St. Paul to St. Louis? Do you know?

Mr. NAGLE. I do, and I can't think of it. Thank you for asking me.

Mr. DUNCAN. I'm sorry.

Mr. NAGLE. I would say this, however, that most of the route from St. Louis to the Minnesota-Iowa border is already four lanes, and there is a chunk of about 100 miles in Iowa between there and the mid-southern point of Iowa that is not. And then a four-lane interstate system exists all the way north to Waterloo in the northern section. And then there's about an 18 to 30 mile gap between Waterloo and Mason City that would tie it right into Interstate 35. So we're not talking about a lot of building here really. But we are talking about—by putting those little chunks in in Southern Iowa and mid-Iowa, you've got a major northwest passageway developed for—I think the estimate on the cost is $410 million over a six-year period.

Mr. DUNCAN. $410 million for what part of it?

Mr. NAGLE. That would complete the route.

Mr. DUNCAN. That would do the whole distance?

Mr. NAGLE. Yes. And I think that's the significance, as you're aware, when you start talking about Highways of National Significance is not to go out and try to build a whole new interstate every place in the country, but to try to build on what we already have.

Mr. DUNCAN. I think that's a good approach to do it this way. My mother's from Iowa City.

Mr. NAGLE. Well, I can tell you, sir, that everyone in Iowa City including your mother is strongly in favor of this project.

Mr. DUNCAN. Well, she doesn't live there now.

Mr. NAGLE. Well, if she did live there, sir, she'd be strongly in favor of this project. She may want to go back and visit, and I'd hate to see her try to drive from St. Louis to Iowa City. But if you build a new road for her, she probably could.

Mr. DUNCAN. I think you're right; I think that one of the keys to redeveloping rural America might be to improve the transportation facilities. Also, I'd like to see—it doesn't have anything to do with this Committee, but I'd like to see some of these Federal departments and agencies move to places like Tennessee and Iowa instead of putting them all here in Washington. I think that would help some of our smaller cities and towns, too.

Mr. NAGLE. The point you make, though, is—and I don't know the situation in Tennessee and Kentucky, but we've suffered a tremendous outward migration of population. In one brief six-year period between 1980 and 1986 we lost about 84,000 people between the ages of 18 and 24. And the Midwest, particularly the rural America is becoming one of the oldest populations. And if we don't give those people a transportation system both to relieve the pressure on urban America but also to afford us the opportunity of transporting goods and services, then that outward migration may very well continue.

Mr. DUNCAN. Thank you very much.

Mr. NAGLE. Thank you.

Mr. MINETA. Mr. Nagle, thank you very much for your presence here and testimony with regard to the Avenue of the Saints.

Mr. NAGLE. Thank you, Mr. Chairman.

[Mr. Nagle's prepared statement follows:]

STATEMENT BY

U.S. REP. DAVE NAGLE (D-3RD IA)

SUBCOMMITTEE ON SURFACE TRANSPORTATION
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
U.S. HOUSE OF REPRESENTATIVES

APRIL 24, 1990

MR. CHAIRMAN, AND MEMBERS OF THIS SUBCOMMITTEE:

I appreciate this opportunity to appear before you today to discuss my thoughts on the need, the importance, and the urgency of a sound, aggressive national highway transportation policy.

When we talk about coordination and cooperation between federal, state and local authorities to address a national need in this century, there is no greater success story than the development of the interstate highway network and the federal highway system over the past 45 years. This committee can be particularly proud of the central role you have played in that effort.

As we prepare to enter the 21st century, however, I believe we need a new national effort to build on that success. The re-authorization of the 1987 Surface Transportation Act is where it can and should begin.

In their "Statement of National Transportation Policy," President Bush and Secretary of Transportation Samuel Skinner rightfully recognized that "the United States must renew its commitment to maintaining our transportation system as the finest in the world". I commend them for that observation.

Unfortunately, in the same document, they went on to abdicate most of the federal government's responsibility in that effort. They would shift much of the federal government's responsibility for strengthening and improving our national transportation network -- work critical to America's ability to compete in the 21st century -- to state and local governments.

I believe such a change would not only be poor national policy, but would also needlessly rip apart the federal, state and local government partnership which has served us so well for so many years in this area.

That partnership should be maintained and strengthened. And as we move toward the new century, the federal government should continue to be the critical link in the nation's transportation network. I urge this subcommittee to reject any efforts to weaken that commitment.

The need to strengthen -- not weaken -- that partnership becomes especially clear when one considers the magnitude of the work which lies before us. The American Association of State Highway Traffic Organizations (AASHTO) estimates that over the next thirty years, we need to increase infrastructure spending by 20 percent just to maintain what we have. To meet increased demands, they say infrastructure spending will have to increase by 50 percent.

I am especially pleased to note that the House Budget Committee and the House Democratic Leadership recognize the important responsibility the federal government has in meeting this important national need. The Budget Committee has presented, and the Democratic Leadership has endorsed, a budget which responsibly addresses infrastructure maintenance and construction needs. While it's still early in the budget process, and the actual numbers will undoubtedly change as that process continues, it is clear their general approach is the right one.

For America is at an economic crossroads. We will either invest in the future or become its victim. We will either be prepared to meet new economic challenges, or we will suffer the inevitable consequences of being unprepared.

Whether America will be prepared or not, in large part, depends on whether we take the necessary steps today to rebuild and strengthen our infrastructure. For one of most important components of America's economic strength and ability to compete is how well our manufacturers, farmers and small businesses are able to get their goods to the market. That is where the federal role in national transportation policy is critical.

The growing international economy and marketplace demands that transportation -- no less than any other product input -- be of the highest quality, be the most efficient, and be at least cost. Through a well-planned and equally well-maintained transportation network of highways, railroads and airways, America can ensure that our dispersed economy will be able to move the goods and services necessary to drive our economic growth....and that no region of the country is left out of that growth.

At a minimum, our national highway transportation system must include four important components.

First, our national highway transportation policy must recognize the need to continue to provide a federal block grant to state Departments of Transportation for the maintenance and construction of secondary roads that feed into the primary highway system. In my state, well maintained secondary roads are a critical component in the ability of farmers to move their goods to the market. Very simply, poor roads lead to higher production costs which cost us all in the long run, either through higher prices at our local grocery store; or higher federal farm program costs when the safety net is forced to stretch even further to bridge a widening gap between production costs and market return.

Second, the federal government should continue its commitment to, and cooperation with, states in developing their primary roads systems, to help meet important state and local transportation and local needs. For example, in my own state, the entire northeast quadrant of Iowa has been isolated and shut off from a vibrant commerce because of an inadequate highway system. The primary highway system is the major way state and local governments are able to compliment national transportation networks, but they need help to do so.

I will be back another day, to make the case for improving U.S. Highway 63 north from Waterloo, Iowa, to Rochester, Minnesota, for precisely this reason. For now, suffice it to say that we all gain when we help states compliment national transportation networks, by strengthening state networks. One, obviously, builds upon the other.

Third, our national highway transportation policy must recognize that Federal funding decisions and formulas must include the number of miles of roads that must be maintained, as well as the normal criteria of population and traffic levels. As you address the federal highway formula, I ask you to keep in mind that a mile of roadway in urban America requires the same amount of asphalt as a mile of roadway in rural America. Population density and usage are important criteria in the distribution of highway funds, but so is the mileage of roads to be maintained.

And finally, our national transportation policy must recognize that while the interstate highway system is a success nearing completion, we must continue the federal commitment to develop a network of major routes which connect major metropolitan centers. Improved efficiencies can be achieved by continuing development of major highways between metropolitan areas, where appropriate criteria has been set, and most importantly, where the feasibility of such a highway is shown.

To achieve that final point, I support creating a new authorizing mechanism which would create a classification called "highways of national significance".

This classification would build upon the interstate system, and would produce a network composed of a combination of interstate highways, primary highways and improved state highways.

A "highways of national significance" program would not only help make our transportation network more efficient and ready to meet the needs of the future, but would also provide critical cost savings, which are essential in this era of budget constraint.

Let me be quite specific. A highway program which builds on the "highways of national significance" program can achieve nearly the same benefits as our current interstate system at nearly half the cost.

There is no better example of this than a project which would pass through my state, Iowa, as it connects St. Louis Missouri and St. Paul, Minnesota. The project is known as the "Avenue of the Saints." A regional transportation commission recently recommended to the Federal Highway Administration that it be built.

I am here today to discuss that project with you; to recommend and to seek your support for funding it. But I am also here to discuss how we should fund it; because this project, funded through a "highways of national significance" authorization program is a classic example of how we can meet important national transportation needs while at the same time, significantly cutting the cost of doing so.

For the past three years, I have worked with several colleagues in the House and Senate on the development of a four-lane highway from St. Louis, Missouri to St. Paul, Minnesota. In 1988, my colleague from Iowa, Senator Tom Harkin, initiated a proposal to fund a study to determine the feasibility and necessity of constructing a four-lane highway between those major metropolitan centers.

Last month, a committee appointed by the Federal Highway Administration submitted to the FHWA the "St. Louis to St. Paul Feasibility and Necessity Study." This study looked at the feasibility of the Avenue of the Saints from five perspectives: engineering, environmental, need, travel efficiency and economic development.

This study found that from all perspectives the development of this highway corridor is not only feasible, but would be in the national interest of the United States.

The feasibility study did not recommend a new interstate highway between the two metropolitan areas. It recommended a route which is a balanced mix of existing interstates and four-lane highways, with construction to widen current two-lane highways to four-lane highways at expressway standards.

This corridor, which has 8.4 million people, has a reasonably good east-west, four-lane, highway network, but poor north-south arteries. The feasibility study found that the development of this missing link in the nation's arterial system would spur economic growth within the corridor, and from the national perspective, improve travel efficiencies to the point where the economy would be better off with the highway than without. From the local, state and national levels, the development of this highway corridor is warranted.

It would be extremely difficult, if not impossible, for the states to achieve this on their own, without federal assistance. Nor should they be expected to do so without federal assistance. The study determined, after all, that the "Avenue of the Saints" would provide important national economic benefits.

The study also found that to take the interstate highway approach would be excessively costly. It would require the construction of a new four-lane highway at "freeway" standards to traverse nearly the entire route. The study determined this approach would double the costs, result in only slight increases in traffic, and -- given the higher costs involved -- lower the cost/benefit ratio to marginal, even negative levels.

By using, instead, the "highways of national significance" approach -- that is, a mix of existing interstate highways, and upgrading existing two lane highways to four lane at "expressway" standards -- we can achieve the desired result at half the cost; in less time; with less impact on surrounding lands; and with highly favorable return to the taxpayer: in the case of the Avenue of the Saints, $1.30 returned for every federal dollar expended under a "highways of national significance" program, compared to just 81 cents returned for every federal dollar expended under an "interstate highway" program approach.

We live in a difficult era.

On one hand, we face enormous economic challenges as we stand on the brink of the 21st century. On the other hand, we face the hard reality of constricted budgetary ability and competing budgetary priorities.

The answer is not to stop investing in the future. Such investment is critical. The answer is to invest federal resources <u>most</u> wisely, and that will often require some new thinking.

Congress must make the necessary investments in our future. It must also make certain those funds are not wasted. Bad legislation and programs which needlessly waste these scarce federal resources, need to be questioned.

And while traditional funding mechanisms and programs have worked magnificently in the past, we must constantly be aware that circumstances and the times are always changing. We need a transportation program and a funding mechanism which recognizes the new realities.

Creating a specific authorization program for funding "highways of national significance", for projects like the "Avenue of the Saints", would be a wise investment of federal resources. It would meet pressing national, state, and local economic needs. It would do so at about half the cost of the traditional interstate highway funding approach. And it builds on the the magnificent success of the nation's interstate highway program now nearing completion.

Most of my remarks here today have focused on the new funding mechanism I support for the "Avenue of the Saints" and for projects like it throughout the country. Allow me a moment to talk about the Avenue of the Saints project specifically.

There are many compelling reasons to fund construction of the "Avenue of the Saints", most of which are contained in the findings of the feasibility study committee. Since I know you are already familiar with those findings or soon will become so as your deliberations continue, I will not repeat them here, except to reiterate the most important one of all: the "Avenue of the Saints" does far more than meet critical state and local economic needs. The feasibility study concluded it also meets important national economic needs, as well.

I am well aware of and sensitive to the many competing demands this committee will receive for projects from the many different regions of the country. Most are urgently needed and most would represent a wise investment of public funds. Unfortunately, limited resources, dictate that only a few will win funding. I understand the hard choices you are called upon to make and, frankly, I don't envy you.

I think there are several reasons to support this specific project which go well beyond the compelling arguments identified by the feasibility study committee. As you deliberate, I would ask you to consider and keep in mind the following:

Generally, your federal dollar goes further in rural areas, because many costs of construction -- primarily right of way costs -- are much lower than they are in urban areas.

Strengthening and improving rural America's transportation network also has an important effect which resonates in urban America as well. One way to ease the chronic problems of urban America -- most of which can be traced back to one form or another of overcrowding -- is to make rural America a more viable option as an alternative place to live. A modern, comprehensive and efficient transportation network is a key element of that equation.

Mr. Chairman, I know that over the course of your subcommittee's extensive hearings on the future of U.S. highway transportation policy, your committee will be bombarded with conflicting thoughts and proposals. One of those, will undoubtedly be the Administration's proposal to, in effect, impose upon the states and localities almost total responsibility for meeting the national goal of a world-class transportation network.

I disagree. Retreat, retrenchment, and abdication of federal responsibility are no way for a great nation to prepare to meet the 21st Century.

We can have a national transportation policy in which the federal government is a full partner. We can have a national transportation policy in which the federal government shoulders its fair share and its full responsibility. And we can, at the same time, have a national transportation policy which recognizes fiscal reality, by acknowledging that as times change, so must our programs and policies.

In short, Mr. Chairman, we can meet the 21st century on our own terms, and fully prepared for the economic challenges it presents, if we have the will, the foresight, the creativity and the imagination to respond to new times with new ideas. Moving beyond the interstate highway system program to a program which builds "highways of national significance" is but one of those ideas and I hope you will give it your full consideration.

I thank you for this opportunity to share my views.

Mr. MINETA. At this time I'd like to call John W. Hill, Jr., Associate Director of Transportation Issues, U.S. General Accounting Office to come before us. Mr. Hill, your statement will be entered as part of the record. So, if you would go ahead and proceed in your own fashion, sir, and introduce your colleagues.

TESTIMONY OF JOHN W. HILL, JR., ASSOCIATE DIRECTOR, TRANSPORTATION ISSUES, RESOURCES, COMMUNITY AND ECONOMIC DEVELOPMENT DIVISION, U.S. GENERAL ACCOUNTING OFFICE, ACCOMPANIED BY JACQUELYN L. WILLIAMS-BRIDGERS, ASSISTANT DIRECTOR, TRANSPORTATION ISSUES, AND ROBERT D. TRACY, DETROIT REGIONAL OFFICE, GENERAL ACCOUNTING OFFICE

Mr. HILL. Thank you, Mr. Chairman and members of the Subcommittee. On my right we have Jacquie Williams-Bridgers. Jacquie Williams-Bridgers is my Assistant Director in charge of infrastructure issues. And on my left is Bob Tracy, our evaluator in charge of our audit effort.

Thank you for this opportunity to testify on our continuing work for the Full Committee on efforts to preserve the interstate system. Although the interstate system represents only one percent of all roads, interstate routes carry 21 percent of the Nation's vehicle traffic. Because the system has assumed a dominant and vital role in the Nation's transportation network, preservation of the over $100 billion Federal investment in interstate construction must be assured.

In 1988 the Department of Transportation classified 43 percent of the Nation's interstate pavement as having a ride that may be barely tolerable or worse. Progress in adequately maintaining the interstate system, a state financed responsibility, has been mixed in part because some States have not adequately funded interstate maintenance. In two of the three States we visited, needed maintenance was not performed due to insufficient resources. DOT estimates a total of $4.7 to $6.1 billion will be needed annually in federal and State funds to meet interstate preservation needs.

DOT estimates that about half of these funds will be used for major interstate widening and reconstruction activity. The other half would go primarily to preserve existing interstate pavement. If, as projected by DOT, the states were to spend about 50 percent of the 4-R funds for pavement widening activities, the scope of the interstate 4-R Program would change from primarily a pavement preservation program to a program with a large expansion element. Given the overall condition of the interstate, increased funding needs and the limited resources at both the State and Federal level, we are presenting some options that the Congress may wish to consider for realigning Federal responsibilities and program funding to help protect the Nation's investment in the interstate system.

FHWA classifies pavement into three broad categories: good, fair and poor according to roughness.

Our first photo shows an example of what FHWA would consider to be good pavement. This pavement provides a smooth ride with little or no signs of deterioration.

[Showing pictures of pavement on easel.]

Our second photo is an example of fair pavement which provides a barely tolerable ride at high speeds and has a number of surface defects. Poor pavement produces an uncomfortable ride requiring reduced driving speeds. It also has excessive bumps, depressions, holes and needs resurfacing or reconstruction.

As shown in the next chart, the amount of good pavement has decreased from 62 percent in 1981 to 57 percent in 1988, while the amount of fair pavement has increased from 25 percent to 31 percent. Poor pavement has remained at about 12 percent between 1981 and 1988. The bottom line is that 43 percent of the Nation's premier highway system may produce a ride that is barely tolerable or worse. Moreover, the outlook for improvement beyond this point is not encouraging since DOT estimates of future needs are based on existing pavement conditions.

For example, the Department's estimate of future 4R needs through the year 2005 is based on maintaining the 1985 conditions. In 1985 about 41 percent of pavement was rated in fair or in poor condition. DOT has not established goals to improve conditions beyond the 1985 level.

Routine maintenance can include many different activities, such as repairing cracks, barriers, fixing potholes, resealing pavement cracks, removing snow and ice, and painting bridges. Maintenance activities that preserve pavement life such as resealing joints are cost effective. However, these types of maintenance activities are not eligible for 4R funds, yet, if applied in a timely manner, these maintenance activities could reduce or postpone the need for 4R funds.

A DOT-OIG report stated that had routine maintenance been performed when needed, planned 4R projects in three States costing over $88 million may have been deferred or been less costly. In our review we judgmentally selected three States—California, Louisiana and Michigan—to review the adequacy of State maintenance efforts. We found both Louisiana and Michigan did not perform needed maintenance work and thereby affected the structural integrity of the roadway. For example, in Louisiana, FHWA inspection showed that 39 different types of maintenance deficiencies including pavement blowouts, unsealed joints, ruts and damaged guard rails. In addition, FHWA analysis showed that State funding for maintenance supplies had declined by 34 percent over a three-year period and the number of maintenance employees had been reduced by 23 percent in the past 18 months.

In Michigan the State did not perform all needed routine maintenance in the following areas: sealing pavement cracks and joints, painting bridges and replacing or repairing damaged guard rails and right-of-way fences. A Michigan transportation official told us that much of the needed maintenance work was related to the structural integrity of the roadway. Furthermore, maintenance funding is not expected to be sufficient to eliminate the maintenance backlog that currently exists.

Deferral of needed maintenance work was not evident in California. California State Transportation officials said that they were able to keep up with maintenance needs, and FHWA concurred with this statement. However, State officials cautioned that be-

cause of rising maintenance costs, the State may be hard pressed to meet future maintenance needs.

In addition, the Department of Transportation estimates the 4R Program will need Federal and State funds totalling $4.7 billion to $6.1 billion annually through the year 2005. If the Federal cost share remains at 90 percent, the required Federal investment will be between $4.2 and $5.5 billion annually.

As previously mentioned, if about 50 percent of 4R funds are spent on major interstate widening, this spending level would represent a significant departure from historical spending trends. In 1981 less than one percent of 4R funds was spent on major widening. In Fiscal Year 1989 13 percent was spent on this activity.

The Department's estimate of annual funding needs far outstrips the current 4R level of $2.8 billion per year. Furthermore, the Department estimates that lane widening of 11,000–15,000 additional interstate miles is needed. But the cost of these additional miles is not reflected in future needs estimates because of right-of-way constraints.

Mr. Chairman, almost half of the Nation's premier highway system may be in barely tolerable or worse condition. Furthermore, due to funding difficulties, some States have not performed needed maintenance to slow pavement deterioration and reduce 4R costs. In light of the Department's estimate of the need for significant increases over current 4R funding levels which will only hold the line at 1985 pavement conditions, program modifications need to be considered to more effectively use the 4R dollar.

As your Subcommittee deliberates the reauthorization of highway programs, we suggest you consider establishing a national pavement condition goal that would set the minimum acceptable percentage of good pavement; redefining the range of activities eligible for 4R funding to encourage States to address maintenance activities directed at preserving the interstate pavement or resolving safety-related deficiencies; emphasizing interstate priorities through maintaining the 90 percent Federal cost share on those projects that have numerous beneficiaries and decreasing the cost share on those projects that have a limited number of beneficiaries; and requiring an assessment of the extent alternative transportation strategies are expected to alleviate the expected shortfall of interstate lane widening and associated costs.

Mr. Chairman, this concludes my testimony. My colleagues and I will be happy to answer any questions.

Mr. MINETA. Well, thank you very much for that not so happy picture about the state of our roads, but without a doubt a realistic one. One of the things that I've been thinking about is this whole issue of requiring or mandating some kind of a maintenance program, pavement maintenance program; and that's one of the things that you're alluding to here or specifically recommending in terms of some program to require the states to emphasize this maintenance program.

Also, in two of the three States you visited maintenance was not performed due to insufficient resources being devoted to maintenance. In your view, would providing Federal funds to the States to carry out preventive maintenance activities result in a cost-effective use of Federal funds?

Mr. HILL. Yes, Mr. Chairman; some studies have shown and we've looked at other studies that report certain maintenance activities can be cost effective in reducing the need for 4R funding. We would, however, stress that we're not saying that the Federal Government should accept the total responsibility for carrying out the cost of maintenance. We are saying, though, that certain activities if performed in a timely manner, could either forestall or lessen the amount of cost that the 4R program would have to bear.

Those types of activities would extend the life of the roadway but less than the general required 4R limit of eight years currently.

Mr. MINETA. Now in the Federal Aid Highway Act of 1981 the Interstate Construction Program was redefined to reduce the overall cost to complete the system. Many of the previously eligible projects under the Interstate Construction Program were made eligible under the Interstate 4R Program. Based on your review of the States' funding of interstate 4R projects, is there a need to redefine the Interstate 4R Program to limit its use to preservation of interstate systems?

Mr. HILL. We have not said that there's a need to redefine the Interstate Program to limit its use; we do feel, however, that there are certain options that the Committee can consider. One would be to change the cost share on some of the projects that may not help with preservation of the interstate. And in doing so, you would certainly provide less incentive for the State to fund those projects. For other projects which would extend the life of the pavement and have a higher cost share for the Federal Government, it would certainly encourage states to perform those activities.

Mr. MINETA. The Federal Highway Administration uses the Pavement Serviceability Rating—PSR—to assess the condition of the Nation's highway system. Does the Pavement Serviceability Rating system provide reliable data for assessing the condition of the Nation's highway system?

Mr. HILL. The pavement serviceability rating really just looks at the surface of the pavement and any noticeable cracks. I think if Nick Greifer could put up one of the pictures and we could show you again. The one here on poor condition and the previous one on fair condition.

[Showing pictures of pavement on easel.]

Highway inspectors would look at the surface of the road and also test the rideability of the surface of the road. There could be other conditions in the road that would not show up based on this measure. Some of those conditions might be deterioration in the underlying material which is not shown yet in surface cracks. There could be other conditions in the road that have not shown up yet in rideability. So that if anything, we would say that this would probably understate the amount of poor pavement and the amount of fair pavement which exists in the system.

Mr. MINETA. I guess I'm too far away. What I'm seeing on the right-hand side is a shoulder, is it not?

Mr. HILL. That's right.

Mr. MINETA. You're not pointing to the shoulder; what is it about the pavement condition there that says that this is one that's in fair condition rather than in——

Mr. HILL. Okay. Nick, if you would point out the cracks on this one.

Mr. MINETA. Oh, okay. I see. All right. And those are not at the expansion joints?

Mr. HILL. No, they're not.

Mr. MINETA. Let me ask, Mr. Hill, about what's the definition of maintenance? Between, I guess—what's basic maintenance? What's preventive maintenance? Or is there a difference? Are there different grades of maintenance that we're talking about?

Mr. HILL. Well, the 4R Program would actually pay for any work that extends the life of interstate pavement over an eight-year period. As far as actual examples of maintenance activities, perhaps one of my colleagues could give you some detailed examples of that.

Ms. BRIDGERS. Mr. Chairman, there is a broad range of over 100 various activities that can be defined as a maintenance activity. States are responsible for most of the routine maintenance activities, including everything from mowing the grass off the shoulders of the road to resealing cracks in the pavement. Some of the preventive maintenance activities that we suggest might be included in the 4R Program that would extend the life of the pavement would include resealing the pavement, and sealing the more serious cracks and joints in the roadway that cause damage to the structural integrity of the road system.

Mr. MINETA. Are we doing enough in research and development for new products in terms of just maintenance, or do we leave that to the private sector and companies to come up with new products? Or is Federal Highway Administration doing much in terms of research or TRV or Carnegie-Mellon Institute or anybody else?

Ms. BRIDGERS. There is a Federal presence in research. The Long-Term Pavement Performance Program is one such research project that is looking at methods and new technologies that are available to extend the life of the pavements. Whether or not the Federal Government is doing enough in that area, I would suggest that there always could be more done to commit Federal funds to researching life extension for pavements.

Mr. HILL. Certainly one of the problems which some states have experienced was that the roads, due to weather conditions, did not last as long as they had been expected to last. So, consequently, research into problems that had occurred in those roads under certain weather conditions would be helpful in determining how the roads can be reconstructured in the future.

Mr. MINETA. When you were looking at this, did you sort of measure the state of the road against the design life of that road or highway as to whether or not these roads were getting torn up before they really should have?

Ms. BRIDGERS. Mr. Chairman, we did not independently assess the conditions of the road systems. We relied totally on FHWA estimates of road condition. However, we looked at States' maintenance practices, methods that they used to maintain and to preserve the roads systems and compared states' use of their maintenance funds, to their use of 4R funds.

Mr. MINETA. Were we able to assess—let's say, up through 1970—let's say if we used nine inches of pavement versus since

then; maybe going to 15 inches of pavement and how that's affected durability or maintenance program?

Mr. HILL. No, we did not get into that detail.

Mr. MINETA. Thank you. Mr. Packard?

Mr. PACKARD. Thank you, Mr. Chairman. Mr. Hill, of the three States you visited, Louisiana and Michigan showed a poor maintenance record as I understand your testimony. Do they have a different maintenance schedule, different maintenance program than California? Why do you feel that California has shown a different record?

Mr. TRACY. Basically we found that the prime difference was the lack of funding of maintenance-type activities. In California they were able to—assess their needs on a two-year basis. During that time period they had sufficient funds to meet their needs. In Louisiana they also identified their needs, but they did not have sufficient funds to meet the needs, and the same thing for Michigan. Basically, it was one of inadequate maintenance.

Mr. PACKARD. So there's no major difference, special program that they're doing in California that could be a prototype for other places other than just increased funding?

Mr. HILL. Well, there are a lot of other factors that account for differences in road condition, other than just the maintenance activities that are performed. The States that we've selected were chosen because they were in different regions of the country and the road conditions would be subjected to different types of weather. It's really hard to compare one State to the next. Even if California or if Louisiana had performed the same maintenance as Michigan, they still may have resulted in different conditions in the road because of the weather. Also, the traffic is a factor.

Mr. PACKARD. The proposal is that where those States do not have an adequate maintenance record that their funds be withheld. If funds are the primary difference or one of the major differences between the records from one State to another, the withholding of funds could further exacerbate the problem, and I'm wondering if there's been any thought as to how that, how we can reconcile that hammer act or clause in existence.

Mr. HILL. Certainly withholding funds could have an impact on the State's ability to perform some of the maintenance activities. However, the Federal Government, through the 4R program, is really not funding the maintenance activities that States are financially responsible for withholding federal funds would certainly have an impact on resurfacing which might be called for as a result of the pavement having become in poor condition because of the lack of maintenance. We propose that the Federal Government try to create incentives for States to spend the State and Federal dollars in those areas that would forestall the need to spend additional Federal dollars later down the road. So it's an attempt to direct the funds, certainly not trying to necessarily cut off the funds.

Mr. PACKARD. Thank you very much.

Mr. MINETA. Mr. Skaggs.

Mr. SKAGGS. Thank you, Mr. Chairman. Mr. Hill, I'm sorry I wasn't here when you began your testimony, and you may have covered this, but in case you haven't, I recall from my days as a

State legislator hearing from our highway people in Colorado very compelling testimony about sort of like flossing your teeth—if you'll do the good work on preventive maintenance, it saves you dentures down the road a ways. And perhaps if you could recount; I just need to have my mind refreshed—some of the longer term cost benefit aspects of carrying out the suggestions you're making.

Mr. HILL. Certainly sealing pavement cracks as we saw on some of the examples up here would forestall the need to resurface that road because when water is allowed to get into the road and then you ride over that, it weakens the pavement and it can cause the cracks to widen and the surface to deteriorate even further. Also, just maintenance activities such as cleaning out gutters certainly could take water away from the roadway and consequently not allow it to sit on the surface and eat into the pavement eventually and then cause the cracks again. The same is true with corrosion on bridges. Simply painting the bridges can help to extend the life of those bridges beyond what it would have been if it's allowed to corrode from the exposure of water.

Mr. SKAGGS. Do I understand you correctly that we now really don't have anything built into the Federal law that provides a clear incentive to the States to do the sorts of things that avoid a hit on the Federal commitment on this in the long haul?

Mr. HILL. Right now it appears that on those types of activities that would extend the life of the pavement for shorter than eight years, there's basically a hammer that if we find in those States that they're not performing the needed maintenance activities, then there can be drastic action taken to withhold other funds. But currently the incentives are really not there for them to provide the maintenance from the Federal level.

Mr. SKAGGS. So it's a stick but not a carrot?

Mr. HILL. It's a stick but not a carrot at this point.

Mr. SKAGGS. I'm also intrigued with one of your recommendations where you say we should be looking at emphasizing projects with numerous beneficiaries versus few. That's at a fairly high level of abstraction. Could you give me some examples of the sorts of things that you have in mind there and perhaps some suggestions on how we might provide statutory formulation for such a concept?

Mr. HILL. Let me try to bring that out of the clouds a little bit then. One of the activities that we certainly had in mind was providing additional ramps in certain communities which would allow access to the interstate and allow the development of the community. This may or may not be an activity that we'd want to fund at 90 percent because it has certainly a limited benefit to those people just in that particular area. Also, there were a few other examples—Jackie.

Mr. TRACY. Well, as the Chairman mentioned before, there were a lot of projects in 1981 that were part of the construction of the initial interstate that have now become eligible for 4R funding. Among them were sound barriers, jogging trails, equestrian trails and landscape projects for the interstate—things of this nature. For these types of projects we thought a lower cost share might be appropriate.

Mr. SKAGGS. Thank you, Mr. Chairman.

Mr. MINETA. Mr. Duncan.

Mr. DUNCAN. No questions, Mr. Chairman.

Mr. MINETA. Mr. Cox.

Mr. COX. Just briefly. It's been my privilege to talk to some people who are developing new kinds of pavement. There are a lot of people doing incipient R&D across America on this subject. What's your estimation of the Federal role, what should be the Federal role under 4R or otherwise in developing new kinds of surface for roads?

Mr. HILL. Well, we certainly think that the Federal Government should be involved in encouraging that type of research. As a matter of fact, that type of research certainly would forestall the need for the Federal Government to invest additional funds in 4R resurfacing at a point down the road. Certainly there should be a cost-benefit analysis done to actually look at the potential cost savings when developing these different types of pavement versus the need for accelerated resurfacing at a later point in time. But clearly the Federal Government has a role in that.

Mr. COX. Are you satisfied with the current level of attention that's been paid by the Federal Government to surface materials development?

Mr. HILL. We have not looked specifically at all of the things that the Federal Government is doing in that area. I guess you can always say that the Federal Government could do more, but we have not done a cost-benefit analysis.

Mr. COX. But it's that analysis that's, of course, necessary because the real question is whether we ought to put our resources there or somewhere else. One of the developments that I've been made aware of, something called Duraphalt which is allegedly going to last under heavier stress and strain much longer than current surfacing, particularly asphalt. I know that the people who are trying to produce Duraphalt are having trouble getting their point across here in Washington, and I don't know if that's due to lack of funds or some other reason. But I want to be sure that as we take seriously the problem of maintenance, that we avail ourselves of all opportunities to use better materials so that the roads we build and resurface last that much longer.

Mr. HILL. We would agree with that. The answer to the highway problem certainly is not just building new roads or resurfacing them or even widening them as an answer to congestion. I think the Federal Government should be looking at all options that may produce some promising cost benefit results in the future.

Mr. COX. One last question. Are you familiar with the potential reprogramming authority that will be given to EPA to divert monies away from highway construction and maintenance towards pollution control in the Clean Air Act?

Mr. HILL. I am not specifically familiar with that.

Mr. COX. If you were, I would ask you whether or not you think that our maintenance program is in any way going to be compromised by such a discretionary authority. Since you haven't yet become familiar with it, I'd just direct your attention to it and perhaps GAO might have some views on that in the future. Thank you.

Mr. MINETA. Mr. Bosco.

Mr. BOSCO. I have no questions.

Mr. MINETA. Well, thank you very much then—I'm sorry. Congressman Hammerschmidt, our very fine ranking Republican on the Full Committee on Public Works and Transportation. I apologize.

Mr. HAMMERSCHMIDT. Thank you, Mr. Chairman, I have no questions.

Mr. MINETA. Well, Mr. Hill, Ms. Bridgers, and Mr. Tracy, thank you very much for your very fine report, and I know that we will be using it for the basis of formulating some, I guess, I should use the word mandated. But some kind of maintenance program to make sure that we don't lose our investment that we've made in the interstate system. So thank you very, very much.

Mr. HILL. And we thank you for the opportunity to testify.

[Mr. Hill's prepared statement appears on page 1791.]

Mr. MINETA. As our next witness, we are pleased to have Governor Wallace Wilkinson from the great State of Kentucky who is the Vice Chair for the National Governors Association of their Committee on Transportation, Commerce and Communications. Governor Wilkinson, it's good to see you again. Your full statement on behalf of the National Governors Association will be made a part of the record. So if you would go ahead and proceed in your own fashion, sir.

TESTIMONY OF HON. WALLACE WILKINSON, GOVERNOR, COMMONWEALTH OF KENTUCKY, AND VICE CHAIRMAN, COMMITTEE ON TRANSPORTATION, COMMERCE AND COMMUNICATION, NATIONAL GOVERNORS' ASSOCIATION, ACCOMPANIED BY CHARILYN W. COWAN, DIRECTOR, CAPITAL RESOURCES GROUP, NATIONAL GOVERNORS' ASSOCIATION

Governor WILKINSON. Thank you, Mr. Chairman. I appreciate that. Good morning. To the members of the Committee I want to say that on behalf of the National Governors' Association and Chairman Orr, who unfortunately could not be here, and as I've said earlier this morning, I'll try to be a brief but effective substitute for her this morning.

I appreciate the invitation to come before you today to discuss the Governors' concerns about reauthorization of surface transportation programs.

We are all aware of the challenges confronting the Nation's surface transportation system—deteriorating bridges, congested metropolitan areas, inefficient connections, regions without access to a high quality system of surface transportation. The situation in my view has never been so crucial. Our economic performance is tied to quality of our surface transportation service and facilities, and we understand that deficit reduction is essential to sustain economic recovery. No one has any quarrel with that and we're all making sacrifices.

We do ask, however, that you recognize the importance of addressing what has become known as the third deficit, the deficiency of public investment in our people and our economic and physical infrastructure.

The National Governors Association supports preferential budget treatment for a few carefully designated productivity investments—human resources development, research and development for colleges and universities and industry, and investing in physical infrastructure in particular. These are all key to increasing both our international competitiveness and long-run economic growth.

The Governors unanimously adopted at our recent meeting a comprehensive surface transportation policy. And let me focus on several key points, particularly as they relate to the administration of the national transportation policy. State and local governments provide the vast majority of support for transportation. This financial commitment has expanded substantially over the last decade. In the case of the Commonwealth of Kentucky for instance, we furnish 81 percent of total highway funding in the state. The State commitment will continue, but the Federal Government must also increase its contributions to meet enormous unmet needs. This does not necessarily require a tax increase or any new money. The first step is full use of the Highway Trust Fund.

Virtually every governor supports the goal of setting the highway obligation ceiling for Fiscal Year 1991 at $15 billion. We sent a letter to the Budget and Appropriations Committee leadership signed by 47 governors. Committee Chairman Kay Orr and I also wrote personally to each member of the Budget and Appropriation Committees spelling out the impact of the change on each of their States. Setting the obligation ceiling at a level equal to annual trust fund receipts including interest is both fair and fiscally possible. It would provide a direct parallel between annual receipts and the basic State highway programs covered by the obligation ceiling.

Total obligations for the Federal Highway Program would be some $16 billion to $17 billion annually. This total includes the $15 billion obligation ceiling plus the cost of the programs outside the obligation ceiling, which are currently estimated at something like $1.8 billion for Fiscal Year 1991.

The Highway Trust Fund has more than enough room for raising the obligation ceiling to $15 billion, a 25 percent increase in obligations. The Department of Transportation concedes that a 35 percent increase in obligations is possible, and the General Accounting Office agrees.

When Speaker Foley met with us during the NGA Winter Meeting, he said we should use the Trust Fund for infrastructure investment to ensure that our future can remain competitive. The Speaker is right. This money was not collected to be banked; it shouldn't be used to offset the true size of the Federal budget deficit. Congress should put—to paraphrase the Governors—the trust back in the Trust Fund.

The National Transportation Policy developed by Secretary Sam Skinner calls for increased investment in transportation infrastructure, but who is to pay the bill when it comes due? Travelers, shippers, States and primarily localities.

Specifically, DOT would like to lower the Federal matching share on Federal projects to secure greater leverage on State and local and private sector funds. When Secretary Skinner talks about the high Federal contribution to individual projects ranging from 75 percent to 90 percent, this is only part of the picture. State and

local governments now provide an average of almost 80 percent of total surface transportation spending. States and localities contribute $63 billion of the $82 billion total that's spent each year.

There are four problems with lowering the Federal match. One, money would be diverted from maintenance and other State construction on the four million miles of roads in the Nation, diversion that we cannot stand at this time. Many of these are streets, roads and bridges, of course, in your districts.

Second, in the past five years, 39 States have raised their highway taxes, some more than once, reaching their current tax capacity. Many States have rates over $.20 per gallon, and they simply cannot levy additional gasoline taxes.

Third, States collect different amounts of revenue for each one cent per gallon gasoline tax. An example would be Kentucky and Texas. We charge the same gas tax, but the revenue collected in taxes in Texas from the same level of tax is five times greater than that of the Commonwealth of Kentucky—$17 million in Kentucky versus $85 million in Texas for each cent tax.

Fourth, State costs would rise with more projects subject to Federal requirements. Reducing the cost of Federal review should be a goal for reform of the program.

We're now at a crossroads. A substantial Federal role should continue—setting broad national policy and providing funding. But it's time for transition. The new highway program should address Federal investment priorities and broad goals and provide the States the flexibility that we need. Cooperating with local governments, States can provide the priority setting for vital facilities and services. With simplified administrative procedures, more flexible State funding options, and streamlined Federal programs, States can make maximum use of the limited resources that we have.

Finally, Governors have worked hard to promote voluntary State efforts to achieve regulatory and procedural uniformity. I cannot emphasize that strongly enough. We will strongly oppose the imposition of uniform procedures on truck registration and taxation programs in States. We will just as strongly oppose preemption of State authority over sources of State revenues, State tax bases, or taxation methods. In short, Governors believe that incentives to encourage achievement of national goals are more effective and productive than preemption and prescription.

I thank you very much for the opportunity to testify. We're ready to roll up our sleeves and work with you to implement a fair distribution of the burden we face in meeting the challenges confronting the Nation's transportation system, Mr. Chairman.

Mr. MINETA. Thank you very much, Governor Wilkinson, for your very fine statement. From what you have stated here that NGA does support preferred budget treatment for carefully designated "productivity investments" such as investments in the transportation infrastructure, can I infer from that that the National Governors Association would support the removal of the transportation or the Highway Trust Fund from the unified budget?

Governor WILKINSON. Well, we don't have that position at the moment, but there's a lot of talk about that and we're examining it. I think we would like to see what happens with the highway obligations ceiling this time. I have personally taken a position in

support, but the Association has not taken a position of going off budget at this time, Mr. Chairman.

Mr. MINETA. When that time comes, we'll probably be looking at both trying to take it off budget as well as to make sure that the trust funds are beyond the Gramm-Rudman-Hollings—imposition of its provisions. Mr. Governor, we would like to commend the NGA for their support for raising the highway obligation limitation to $15 billion. Although there is some support for increasing the obligation ceilings in the House, a much greater effort is going to have to be made, frankly, in the other body to make sure we get this higher level. In lieu of any new motor fuels excise taxes to increase funding for the Federal-Aid Highway Program, what level should the Highway Trust Fund balance be reduced to? Because you spoke about Speaker Foley speaking to the NGA talking about drawing against the Highway Trust Funds. And I was wondering in that regard what would be let's say a safe or good residue to leave as a balance in the Highway Trust Fund?

Governor WILKINSON. Well, certainly we believe that if the obligation ceiling is increased to the recommended $15 billion level at this time, that the balance left in the Trust Fund would be more than adequate. In 1973 the balance in the Highway Trust Fund was something like $5 billion. I think it currently is something like $11 billion. Concerning the balance left in the Trust Fund, that, of course, is a separate matter; but I would say that the Governors do believe that our immediate goal of attaining $15 billion in terms of the obligation ceiling would leave more than sufficient funding balances in the Trust Fund.

Mr. MINETA. The recently issued National Transportation Policy encourages the States to increase their non-Federal share for receipt of additional Federal funds. I'm wondering, do the States have adequate and sufficient resources to compete for Federal funds and still maintain an ongoing transportation program? For instance, just earlier, just before you testified we had folks from the General Accounting Office talking about maintenance programs. And so I'm wondering, in lieu of the demands that are being placed on the States, do you feel that there are sufficient revenues there at the State level to maintain an ongoing transportation program?

Governor WILKINSON. Mr. Chairman, stated a moment ago that 39 States have, in fact, increased their gasoline taxes and other revenue measures in the last five years. It would be our view that States do have sufficient revenues available for matching funds and to maintain and repair their highways—at the present matching level. Now I don't want to mislead you. The infrastructure in our States are in bad shape; there's no question about that. If the question is do we have the matching funds available to match a higher obligation ceiling, my response to you would be that if the Federal match is left at the current 75/25 ratio, the answer would be yes, we do. And I think we can say that with a very high degree of confidence. However, what disturbs us greatly Mr. Chairman is the talk about further leveraging those funds and simply spreading the Federal money across more highways. We do believe that that has the potential of having great damaging effect for the States in terms of monies available to maintain and repair our State roads.

Mr. MINETA. If the Federal Government had this carrot out here to say yes, here's this Federal funding that's available to the States, but they're also going to be saying we'll grant that money under some flexible conditions to those States that come up with more of their own funding as a proportion of the total cost of the project, would that unfairly then penalize maybe states that have great needs but maybe are because of economic depression not able to come up with the State share; and would that unfairly put them behind the eight ball in terms of trying to attract the very funds that they need to do either new construction or maintenance on their own programs?

Governor WILKINSON. I believe it would, Mr. Chairman. I think not only would it be unfair to those States that are economically depressed at present or have substantial areas of the State economically depressed, but I think it would be unfair to those States that have already increased their taxes to the point beyond which it's not possible for them to go.

Mr. MINETA. Well, I notice in Kentucky you raised your taxes in 1980 and then again in 1986.

Governor WILKINSON. That's correct.

Mr. MINETA. What is the gasoline tax now in the Commonwealth of Kentucky?

Governor WILKINSON. Fifteen cents.

Mr. MINETA. Fifteen cents per gallon?

Governor WILKINSON. Per gallon. Which is close, by the way, to the national average. There again, let me point out, Mr. Chairman, that in the Commonwealth of Kentucky we're financing 81 percent of all of the highway needs. So only 19 percent of our total highway expenditures are Federal funds.

Mr. MINETA. Now the 81 percent represents city, county, State——

Governor WILKINSON. All highway needs. And I might also add that many of us are producing a much greater local effort in different ways. For instance, in the Commonwealth we have just increased the use tax on automobile purchases by one cent which has added another approximately $50 million a year to the road fund. So we're not only increasing gasoline and diesel fuel taxes, but we're increasing motor vehicle use taxes, all types of fees and a number of other approaches to shore up our road funds. And, quite frankly, many of us, if not most of us, have done just about all we can do in that area.

Mr. MINETA. Your five-year capital improvement program as it relates to the highway program in the Commonwealth of Kentucky is what, roughly, approximately in dollars?

Governor WILKINSON. I'm going to say about $3 billion.

Mr. MINETA. Five years?

Governor WILKINSON. Yes.

Mr. MINETA. Five-year ongoing program?

Governor WILKINSON. Yes, as it relates to Federal projects. I may stand corrected on that, and I'll get the exact numbers, but I think that's approximately correct.

Mr. MINETA. Thank you very much. Mr. Shuster?

Mr. SHUSTER. Thank you, Mr. Chairman. We certainly appreciate your testimony, Governor. Some of us have been wrestling with the

notion that those States that have higher gas taxes or those States which are more willing to raise revenue for transportation should be rewarded more from the Federal Government. That is, to say perhaps we ought to provide greater funding to those States which raise more funds and less to those States that have not stepped up to bat. It's sort of a neat idea, but how does one implement it? I wonder what your thoughts are first on the concept and, secondly, if you have any suggestions as to how to do it.

Governor WILKINSON. Well, I think it just helps the rich get richer and the poor get poorer to use an oft worn cliche. I think it is unfair for those two reasons that we've just discussed, Mr. Shuster. Number one, many States are already at 20 cents or better and——

Mr. SHUSTER. That's my point. Maybe I didn't state it clearly. States that have the higher gas taxes should be rewarded because they're spending more money. This is not prospective, this is not to encourage States to increase, but, rather, simply those States that have the higher gas taxes should get more recognition from the Federal Government, more support.

Governor WILKINSON. Would that incorporate taking all sources of revenue into the road fund into consideration or just the gas tax?

Mr. SHUSTER. Well, I would think all sources of revenue. Those States that raise more money per capita——

Governor WILKINSON. That leaves remaining then the other problem, and that is that some of the States just don't have the capacity and the capability.

Mr. SHUSTER. You already have a 15-cent gas tax, don't you?

Governor WILKINSON. Yes, indeed.

Mr. SHUSTER. Which is very substantial. I would put you in the category of the good guys.

Governor WILKINSON. I understand. Some States just have more capacity to tax than others. An examination might be made of effort as it relates to capacity. I think that's really what you're speaking to—what is the effort and if it could be determined that States are making an equal effort based upon their capacity to tax, that might be worth examining.

Mr. SHUSTER. Thank you very much.

Mr. MINETA. Mr. Borski.

Mr. BORSKI. Thank you, Mr. Chairman. Governor, I'd like to follow-up on a point that my colleague from Pennsylvania was making. Would you be in favor of a Federal policy that would give a higher percentage of money back to States who raise a significant amount themselves?

Governor WILKINSON. As I've just said, if it could be based on effort and—I'm apprehensive about the formulas, all of these formulas that try to get at those things because they always end up being unfair to somebody. There's no question about that. But if there's some way to examine and compare the effort with capacity, that might be viewed as equitable.

Mr. BORSKI. I think what my colleague is trying to get at there are some States that are paying a significant amount and others who are paying a much lesser, and everyone gets the same Federal return. Perhaps we should look at that to find a better formula.

Governor WILKINSON. Well, excuse me. Most of us are getting what's been collected, aren't we?

Mr. BORSKI. I'm not sure.

Governor WILKINSON. Aren't we getting essentially what's been collected in our States? If it were paid out——

Mr. SHUSTER. Some States get more than they contribute, other states get less than they contribute. The concept is based on need.

Mr. BORSKI. Governor, just one other question if I may. There's an apparent need to spend more money for infrastructure, at least some people think so. The Secretary of Transportation in its policy seems to think that that money should be solely raised by the States and local governments. Would you agree or disagree with that?

Governor WILKINSON. I would disagree with it. Of course, the policy the last few years has been that states and localities need to raise it all. You're looking at a governor who believes strongly in the no money, no mandate philosophy. But let me make two statements about that. Local governments are turning to State governments now to fill the vacuum that's been created by lack of federal funding in the whole range of areas. So we're being squeezed from the bottom. And, of course, we're also hurting from the top because we're having all the mandates come down with no funding attached to them, and many, many, if not most, states at the moment are really hurting.

We have just increased taxes in the Commonwealth of Kentucky by $1.3 billion which is approximately 25 percent or more of our general fund. No one has ever done that quite that way at one time. But we've done it all. We've increased taxes by conforming to the Federal Tax Code, we've eliminated the deductibility of the Federal tax liability from our state tax return, we've raised corporate income taxes one percent across the board, we've raised sales taxes one percent, motor vehicle use taxes by one percent, and a whole host of smaller fees which we've just simply had to do. I mean, we absolutely had to refinance state government. But with the education and human resource mandates and our highway systems in such trouble, we have no choice.

So most of us are putting out just about the maximum effort at the state level that we can possibly put forth.

Mr. BORSKI. So if there were increased monies needed for infrastructure, you think that the Federal Government should pick up that share?

Governor WILKINSON. Indeed I do; beyond where we are now. Certainly.

Mr. BORSKI. Thank you, sir. Thank you, Mr. Chairman.

Mr. MINETA. Thank you very much. Mr. Hancock?

Mr. HANCOCK. About the only comment I would like to make is that in line with the last statement that the Federal Government should pick up the share. You know, that still comes from the same source, whether the Federal Government's getting it or whether you're taxing it at the state level, it still comes from the citizens within your state. So do we really want the Federal Government to tax it, take their share out of it and send it back, which you'll end up getting less money?

Governor WILKINSON. Mr. Hancock, what I think we want right now is the money that is already owed to us, paid to us. If we can begin by raising the obligation ceiling to $15 billion and if we can get on a cash-in/cash-out basis plus interest in terms of the Highway Trust Fund, that would mean an additional $50 million to the Commonwealth of Kentucky alone next year. If we could start there, no new money, no new taxes, just being able to utilize what we feel is already owed to us and is already there and available in the Trust Fund, that would be a marvelous beginning and that would, indeed, as a practical matter be increased funding because it's monies we desperately need and we don't have now.

Mr. HANCOCK. Well, I think you'll find that this side at least has been advocating for quite some time that the Highway Trust Funds be released. In fact, I've only been in the Congress a very short time, but I've been a little confused about why we can't get that money released. And, in fact, the Highway Trust Funds, the Aviation Trust Funds, this other money that the American public has paid in, I hear a lot of conversation, but I'm still confused about why we can't get that money used the way it was supposed to have been used. But we're working on it. You can rest assured to that.

Governor WILKINSON. Mr. Hancock, you're not alone in your confusion about that I can assure you.

Mr. HANCOCK. Thank you.

Mr. MINETA. Ms. Molinari.

Ms. MOLINARI. No questions.

Mr. MINETA. Well, Governor, thank you very much for your work, and I want to have you extend our thanks to Governor Orr as well in her efforts and the Committee's efforts there at the NGA. Thank you very, very much.

Governor WILKINSON. Mr. Chairman, you're very kind. Thank you very much.

[Governor Wilkinson's prepared statement with attachments appear on p. 1968.]

Mr. MINETA. At this time I'd like to call forward a panel made up of the very distinguished Mayor from the City of Philadelphia, Wilson Goode, representing the U.S. Conference of Mayors; and the Honorable Verna Clayton, Mayor of Buffalo Grove, Illinois, who chairs the Transportation and Communications Committee for the National League of Cities. I believe that Mayor Clayton will be accompanied by Councilman Jim Bell of San Jose who I'm proud to say when I was Mayor of San Jose, I appointed Mr. Bell to the Youth Commission. I'll tell you, this is when I get to feeling old when someone I've appointed to the Youth Commission is now a very distinguished member of the City Council as Jim is in San Jose, and I'm very proud to have had some little part in encouraging him into public service.

Mr. Mayor, it's good to have you here. Your statement will be made a part of the record, and we will go ahead and proceed.

At this time I'd like to call on my very fine colleague from Pennsylvania, Mr. Borski.

Mr. BORSKI. Thank you, Mr. Chairman. I just wanted to take this opportunity to welcome Mayor Goode to our hearing. I am very interested to hear your testimony. We have severe problems in Philadelphia with public transportation. I think as you listened to my

earlier questioning, I think part of it is the Federal Government is not maintaining its share of subsidy to mass transit. I think it's very important, particularly with the Clean Air Act that we're passing through Congress now. There's not a better way to reduce and help our air quality than it is to increase our funding in public transportation. So I am most pleased to have you here and to welcome you here, Mayor, and look forward to your testimony.

TESTIMONY OF HON. W. WILSON GOODE, MAYOR OF PHILADELPHIA, PA, ON BEHALF OF THE U.S. CONFERENCE OF MAYORS

Mayor GOODE. Thank you, Congressman. Mr. Chairman, members of the Subcommittee. On behalf of the U.S. Conference of Mayors, I thank you for the opportunity to testify here today. As you know, the Conference of Mayors represents more than 800 mayors in this country serving cities with populations exceeding 30,000. We represent urban America. I am extremely pleased to share today's panel with my colleagues from the National League of Cities. Between us, we represent 16,000 cities and towns across the country.

Let me begin by telling you something we all know too well. Urban and suburban America are gridlocked by cars, trucks and other vehicles on our roads. That gridlock has an enormous impact on the viability and longevity of our Nation's highways, roads, streets, bridges, rail and mass transit infrastructure. Stories of crumbling infrastructure have become all too familiar; yet, the question remains, how do we meet the national need for safe and efficient movement of people and goods? Mayors hope a large part of the answer to that question will come from this Committee's reauthorization to Surface Transportation Act.

Mayors seek your help in meeting the needs that we face on a daily basis at the local level. The completion of the interstate highway system presents a great opportunity to reassess and redirect Federal surface transportation policy. We believe that this policy must be devoted to, one, eliminating gridlock; two, relieving congestion and its adverse environmental consequences; three, enhancing public transportation; four, maintaining our national investment in roads, streets and bridges; and five, making advances in technology to enhance efficient and safe travel.

At our annual meeting last June in Charleston, South Carolina the Conference adopted a policy for the Post Interstate Era. A copy of our policy resolution is attached to my testimony.

This policy addresses the goal of improving mobility in American society. Specifically, it addresses the following needs:

1. Continued dedicated transportation funding and spending down the surplus in the Highway Trust Fund.
2. Maintenance of the interstate and primary highway systems.
3. Give more attention to the value of mass transit in heavily populated areas and a level playing field in the tax treatment of employer-provided mass transit benefits versus the tax-free treatment of parking benefits.
4. Enhanced flexibility in Federal funding options.
5. A separate and enhanced bridge program.

6. Greater emphasis on the consistency of environmental and transportation policy.

Mr. Chairman, much of what the U.S. Conference of Mayors is seeking in a National Transportation Policy is comparable in large part to the goals announced earlier this year by U.S. Secretary of Transportation, Samuel Skinner. We want to work with the Secretary to fashion a National Transportation Policy which will meet the needs of America's cities today and into the future. When I saw the National Transportation Policy, I asked the question every child asks himself when a new toy arrives at Christmas: Are the batteries included? Is there any juice in the policy?

The Conference of Mayors has joined with state and local elected officials to form Project 15. This project is seeking a $15 billion appropriation in Fiscal Year 1991 from the Highway Trust Fund. The $15 billion figure is a pay as you go expectation of what the Highway Trust Fund will take in during the year in gas tax revenue and accrued interest. Project 15 is devoted to putting the trust back into the Highway Trust Fund.

As Mayor of Philadelphia, I'm proud to embrace the policy initiatives of the U.S. Conference of Mayors. They are high on my city's agenda. I would, however, like to take a moment to highlight some specific items of interest to my city.

One aspect of Secretary Skinner's policy that I heartily applaud is the use of Federal transportation assistance to leverage greater involvement by state governments in providing mass transit assistance. Seventy percent of the 285,000 Center City Philadelphians depend on public transportation to get back and forth to work. Thirty-eight percent of Philadelphia households do not even own an automobile. Philadelphia has the fourth largest public transit system in the Nation, yet there is no dedicated source of revenue authorized by the State to support this transit system, a system which is vital to our city's economy and environment. This must change. And if it takes Federal leverage to effect a change, then so be it.

Mr. Chairman, reauthorization of the Surface Transportation Act will follow close on the heels of a newly reauthorized Clean Air Act. There are elements of the Clean Air Act making its way to passage in the House and Senate which are of vital importance to urban America. We can no longer afford to run environmental and transportation policy planning on separate tracks. Clean air and mobility are both vital to urban economic growth and stability. Environmental and transportation goals need not be incompatible and, therefore, planning to achieve those goals must be coordinated. We cannot, Mr. Chairman, rely solely on auto emissions reductions to achieve clean air. Expected increases in the number of vehicles on our roads will eventually erode the gains made through tighter emissions standards.

Provisions contained in the Clean Air Act designed to reduce vehicle miles traveled under review by the Public Works and Transportation Committee are deserving of support.

Finally, Mr. Chairman, I applaud the efforts of this Committee to make full accessibility to public transportation a reality for all Americans by ensuring access for those who are disabled. I urge the Committee to ensure that adequate resources are available to

public transit providers so that they can meet this mandate while maintaining affordable service to the many Americans who rely on public transportation.

The reauthorization of Federal surface transportation programs will be high on our agenda on our 58th Annual Meeting of the Conference of Mayors in Chicago in June. We look forward to that meeting and to working with this Subcommittee as it creates a new policy for a new era in Federal surface transportation assistance. Thank you, Mr. Chairman.

Mr. MINETA. Thank you very much, Mr. Mayor. Let me at this time call on Mayor Clayton of Buffalo Grove, Illinois

TESTIMONY OF HON. VERNA CLAYTON, MAYOR, BUFFALO GROVE, IL, ON BEHALF OF THE NATIONAL LEAGUE OF CITIES, ACCOMPANIED BY JAMES BEALL, NATIONAL LEAGUE OF CITIES

Ms. CLAYTON. Thank you. In addition to being Mayor of Buffalo Grove, which is a Chicago suburb, I am also President of the Illinois Municipal League.

Joining me today, as you indicated, is Jim Beall. And we want to thank you, Mr. Chairman, for getting him involved in politics because we certainly have benefited from his input as Vice Chair of our Transportation and Communications Steering Committee at the National League of Cities.

I am testifying today on behalf of the 16,000 cities and towns represented by the League and our State Municipal Leagues. We appreciate your leadership in holding these hearings and this Committee's continued understanding of and support for the challenges faced by local officials in providing the best possible services to our residents at the lowest possible cost.

As you know, local officials face the enormity of our Nation's public works needs every day. Congested and often inadequate roads, potholes and crumbling bridges are daily stories in our cities' suburbs and rural areas. That is why we were so pleased that it was determined to draw up a comprehensive plan for our Nation's infrastructure. Our high hopes were dashed, however, by the final plan which recognized the tremendous needs of our Nation's transportation systems but it also lacked the resources devoted to solving the problems that were highlighted in the report. The good news in the plan was the attention it focused on our growing transportation and infrastructure needs, but we believe that the plan is shortsighted in its vision of state and local governments shouldering the majority of the infrastructure burden.

Giving local governments greater flexibility to spend money raised locally is not our vision of a unified Federal approach to solving our Nation's infrastructure needs. Further, we were distressed by the plan's proposed designation of a system of Highways of National Significance. From our perspective and the perspective of our citizens that face massive congestion delays on roads choked with local and interstate traffic, we are concerned with the impression that roads not on a so-called system of national significance are to be considered insignificant.

Most distressing to local officials was the message that local governments have to begin carrying their share of the responsibility and do more to build our Nation's transportation system. The facts show that local governments have been raising and investing local dollars in transportation programs, while the Federal Government has been declining its responsibilities. The Federal share has reached its lowest level in 27 years, while the local share has risen from 41 percent to 53 percent. Between 1984 and 1987 the Federal share dropped from 31 percent to 23 percent. The state share from 29 percent to 24 percent. We are also disappointed at what was left out of the report. A Federal commitment to draw down the large balances in the Aviation and Highway Trust Funds, addressing congestion problems that threaten the economic growth of our communities, and the need for greater equities in our tax code which currently favors fringe benefits for parking rather than our clean air goal of encouraging greater use of mass transit through tax breaks for employer-provided mass transit passes.

We were encouraged by this Committee's reaction to the plan and hope that we can work together to develop a more realistic approach to our Nation's needs.

In order to just maintain the physical characteristics of the Nation's public sector surface transportation infrastructure at today's service levels through the year 2000, AASHTO estimates nearly $95 billion is required. Highway needs they predict are $80 billion, while transit requires an estimated $15 billion to meet future needs. AASHTO further projects that an additional $1 billion per year in constant dollars in highway and transit through 2020 would be required to adequately link surface transportation with airports, ports and waterways, and rail terminals. Constructing these intermodal connections will be critical if this Nation is to compete in today's competitive global economy.

In response to these mounting public service costs, local governments have diversified and expanded local revenue sources raising non-property taxes, including user fees and developer fees. We can only do so much. Local income and sales taxes to a certain extent have proven to be successful revenue raisers. However, many communities are constrained by state-imposed property taxing caps. Today 32 states have caps on local taxing, and 46 states cap bonding which is especially troubling for smaller municipalities with limited tax bases.

I'd like to turn now to Jim to discuss the National League of Cities surface transportation initiatives. He chaired our task force which has been working on this for the last two years. Jim.

Mr. BEALL. Thank you, Verna. The National League of Cities has developed an initiative for the Surface Transportation Program that calls for the Federal Government to redirect the national transportation priorities to the urban and suburban areas of the country. The initiative is based on the following objectives: maintaining a healthier national economy by improving mobility in urban and suburban areas; promoting an improved quality of life for our country's citizens by improving traffic congestion and safety, air and visual quality and energy conservation; meeting the mobility needs of the transportation dependent, such as the disabled and elderly, by providing a base level of transportation serv-

ices; having flexibility to invest in technologies to develop cost-effective solutions to our Nation's transportation problems; and maintaining past Federal investments in transportation.

This new partnership should include the following program structure element: First, simplify and consolidate the categorical programs into three basic programs:

One, a 4R and bridge program which the major focus of this program is to maintain the existing system;

Two, an urban and suburban component. This program recognized the needs for a coordination in metropolitan regions. Federal funds would continue to be allocated by formula—FAU for highways and Section 9 for transit. In addition, a flexibility component of this program would allow for additional funds to supplement the formula programs to better meet highway and transit needs. Funding for this flexible component should be allocated to the states with a mandatory pass through two cities or metropolitan planning organizations with populations above 200,000; and

Three, a rural program. This program would focus on maintaining and improving rural access.

Further, increased funding for highway and transit should come immediately drawing down the unspent balance in the Highway Trust Funds and reallocate $3 billion annually appropriated to the interstate construction fund following its completion. That's the Project 15 the Mayor referred to. And we very much appreciate the Committee's leadership in this area.

Simple and flexible policies are required to fashion solutions unique to the changing demographics of our Nation. We need to better coordinate across modal lines, across jurisdictional boundaries, and across traditional separation of public and private responsibilities to maximize the network now in place.

Local governments have recognized this unique opportunity to evaluate the tremendous successes of our Federal surface transportation system and plan for the future. Towards that goal, the organizations representing local governments have met to form a consensus on the outlines of the new Surface Transportation Program that would best serve the needs of our citizens. Local officials representing National League of Cities, U.S. Conference of Mayors, National Association of Counties, National Association of Regional Councils and American Public Transit Association met earlier this month and agreed on an approach that incorporates the need for local decisionmaking, increased flexibility in funding, and a consolidation of the Federal Highway Programs to make them more efficient.

We believe it represents a step forward to enhancing our Nation's transportation needs, and we look forward to working with you in putting together the surface transportation plan for the next century. Thank you.

Mr. MINETA. Thank you very much, Council Member Beall and Mayor Clayton. Mayor Goode, if I may ask, one of the most—one of the things that most Americans cherish is this freedom of mobility. How can the consolidation of an urban metropolitan system that emphasizes funding for urban roads and transit systems enhance that mobility?

Mayor GOODE. Well, it is essential, Mr. Chairman, that we have that. One of the things that we have learned is that as people have found the outlying suburban areas that business is and corporations and jobs are cropping up all over a region. We recently did a study in Philadelphia, the Philadelphia region that talked about just the impact of mass transit of highways and the whole network of highways in the region. And we found that if we did not, in fact, continue to improve the mass transit network, the highway network in the region, there would be an absolutely direct impact upon the economic viability of the region, that literally millions of people each day move back and forth to jobs in the region. There is within Philadelphia region, as you know, about 3.1 million people, and to move those people back and forth between the jobs is absolutely essential in my view.

Mr. MINETA. Under the National Transportation Policy that was recently released by the Administration, Mayor Goode, the policy encourages the use of Federal transportation assistance to leverage greater participation by state governments in providing mass transit assistance. Would this proposal have the effect of precluding urban areas that lack local resources from participating in the mass transit programs as you've pointed out to address your own transportation needs?

Mayor GOODE. Your question—would it preclude—would you repeat your question again? I think I may have misheard what you asked.

Mr. MINETA. Under the transportation policy that was issued by Secretary Skinner, they're trying to encourage the use of Federal transportation assistance to leverage greater participation by state governments to assist local governments in terms of any mass transit assistance. Now, as they try to do that, I'm just wondering whether or not this proposal has the effect of precluding urban areas that lack local resources from participating in the mass transit program.

Mayor GOODE. I don't think so, but let me if I could cite an example which I cited in my testimony. And that is that Pennsylvania does not have a dedicated source of funding for its mass transit. We believe that that is absolutely essential. We believe, therefore, that if there is some type of requirement in the law that says that states must have a dedicated source of funding for mass transit, then it helps those states which do not have, and Pennsylvania is one of the few states that does not have a dedicated source of funding, it would help us to have increased support where local governments could assist in solving their problems.

Now, there may very well be with a law like that that could end up in some regions of the country having an adverse impact. But from what I know as a personal example, it would be of immense help to us in the Southeastern region of Pennsylvania.

Mr. MINETA. Mayor Clayton, let me ask, under the National Transportation Policy statement that, again, was issued by Secretary Skinner and President Bush, it calls for an increased investment in transportation by state and local governments and the private sector by expanding the range of available tools and choices. From your perspective, what tools and choices do local govern-

ments have available to them to increase these investments in transportation?

Ms. CLAYTON. As I had indicated in my testimony, one of the tools that we had been using in our area particularly is the developer fees. We're in a rapidly growing area and it is obvious that the developer should help pay the bill for the impact that they are making on the region. So that is one way.

Also, in Northeastern Illinois we have a great many toll roads, and that is another way of raising the source. When you get past those two sources, property tax is what is available to us, and already our property owners are certainly overburdened. So we would have to look to our motor fuel tax and the developer fees to help take up that slack.

Mr. MINETA. Are there any local initiatives, for instance in Illinois, to increase state sales tax or any other kind? Let's say—not excise tax—let's say, state sales taxes that you could do, that you can raise on a local basis?

Ms. CLAYTON. No. However, in Illinois within the last year they did increase the motor fuel tax which does come back, a portion of it comes back to the local governments for us to be able to use. There's also a congestion fund. They're having an Operation Green Light to be able to help with the urban suburban congestion that we're experiencing.

Mr. MINETA. Councilman Beall, in pointing out the National League of Cities Post Interstate Program, you're recommending a consolidation and simplification of selected categorical programs into three highway programs. And I'm wondering has the National League of Cities in developing or at least in consolidating these categorical programs into three highway programs, have you thought about how those would be apportioned under these three recommended highway programs?

Mr. BEALL. Well, we're at a point where we're talking about it between the various groups. We've looked at the various needs assessments, and we think needs assessments can be done to show where the apportionment should take place, including needs assessments done by the Federal Department of Transportation.

Mr. MINETA. And if additional Federal funds are not made available by drawing down against the Highway Trust Fund balances, what kinds of alternatives if I might ask the three members of the panel—what kinds of alternatives are available for local government to reduce traffic congestion in urban areas, Mayor Goode?

Mayor GOODE. Well, the only alternative would be for states to tax themselves, local government to tax themselves for this purpose. And I think that as the Governor of Kentucky said earlier, and I will repeat to you that many of us are simply taxed out at this point. May I just make one point on the last question you asked which I got clarified by one of the staff people here. I did not fully understand the question. Let me say that as we talk about Federal Government leveraging our states and local government to do more, we also need for the Federal Government to stay actively participants in this funding mechanism. They cannot abandon local and state transportation systems with this policy, and we need them involved as well. But I don't know of many other options

other than for state and local governments to tax themselves. And we are at this point about taxed out, sir.

Ms. CLAYTON. I guess I would just piggyback on that. I think the economic vitality of our country really rests in our cities, and it is extremely important that we maintain the good transportation network so that we can move the people and goods. I think that because it is a national policy, there must be a Federal investment in that. I believe the local people should and would work in a partnership with the Federal Government in taking care of the congestion that we are experiencing.

Mr. BEALL. Most of California's efforts are concentrated, of course, on the pending ballot measure, and we've been trying to increase our gas tax; and at a local level, increasing our sales tax in 14 counties already. One of the problems we're finding in the campaign for increasing the gas tax is well, you're not spending the money that you already raised at the Federal level. How come we're going to increase the taxes here in the states or the local areas if there's this big pot of money in Washington that they're not letting you spend on transportation programs?

So it makes it more difficult to increase local taxes if the money is not being used effectively.

Mr. MINETA. Thank you. Mr. Duncan.

Mr. DUNCAN. Mayor Goode, I have to tell you that I was in Philadelphia Sunday night—Philadelphia, Tennessee in my district; it's a little different. I guess there's two or three hundred real good people in my Philadelphia. But I'm pleased to have you here with us today.

Mayor GOODE. Some days I wish I had two or three hundred, sir.

Mr. DUNCAN. I bet. Would the U.S. Conference of Mayors or the National League of Cities do you think support a program where cities who are willing to provide more of these funds or tax themselves more are awarded in the Federal Aid Highway Program? Any of you who want to answer that? Do you think we should put some type of incentive like that into the highway legislation?

Ms. CLAYTON. We do not have a policy on that at the National League of Cities, but I would like to speak to that just from the Chicago Metropolitan area, and that was if you recall a while back, there was some lobbying done to permit us to be able to provide a larger share on the local level to make our Federal dollars go further, and we were successful. And many of the communities in our area are doing that. But I would like to point out, as Mayor Goode did, that—perhaps it was the Governor who said the rich get richer and the poor get poorer, and I think we must be vigilant to keep that from happening.

Mayor GOODE. The U.S. Conference of Mayors' policy is no, we would not support that. We believe that it should be equalized, and we think that when you start to—this city and this city here we're going to treat you differently, that we end up with major problems. There is, in my view, something called capacity to pay. And I think that the Governor talked about effort, and I think some cities can't do as well as other cities can do, and I don't think they should be penalized because of that.

Mr. DUNCAN. You know, I'm sure all of you know that the Federal Government is over $3 trillion in debt now, and we're operating

at huge astounding debts, and with this savings and loan crisis going completely beyond anybody's imagination, the Federal dollars I'm afraid are going to be in shorter and shorter supply. And, yet, everyone who comes here, you know, says we've got to increase the Federal share and certainly all of us agree that we want to have the best highways and the best transportation system we can. But do you have any suggestions or what do you propose about where we get this money?

Mayor GOODE. Well, it seems to me, Congressman, that we need to look at priorities. I'm not sure how much we can get from the downscaling of our military because of the meltdown in the Cold War, but I would suggest that through some type of peace dividends, through some type of downscaling of military weaponry that we might be able to look at that source of monies for some highways.

Secondly, I don't know whether or not the mobility of our people is less important than the bailing out of savings and loans. I will not get into that. I'm attending here now a conference on drugs. I know it is not more important than fighting the war on drugs, but I think that we need to look at not necessarily more money, but how we spend what we have now. Each year the Feds are spending money on something. I think that we can spend those dollars a little differently would be my suggestion.

Mr. DUNCAN. My father many years ago was Mayor of Knoxville, and I personally think that being mayor of a large city is a tougher job than being in Congress.

Mayor GOODE. You can bet on that, Mr. Duncan.

Mr. MINETA. I can attest to that very much, having been in both spots.

Mr. DUNCAN. I think this is a very tough job also, but let me ask you this—it's something that I guess is a little tough to talk about, but the greatest pressure that I can see on mayors and on other city officials comes from city employees. While a case can be made that they're underpaid and anybody can make comparisons to baseball players or actors or singers or whatever and say that they're way underpaid, and I wish that—I sincerely wish that all of our public employees could make far more than they do. But the fact is, the public employees, particularly city employees, their salaries have escalated greatly in recent years percentage-wise. Now, are there any efforts being made in the major cities to resist those types of pressures or to hold down the cost of city government so that—in other words, where are the priorities? If you had to rate your priorities in your cities, do we still need to spend more and more on the city employees' salaries, or do you think transportation has become the number one or even in the top three or four of priorities of various city and local governments? What would you say about that?

Mayor GOODE. If I could respond to that, you make I think a valid point. That is, those of us who run cities must also look at more efficient spending of local tax dollars, and we negotiated two years ago a four-year contract with our labor unions with a zero increase in wages up front with a cap on the health and welfare benefits, with changing in work requirements and technology and equipment so that we could get more bang for our buck.

Just for an example, we were able to in that process to reduce our sanitation division by 500 employees and at the same time, increase our productivity. That's one point. The second point is that we have to look more at public-private partnerships. That is, how do we take some public efforts, involve the private sector in those efforts to improve the overall efficiency of those operations.

And, thirdly, we must also look at what things do we now do in Government can best be done by agencies outside Government, and we have done that as well by taking our golf course, for example, and turning it over to a private operator—civic center to private operator. But I don't think that we can do anything with the money left over from that other than to deal with the problems of homelessness, of AIDS, of increase in crack cocaine in our cities, and I don't see the Federal Government coming forth in any significant way helping us to solve those problems.

So as we have seen a more efficient management in our cities, the savings from that management must be used to respond to the serious social problems facing our cities. I don't think that we can use those dollars for highways.

Mr. DUNCAN. Well, let me say this first of all, I agree with everything you said. In fact, I think it was a very fine statement that you just made. Two more questions that I'll put together and any of the three of you can respond. Do the Federal dollars that your cities get now from whatever source come with too many strings attached? And what I'm thinking about my good friend, Governor McWhorter from Tennessee came up here last year and told the Tennessee Congressional Delegation, said, please no more Federal mandates; too many mandates on the states. Do the cities feel the same way? Are there too many Federal requirements or mandates or strings or whatever? And, secondly, tied into that—and you were starting to get into it, Mayor Goode, where does all this that we're talking about now rank? I'm not asking for an exact listing, but do the problems of transportation and mass transit—would any of you rank them in the top five, let's say, of the problems that your cities face? When you talk about AIDS, you talk about homeless, you talk about low-paid city employees or taxes that are too high; where would you rank these things?

Ms. CLAYTON. In the suburban Chicago area I would rank traffic congestion as our number one problem. It is—which is why I've become as involved as I have in the issue. If I could just piggyback on your question before that because our employees, I believe, are very important to us. The services that we deliver to our residents really are only as good as the people we have delivering those services. So we must maintain a good work force.

However, I think that the funds that we use to pay those are not the same funds that we would be using on highways. User fees, motor fuel tax money are the funds that are used for the highways. And I know that here in Congress there have been a number of moves afoot to try to use the Highway Trust Fund for other uses to balance the deficit.

Mr. DUNCAN. But the point, though, that I was making a while ago, Ms. Clayton, is that as far as a city or a local government goes, it's all one big pool really, the money is. I mean, money that you

don't use one place could potentially be used someplace else. As far as your own local funds go.

Mayor GOODE. Well, it's not just one big pool, sir. I believe that over here you have your operating budget where you deal with these social problems. And there are special types of things like sales tax and gasoline and liquid fuel tax that you can use for highway fund. They are in a sense different in my view. But let me just make this point, that without the ability of people to move around a city, without the ability to move goods and services around a city around a region, the city, the region dies. And I don't know how you rank that, but it seems to me it is the very essence of the economic viability and vitality of a city in a region. And if you take that away, then you don't have what I think is the heart of America now, which is viable cities and viable regions which make in my view this whole country tick.

Mr. DUNCAN. Thank you very much.

Mr. MINETA. Mr. Borski.

Mr. BORSKI. Thank you, Mr. Chairman. Mayor Goode, once again I want to thank you for your testimony. There was much in here that I was in full agreement with. I did want to ask you one question about a dedicated source of revenue from the Commonwealth of Pennsylvania for mass transportation in the Philadelphia region. I agree with you and I have co-sponsored legislation introduced by Congressman Gray to help that Federal leverage to get that dedicated tax, but I also understand that Governor Casey believes that he has increased the amounts of money for mass transportation significantly and that the real problem seems to be at least from his point of view that the Federal Government is not maintaining its share. While in agreement that a dedicated source of revenue is needed, isn't the bigger problem today the amount of money that we're losing from the Federal Government?

Mayor GOODE. We need increased support from the Federal Government without question, and certainly the decrease in support of mass transit from the Federal Government in the past has been a big, big problem, and certainly the Commonwealth of Pennsylvania has indeed increased funding to local mass transit; but while we say that, there must be the ability provided for the local Governments to also help themselves. And what we're asking for is not for the Commonwealth necessarily to provide more dollars, but to provide the ability on the part of local governments to help themselves. And I think you need all three. And without having all three, you end up having an insufficient system and having systems like the SEPTA system in Southeastern Pennsylvania go from crisis to crisis every other year.

And so there is very much needed in my view a dedicated source of revenue for local mass transit systems around this country. Pennsylvania is one of the few states where you have a major system like the SEPTA system where you do not have a dedicated source of taxes or revenue for that system.

Mr. BORSKI. Mayor Goode, I think it's worth noting because there may be some question about the amount of money paid in the fare box. Would you inform our panel what the city riders in the SEPTA system pay?

Mayor GOODE. It's $1.25. The reason I was asking was is that we have a proposal in place now to take it up to $1.50. That is the highest fare box cost in the entire country.

Mr. BORSKI. So there's no question that the local riders are paying their fair share?

Mayor GOODE. The local riders are paying their fair share; about 63 percent of the total cost of the system comes from the fare box. That's the highest in the country again.

Mr. BORSKI. And I know there's been discussion about perhaps trying to increase that again. I know you're not directly involved in that, but I thought the point was well made that the city riders pay a very, very high percentage of the fare box. The President had suggested earlier the elimination of the operation subsidy for cities over a million people. What kind of effect would that have on the SEPTA system?

Mayor GOODE. Devastating. Devastating. It would be a catastrophe.

Mr. BORSKI. And the only other question I wanted to ask, and perhaps, Mayor Clayton, you may want to respond to this, too—is in your statement you suggested that the Federal share has reached its lowest level in 27 years, and you also had started to I think respond to an earlier question from my colleague from Tennessee about where we go for new transportation dollars if they're needed. And you started to talk about user fees. If there is money needed, isn't the simple way to do it is to increase the gasoline tax or a user fee specifically for transportation costs?

Ms. CLAYTON. According to the reports that we have all received, fragile foundations and so forth, it's showing that we really need to double the investment in our infrastructure in order to meet the needs. And I am a firm believer in user fees. I think we need to protect the Trust Fund that we already have and not let that be used for any other purpose. I think we need to draw down on that. I think that what we will be looking at is that the money that is presently being used for interstate construction can be then reallocated out to address some of the needs that we are looking at. And then if, in fact, an increase in the user fee has to be considered if I think we must. I think that we probably haven't done a real good job in selling this to the user. I think that if they were to look at the costs that they have with operating their automobile, the cost of their car, the cost of their insurance, that the amount that they pay in motor fuel tax is a very small percentage. And I don't know where they think the roads come from, but they have to be paid with something and I think they should be paid by the people who use those roads.

Mr. BORSKI. Do you also think that the public transit percentage is fair or could be increased or should be increased or should come out of that fee?

Ms. CLAYTON. I think that the transit has to be considered right at—when an urban area is looking and addressing their congestion problem, that mass transit has to be a definite portion of that. I think that in the suburban areas which I come from where the densities are different from in the urban area, that perhaps we're going to have to be looking at more innovative and creative ways of mass transit—not the traditional bus going down the street. But I

think that we have to be addressing it, we have to get people out of their cars. So, yes, I think it must be paid for with that also.

Mayor GOODE. And the U.S. Conference of Mayors totally agree with that, and I absolutely agree with that as Mayor of Philadelphia, and we really have to look at ways to do so. On Earth Day in Philadelphia the head of our SEPTA system took and lined up about 30 cars. And he had one bus there that says that essentially you can take all these people out of these cars, put them on this bus and you can have cleaner air as a result of it. Again, I'm trying to make the point I made in my statement. We ought to look at the cleanliness of our air along with mass transportation and with our transportation policy and try and link those two directly together.

Mr. BORSKI. Mr. Beall.

Mr. BEALL. Just on that air quality issue, I think we're finding that decisions are being made in the Federal courtroom on the air quality issue telling us how we can or cannot spend our dollars to deal with transportation, and I think there's a great fear that if we put all our eggs in the interstate basket, we won't be able to spend any of that in the areas that have high air quality problems.

Mr. BORSKI. One final question; again, all of you may answer if you wish. That is, each of you have strongly suggested spending down the Trust Fund, and I think that is very much appreciated. The National Transportation Policy I think goes a step further and says that if more money is needed, that it should come from state and local governments. Do you agree, disagree? For the record.

Mayor GOODE. For the record, I think we can all say in unison we disagree. We can even do a song on that—we disagree, we disagree, we disagree.

Mr. BORSKI. Thank you very much.

Mr. BEALL. The Bay Area we're at 60 percent on highways and 71 percent on transit for new construction. So I think we're getting blood from a turnip right now.

Mr. BORSKI. Thank you very much. Thank you, Mr. Chairman.

Mr. MINETA. Mayor Goode and Mayor Clayton, Council Member Beall, thank you very, very much for being here representing the U.S. Conference of Mayors and the National League of Cities. And I can attest to what a tougher job it is, frankly, in local government than it is to be here in the Congress.

Ms. CLAYTON. Thank you for the opportunity.

Mayor GOODE. Thank you, Mr. Chairman.

[Mr. Goode's prepared statement appears on page 1753.]
[Mr. Clayton's prepared statement appears on page 1726.]

Mr. MINETA. I would now like to call on Bart Barker, County Commissioner, Salt Lake County in Utah, who chairs the Transportation Steering Committee for the National Association of Counties. Mr. Barker, your statement on behalf of NACO will be made a part of the record. And so if you would go ahead and proceed in your own fashion and introduce your colleague if you would please.

TESTIMONY OF HON. BART BARKER, COUNTY COMMISSIONER, SALT LAKE COUNTY, UT, AND CHAIRMAN OF THE TRANSPORTATION STEERING COMMITTEE OF THE NATIONAL ASSOCIATION OF COUNTIES, ACCOMPANIED BY ROBERT FOGEL, LEGISLATIVE REPRESENTATIVE ON TRANSPORTATION ISSUES, NATIONAL ASSOCIATION OF COUNTIES

Mr. BARKER. Thank you, Mr. Chairman and members of the Committee. Robert Fogel who is the legislative representative on transportation issues for the National Association of Counties is to my left.

I appreciate the invitation to present this information before the Subcommittee today. As I was coming over this morning, I stopped by a hearing of the Commerce, Consumer Protection and Competitiveness Subcommittee of the House Energy and Commerce Committee, and heard testimony indicating that in Japan the investment in capital needs is 24 percent of the gross national product of Japan. In the United States it's only half that level. So I think what the Committee is looking at today is very appropriate to addressing many of the national needs we have in this country, including competitiveness.

I chair the National Association of Counties Transportation Steering Committee. I'm also a County Commissioner in Salt Lake County, Utah, which is an urban county in a generally rural state. For the last year and a half members of the Transportation Steering Committee have been working to develop a transportation policy to address the post-interstate era. Last month the NACO board of directors adopted a policy which is attached to my testimony for your review.

Completion of the interstate system has driven National Transportation Policy for the last 30 years, and it is now essentially completed with the exception of a few gaps. The resources that have supported this massive public works undertaking may now be directed towards other national transportation priorities. Defining the appropriate Federal role in the post-interstate era will be a critical process affecting every citizen, every level of government and every business in the United States. It will also affect our Nation's ability to compete in a global economy.

The new surface transportation program must make economic development of urban, suburban and rural areas the key factor in making transportation decisions. The economic health, vitality and competitiveness of the Nation is being threatened by increasing urban and suburban congestion and a failure to meet the access needs of rural areas.

Congestion adds billions of dollars to the cost of moving goods, services and people in urban and suburban areas. In our rural communities underinvestment in highways and bridges and the resulting deterioration make it more expensive to move commodities and discourages new economic activity. These are issues of national concern and we hope the Congress will view them as such when considering proposals to establish new transportation policy.

I'd like to talk about intergovernmental partnerships for a moment. As this Committee begins evaluating what the new Federal transportation system will look like in the post-interstate era,

we urge you to take a close look at the intergovernmental aspects of the program. We believe it's time for a true Federal-State-Local Program. Local elected officials must have a stronger role in establishing transportation funding priorities and in selecting projects which meet both national and local goals. Local officials have been involved in such decisions under the Federal Transit Program, and that process has worked very well. This has not been the case with the Federal Aid Highway Program where many states have been resistant to including local governments in highway decisions.

While the interstate system is about to be completed, urban congestion problems worsen, and rural areas see little if any improvement in the conditions of their roads and bridges. To remedy this situation, new legislation must include local government elected officials as equal partners in the Federal Aid Highway Program. A mandatory and statutory process must be created to ensure that local elected officials are consulted and also that their views are fully considered in planning, funding allocation and project selection decisions. We would be happy to work with the Subcommittee in determining how this can take place.

We know this will require a somewhat different perspective by Federal and state highway officials, but it seems almost unthinkable to try to address our future national transportation priorities without requiring local input.

Now let me talk about the surface transportation programs we believe should exist in the post-interstate era. We propose basically four highway programs in addition to the transit program. The highway programs would be Urban-Suburban Mobility, Rural Access, a Bridge program, and a unified 4R Primary Program. The Urban-Suburban Mobility Program would be created to replace the FAUS Program and would contain more dollars than the FAUS currently contains. These funds would be passed through directly to areas in excess of 200,000 population and at the option of local officials, could be used for mass transit projects. Counties are in an excellent position to understand and undertake surface transportation projects aimed at addressing the mobility needs of the residents. Larger counties have both the planning and engineering expertise to carry out these projects without direct state involvement.

Salt Lake County, my county, faces serious congestion problems. The $2.9 million we received from the Federal Aid Urban Program just doesn't go very far in addressing our more than $1.1 billion worth of transportation needs that confront our county in the next five years. In addition, as a major urban county in a rural state, our staff is more than qualified to be able to handle the use of additional Federal dollars. In fact, I would submit that our people are more qualified than the state in understanding and meeting our needs from a technical point of view.

The second program, as I mentioned, is rural access. The Rural Access Program would be created to replace the Federal Aid Secondary Road Program, but again, funded at a higher level to meet increased needs. This would provide access to interstate and primary roads and these are key factors in the revitalization of America's rural areas and also to the agricultural, logging and mining and tourism industries. However, for the last 30 years our secondary highways have received the least attention from the Federal

Government of any system, and their condition reflects this lack of attention. Roads designed to meet post-World War II standards are carrying vehicles with gross weights in excess of 100,000 pounds. In addition, railroad abandonment has moved goods off the railroads and into trucks.

This program would continue to be administered by the states with guarantees of strong local government input in the allocation, planning and selection process, or rural areas, rural counties could join together by agreement to receive the funds directly from the Federal Government.

The condition of bridges in general and of the county bridges in particular should be a national concern. And this Committee knows the statistics already. With 165,000 county bridges in substandard condition, NACO is very concerned about the problem and we recommend that a bridge program remain a separate program. The rehabilitation of the Nation's bridges is too high a priority item to be folded into a block grant or so-called flexible program. Again, these programs should also be funded at a higher level.

The fourth highway program would be the Unified 4R Primary Program which would maintain and upgrade interstate and primary systems. We recognize the investment this Nation and our states have made in these programs and in these systems, and we want to protect that investment. But we believe an emphasis should be given to projects that would relieve congestion in urban and suburban areas.

Again, the mass transit program would retain a separate identity but provide more flexibility to recipients in how they would spend their transit money. We should not force the use of transit money on capital projects where they're not needed, but allow the flexibility to use these monies on operating expenses such as maintenance where it's more appropriate in certain areas.

NACO also believes that most if not all of the transit programs ought to be funded with a dedicated source of revenue consistent with the President's proposed transportation policy.

Now, financing, of course, is a key issue. NACO supports the following guidelines and principles: First, the Federal surface transportation program should be user-fee based to the extent possible. Second, all levels of government should increase funding for surface transportation programs. And, third, there's a substantial balance in the highway and mass transit trust funds that must be addressed during the reauthorization legislation. The balance of almost $18 billion should be spent down and in the future all trust fund revenues and accrued interest should be allocated in a manner that reflects the spirit and intent that accompanied the establishment of the trust funds in the first place.

As far as funding levels for each of the highway programs, NACO believes it has come up with a very fair and equitable approach. In the new programs we recommend that the baseline established by current programs be retained for each of the new programs with the exception of the Federal Interstate Construction Program which will be eliminated. The Bridge Program would continue to be at least $1.6 billion; the Urban-Suburban Mobility Program at least the current $750 million; the Rural Access Program

at least the current $650 million; and the interstate 4R primary program $5.1 billion which is the current level.

The $3 billion currently being used for the Interstate Construction Program should be reallocated with not less than 50 percent going to the new Urban-Suburban Mobility Program, the Rural Access Program, and the Bridge Program. The remaining funds would go to the Interstate 4R Primary Program. This would ensure that adequate funds are maintained to protect the interstate and primary investment but would meet the greater demand and greater needs that exist in the congestion in urban-suburban areas and also providing rural access. Any new funds that can become available such as through new gas tax authority would be allocated one-third to the Interstate 4R Primary Program and two-thirds to the Urban-Suburban Mobility, Rural Access, and Bridge Programs. We believe that's a very equitable formula that protects our existing investment and also meets future needs.

Transit should continue to receive one cent from the gasoline tax and to meet the President's goal of getting that out of the general fund into a user fee supported area should receive additional gas tax money from future allocations.

Finally, the area of finance. Counties already fund more than 50 percent of their highway budget from non-user fee sources such as property taxes, sales taxes, and other local taxes. And counties fund over two-thirds of their highway programs from their own revenues in general. Only local governments have made such a general fund commitment. Local governments already match every Federal dollar with three local tax dollars. Meanwhile, the Federal Government doesn't even spend all of its highway money on highways.

It must also be recognized that the financial resources of many county governments are limited by both the absence of a tax base and state imposed limits on their ability to raise and/or impose additional taxes. During the last 10 years the Federal share has gone down in the overall highway program. The state share remain constant. The local share has already increased.

I'd just like to comment that we continue to believe there is an appropriate Federal role in highway safety and also research and development in technology transfer.

Mr. Chairman, that concludes my testimony. I'd be willing to answer any questions that you may have.

Mr. MINETA. Thank you very much, Mr. Barker. NACO urges the Subcommittee to provide a stronger role for local officials in establishing funding priorities and selecting projects. I'm wondering if you could explain to the Committee how the existing Federal provisions have limited the involvement of local officials in establishing funding priorities and selecting projects.

Mr. BARKER. In most areas the decisions are made by the states and controlled by the states. It works well in some states where there is local involvement and local participation in that decision-making. But in other states there is virtually no local role at all. The reason is because there's no Federal mandate that there be a local role. In Federal aid urban money, that money is to be spent in areas with over 200,000 population, but not necessarily by local

governments or even with the involvement of local governments in deciding which projects are most important.

We believe that the legislation should mandate local involvement and local participation in the decisionmaking process to ensure that in all states there is a local role.

Mr. MINETA. Under the proposed new partnership for the Federal, state and local governments that's called for in the Secretary's National Transportation Policy, the Federal role for local transportation programs would be reduced. Should there be a continuing and higher Federal funding support for the rehabilitation and replacement of bridges that are not a part of the Federal-Aid Highway System?

Mr. BARKER. We believe there should. The reason for this is that the ability of a transportation system to carry goods and services and people is often restricted by the quality of the bridges that exist. The current Bridge Program is very effective in rehabilitating the bridges that need to be rehabilitated, but it's gone just a little ways in meeting that need. We have a great backlog of substandard bridges, many of which are interfering with the ability to reach the Federal-Aid System. In rural areas, access to the primary and interstate systems reduces our competitiveness in getting agricultural, mining and other products to market. In urban and suburban areas substandard bridges often cause a loss in productivity as people and goods are moved less efficiently and billions of dollars are wasted. So we think it's very critical for our international competitiveness that this be part of the program. And we think that the Federal role should not decrease in local systems, but should increase. We feel very strongly that the Federal role the last 30 years to meet the interstate needs has been very, very appropriate. But now the greatest need that faces our country in transportation is in the relief of congestion and the provision of rural access.

Mr. MINETA. Now the Committee has received testimony that would support a revision of the existing formulas for apportioning Federal-Aid Highway Funds to reflect more accurately the needs of the system. Does NACO support any changes in the formulas for apportioning Federal-Aid Highway Funds?

Mr. BARKER. Among the states? We have not taken a position on that issue to this point. We have spent most of our energy in discussion considering the need for a greater Federal commitment to relieving congestion and providing better rural access throughout the country and have not addressed the funding formulas.

Mr. MINETA. The—in terms of this reallocation of existing Federal-Aid Highway Funds, what kind of factors did NACO consider?

BARKER. It was an area of great discussion and debate within our organization. There are many members of our committee who believe that the entire $3 billion that is currently going toward interstate construction should be allocated to relieve congestion in local areas and provide better rural access. But the final decision was that it is important to continue the Federal commitment to maintaining and rehabilitating the interstate and primary systems. That's why we recommended that the $3 billion be split between local systems and the primary systems. Yet, we believe two-thirds of the future money should go to local systems.

Mr. MINETA. Going back to your first question about a stronger role for local officials, I assume you have some kind of a cog there in Salt Lake County.

Mr. BARKER. Yes, we do.

Mr. MINETA. To what role, or to what extent does the COG serve as in terms of any metropolitan planning organization for transportation purposes to give the local government, let's say, the leverage to deal with the state people?

Mr. BARKER. In our case it works fairly well. We have an agreement with our state, a written agreement, whereby that money is allocated jointly and we think that's a good model for many other areas of the country. In rural areas that varies from state to state; some rural areas have regional organizations and associations of government, others do not. And we would not recommend that regional involvement be required in rural areas but be optional in rural areas. In urban areas it seems to work very well and it tends to be the standard that is used throughout the nation where the local governments do have a role. In many areas there is no role; states make the decisions, and that needs to be corrected.

Mr. MINETA. Very well. Mr. Barker, thank you very much for your testimony here on behalf of NACO.

Mr. BARKER. Thank you.

[Mr. Barker's prepared statement appears on page 1693.]

Mr. MINETA. I would now like to call on David Soileau, Federal Programs Analyst, Texas State Department of Highways and Public Transportation; and Franklin White, Commissioner from the New York State Department of Transportation.

Mr. Soileau, we have your statement, so that will be made a part of the record. So, if you would go ahead and proceed in your own fashion, sir.

TESTIMONY OF DAVID SOILEAU, FEDERAL PROGRAMS ANALYST, TEXAS STATE DEPARTMENT OF HIGHWAYS AND PUBLIC TRANSPORTATION

Mr. SOILEAU. All right, Mr. Chairman. Thank you very much. First, I'd like to thank you, Mr. Chairman and members of the Committee for allowing us to be here today. Our Engineer Director, the head of the Highway Department, Mr. Arnold Oliver, was unable to be here as were the members of our Commission. I'm happy to be here in their stead.

My name is David Soileau. I'm Federal Programs Analyst for the State Department of Highways and Public Transportation. We're responsible for the 77,000-mile state highway system in Texas as well as for the State and Community Highway Safety or Section 402 Grant Program and the state-administered portions of the federal assistance program for public transportation. We also have responsibilities for the Gulf Intercoastal Waterways in Texas.

As my written statement indicates, Texas has undergone considerable growth over the last several years. We're now at about 16 million people; we expect to reach 20 million during the next decade. We've become an urban state, whereas, up until about 1940 we were mostly a rural state. About 80 percent of our people lived in rural areas. We're now about five percent more urbanized than

the national average. That is, we've got about 80 percent of our people living in our cities or in our urban areas around those cities. We operate the largest highway system in the country, about 305,000 miles of highways. We have about 14 million registered vehicles—almost one vehicle for every Texan. Our highways carry about 150 billion vehicle miles of traffic annually.

We have as many miles of farm-to-market roads—about 43,000 miles—as there are miles of interstate highways. We have more bridges—about 46,500—than any other state in the country. Because of our tremendous growth in the seventies and eighties and our increasing urbanization, particularly in the Rio Grande Valley, we have evidence there about why we've got to continue to provide Federal assistance to surface transportation and why that assistance has got to reach beyond today's interstate highways. It also points up why Texans must receive a fairer return on their Federal highway user dollar.

We agree with the American Association of State Highway and Transportation officials that the first Federal priority should be to preserve the highway system we now have. To replace the 77,000-mile state maintained network in Texas would take more than $100 billion, and we simply can't afford to start from scratch there.

To better enable Texas to meet the challenges facing us, we believe that the new Federal-Aid Surface Transportation Assistance Act must do three things:

First, it must restructure the Federal-state partnership and the current Federal Aid Program.

Second, it's got to revise the formulas through which Federal funds are distributed to the states.

And, thirdly, it's got to increase the level of Federal transportation funding, and to do that, at least initially, by protecting the Federal transportation user fee concept.

We believe we must have a simpler and more flexible Federal program structure. The underlying responsibility of the Federal Government for national defense, interstate and international commerce and the safety and mobility of our people must shape the Federal role in transportation. We also believe that the Federal involvement should support and should not inhibit the unique creativity and expertise that marks each of our states. Federal red tape should not keep our roads and our bridges from being upgraded. We have in Texas $5 billion in bridge work alone waiting to be done. We would like you to let us get on with it quickly.

We agree we must look at transportation more comprehensively. Highway planning must coordinate with rail and air systems so that travelers and freight can more efficiently move between transportation modes.

We join with AASHTO in recommending a two-part program structure. A categorical or focused program and a flexible program for both highways and public transportation. This two-part structure would continue to address national needs, but would allow the states the flexibility to determine and address their local needs.

We support the proposal of AASHTO for the designation of a highway system of national significance that would connect our major cities, our seaports, our border crossings, our recreational areas and our defense facilities. That system would also extend our

principal national highway network to our new population and economic centers. This is particularly important to Texas.

The highway segments which make up that national network should also be designated according to uniform national criteria and should be required to meet uniform design and construction standards.

But particularly in Texas the national interest in transportation exists beyond this national highway network. We also support AASHTO's proposal for a flexible highway program providing support to the states to bring consistent safety and quality standards on those highway systems supporting the principal national network and to provide smooth connections between the different transportation modes.

Our highly competent state highway agencies should be given the flexibility to determine the best uses of limited resources to preserve and expand our transportation infrastructure.

Last week you heard from other agencies concerning the Clean Air legislation that's before you, and we have special concerns there and ways in which the bills you're now looking at would limit state flexibility. You heard from AASHTO and the National Association of Regional Councils, and we believe that they offered some information that we urge you to consider. Beyond that, we can only ask you to remember that our national policies concerning Clean Air and transportation should be mutually reinforcing and should seek to meet clean air and energy goals in ways that are consistent with transportation's primary contribution to mobility and economic competitiveness.

We agree with AASHTO that the Federal Transportation Fund should be divided equally between the System of National Significance Program and the Flexible Highway Program. Because the Flexible Highway Program pursues objectives that are predominantly related to state and local transportation systems, we think the transfer of funds between states for that program is inappropriate. We believe that each state should simply be allocated a pro rata share of its total Flexible Highway Program funds based upon its share of total Federal highway user contributions to the Federal Highway Trust Fund.

With regard to the System of National Significance categorical program, however, we believe that funding should be driven by factors that correlate well with the national interest to drive that program.

We support AASHTO's recommendations that the formula for the state-by-state distribution of SONS Program funds use the following factors: total statewide urban and rural lane miles and total statewide urban and rural vehicle miles traveled. However, we go further than AASHTO. With the other members of the Crescent Coalition, from whom you have also heard, we believe that the funding formula for the SONS Program should reflect the network's contribution to interstate commerce. We believe that is best reflected by the intensity of heavy truck traffic and we believe that the best measure of that is diesel fuel consumption. We support the Crescent Coalition's distribution formula based on those three factors. We also believe it's critical that the factors in the SONS funding formula be decoupled from the specific roadway segment in-

cluded in the SONS so that states have no incentive to include highways in that system.

We agree with AASHTO that the level of Federal investment in highways and public transportation must be increased. Almost 80 percent of Texans oppose any reduction in highway expenditures.

We receive in Texas almost a billion dollars a year in Federal highway funding. But that's only 80 percent of the Federal user fee payments that we make to the Highway Trust Fund, and it only covers about a third of our Department's budget. Our total funding from all sources, state and Federal, will cover only about 60 percent of our identified highway needs on the state-maintained system.

We do not, however, believe that an increase in Federal highway user fees is necessary at this time to increase the Federal investment. With AASHTO, we believe there should be no increase in Federal highway user fees until four conditions are satisfied:

First, that the dedication of current and future Federal highway user fees to transportation purposes must be reaffirmed. We believe that you must keep trust in the Highway Trust Fund. More than 70 percent of Texans oppose using highway funds for non-highway purposes. In fact, a record number of our voters agreed to amend the State Constitution to dedicate Federal highway reimbursements to highway use.

Secondly, we believe that you should make the full balance of the Highway Trust Fund available to the states for obligation within the legal limits on that from the Byrd Amendment.

Thirdly, we believe you should repeal the exemption of ethanol blended gasohol and other alternative fuels from the Federal excise tax on motor fuels. This free ride for certain highway users has cost the Highway Trust Fund more than $3 billion since 1979. The Clean Air bills you're now considering would only increase that diversion by mandating an increase of ethanol blended gasohol to approximately 25 percent from the present about eight percent.

And, finally, we believe you should improve the effectiveness of Federal motor fuel tax collections.

Thank you, Mr. Chairman, members of the Committee. We appreciate the opportunity to testify before you today and will be happy to answer any questions that you have.

Mr. MINETA. Thank you very much, Mr. Soileau. At this time I'd like to call on my very fine colleague from New York, Mr. Nowak, a person with whom I came to the Congress and who's now our distinguished Chairman of the Water Resources Subcommittee. Mr. Nowak, I believe you had some comments at this time.

Mr. NOWAK. Thank you very much. We have—I understand Commissioner White hasn't had the opportunity to testify yet, and I've had Water Resource hearings this morning which prevented me from attending the full hearings of this Subcommittee. And I know that Commissioner White also would like to attend the Delegation Luncheon that everybody's looking forward to his presence at. We have missed that schedule by several minutes already, but I know how important this testimony will be for our Committee, and we look at the record of Commissioner White in New York. Everybody welcomed his arrival in New York State, and since then he's confirmed all the highest hopes of most of the transit people in New

York and certainly has had a terrific kind of state to administer because of the variance of factors which he has to consider in putting together a complete highway and transit program. We look forward to his testimony here today and working with him in the future.

Mr. MINETA. Mr. White, your testimony will be made a part of the record. And if you would go ahead and proceed in your own fashion, sir.

TESTIMONY OF FRANKLIN WHITE, COMMISSIONER, NEW YORK STATE DEPARTMENT OF TRANSPORTATION

Mr. WHITE. Thank you, Mr. Chairman. Thank you, Congressman Nowak. I'm sure you know that we feel without the support that you have provided to us over the years, we would not be in the shape that we like to think we are. So thank you very much for those kind remarks.

I want to thank the Committee for giving New York an opportunity to present our views on the reauthorization of the Federal Surface Transportation Programs. I'm here today to highlight the issues of particular concern and importance to New York State. The imminent completion of the interstate highway system and the issuance of Secretary Skinner's National Transportation Policy Report make this an opportune time to review and restructure the Federal Transportation Programs to meet the Nation's changing surface transportation needs.

Let me begin by commenting on the National Transportation Policy issued by Secretary Skinner last month. We in the transportation field have great admiration for Secretary Skinner's willingness to undertake a task this large in so difficult a political and budgetary environment. Irrespective of the outcome and whatever your view of the outcome, the Secretary clearly deserves credit for engaging the debate. Having said that, those of us who work with the Federal Transportation Programs also had high expectations for the policy statement. We're told that the new partnership will lead to a healthier partnership between the Federal Government on the one hand and the state and local governments on the other. Our question is healthier for whom?

If we want to understand the National Transportation Policy, it's necessary to look at the Administration's proposed budget. Under that budget, New York State would stand to lose nearly $200 million in Federal transportation aid, $15 million in highway assistance, and $185 million in transit assistance. We always thought that bleeding a patient to restore him to health went out of medical fashion a hundred years ago. In a healthy partnership everyone shares the benefits and the pain.

In the partnership proposed by the Administration one partner's health is improved by bleeding the other to the point of anemia. Although all of the states need additional transportation resources, in working with the other states through AASHTO, we believed it was irresponsible simply to ask for more money without considering the impact on the Federal budget deficit. So it was decided to take a very responsible middle ground. In a broad consensus with the other states, we believe that Federal highway and transit as-

sistance should increase, but it should increase gradually over a four to five-year period. We view the next Surface Transportation Act as a transition from present programs and funding levels to the new programs and financing which will be needed in the 21st century.

The preferred method of providing the increased Federal funds would be by spending down the balances in the highway and mass transit accounts of the Highway Trust Fund to the extent that the Byrd Amendment allows. However, the National Transportation Policy, as you know, does not promise to do so. This most reasonable approach was rejected for obvious reasons. We do not have to spend a lot of time talking about the Trust Fund balances. The situation with them is analogous to the situation with the Social Security Trust Fund balances that Senator Moynihan has been talking about.

To move on to another area, let me point out that in the important area of public transportation nothing is more important to the New York metropolitan area and many other large urban areas nationwide than an efficient transit system. We estimate travel will increase 50 percent in the New York Metropolitan region between 1990 and the year 2015. It is simply not possible for the existing transportation system in the region to absorb this increase in trips. If we do not plan now to accommodate this travel demand, the growth in travel will paralyze the region. The only way we can hope to cope with expected future travel in our densely developed urban areas is by getting people to use mass transit in place of automobiles. The time has come, we believe, for the great American love affair with the automobile to get a friendly divorce. We need to make transit the preferred transportation alternative in large metropolitan regions.

Our state has one-third of all public transportation users in the United States and accounts for about one-quarter of all transit miles. New York's use of public transportation we believe measurably lowers the national level of gasoline usage and vehicle emissions. To help get people out of their cars and to treat transit equally with highways, we must change the present law which allows unlimited automobile parking costs to be treated as business expenses and, therefore, tax deductible but only allows a maximum of $15 per month to be deducted for employer-provided transit expenses. We need to raise the transit incentive immediately to at least $60 a month as is proposed in H.R. 494 by Congressman Rangel, so that we can establish equity between the way the tax laws treat travel by automobile and travel by public transportation.

Formulas to allocate Federal transit assistance should reflect the varying needs of public transportation in our Nation's urban and rural areas. The current formulas for allocating transit assistance which represent a balance of existing services and population factors should be retained.

With respect to bridges, let me note that although a significant number of bridges have been improved in recent years under the Federal Bridge Replacement and Rehabilitation Program and the regular Federal Aid Programs, the Nation's bridge improvement needs remain extensive. And let me also present our credentials in

this area. Anyone who has anything to do with New York City bridges is an instant expert on the subject. I sometimes think that if Peter Minuet had been a transportation planner when the Indians offered him Manhattan Island for $24 in trade goods, he would have turned it down. A planner who could look far enough ahead would have said that the real estate would need too many bridges to be worth the cost of operation and upkeep. In that case, had he turned it down, the World Trade Center would be in Newark and the Empire State Building would be the Garden State Building.

Despite the obligation of over $16 billion in Federal aid since 1982 for replacement and rehabilitation of bridges, we were barely able to keep up with the rate of deterioration from 1982 to June 1988. While there was a slight reduction in the total number of deficient and obsolete bridges during the period, the proportion of interstate bridges classified as deficient rose from 10.6 percent to 15.9 percent by June of 1988. Clearly, the present Federal program funded at $1.6 billion annually is not keeping up with the rate of decay of our Nation's most important bridges.

In New York we have programmed the rehabilitation or replacement of almost 1,800 bridges at a cost of over $4.5 billion over the next five years. The Federal Highway Administration estimates that nationally an investment of $4.9 billion in '87 dollars is needed just to maintain the present overall conditions. If inflation is considered, the annual cost will be $6.3 billion by 1992.

The present Discretionary Bridge Program funded at $225 million annually is clearly not enough to take care of the large bridges. The new legislation we believe should set aside at least $350 million annually for a Discretionary Bridge Replacement and Rehabilitation Program which would ultimately grow to $500 million. The rehabilitation or replacement of any deficient public highway bridges costing more than $20 million or 20 percent of any state's annual apportionments, whichever is less, should be eligible for funding under the Discretionary Bridge Program that we propose.

In his National Transportation Policy Secretary Skinner calls for greater flexibility in the use of transportation funds so that the most cost effective solutions can be implemented. He also cites the importance of maintaining our transportation infrastructure. We strongly support both objectives. States should have the flexibility to use Federal funds for preventive maintenance activities where these activities preserve our bridges and pavements and help prevent later more costly major reconstruction.

We firmly believe that a timely expenditure of a small amount of Federal funds for preventive maintenance will be returned many times in the resultant increased life of the facilities and reduced reconstruction cost. Yet, under the present guidelines, if we maintain our facilities adequately, we—the state and local governments—have to do it with our own money. If we let them fall into disrepair so that they require major rehabilitation, the Federal Government helps to pay for that rehabilitation. One wonders whatever happened to the old notion that an ounce of prevention is worth a pound of cure. I do not think it's an exaggeration to observe that much of the Nation's infrastructure dilemma can be traced to this longstanding policy which encourages reconstruction

over preventive maintenance and we believe Secretary Skinner did not go far enough in that he failed to propose that there ought to be Federal reimbursement for preventive maintenance activities.

On another subject, the Interstate Trade-in Program was enacted by Congress to allow states and localities to substitute an alternative highway or public transportation facility instead of building a non-essential Interstate highway. That program is nearing completion. By the end of 1991 only five or six states will be owed major amounts of money. The program will require about one additional year of funding at the present annual apportionment level of about $750 million.

We also believe these funds, as well as previously provided funds, should be available until expended. This is a vital program for many major metropolitan areas and should not be allowed to choke on bureaucratic regulations or penny-wise pound foolish budgetary constraints.

Finally, a word on highway safety, a subject of great concern to all of us. Statistics show that the 55-mile-an-hour speed limit reduces accidents and we in New York State are committed to maintaining that limit on our highways. We also support the National Speed Monitoring Program to gauge compliance with the 55-mile-an-hour limit. We do feel, however, that the current sanctions imposed on states not complying with the 55-mile-an-hour limit are not only inequitable, but in many cases, counterproductive. We should be monitoring safety, not compliance with speed limits. States with good safety records should not be sanctioned. We also believe that compliance must be monitored on those highways which are posted for speeds greater than 55 miles an hour as you know there's now no requirement to monitor those speed limits, and from this much inequity arises.

In New York State we have discovered that the 55-mile-an-hour speed limit, mandatory seat belt use, tough crackdowns on drunk drivers and mandatory helmet use for motorcyclists have all contributed to reducing fatal and less serious accidents. While we do not claim to be perfect, we think we are making good progress and commend similar programs to others.

There are many other issues which need to be discussed as part of the reauthorization of the Surface Transportation Program, but the ones which the Committee and its distinguished Chairman have permitted us to raise today are the major issues of concern to New York State.

In conclusion, I would like again to thank the Committee for the opportunity to appear. Thank you.

Mr. MINETA. Thank you very much, Mr. White. I'd like to at this time call on our very fine colleague from Texas, Mr. Laughlin.

Mr. LAUGHLIN. Thank you, Mr. Chairman. David, I apologize for being what I understand about 30 seconds late. Between a meeting and catching every floor between the sub-basement and this floor, I managed to be a little late.

Mr. Chairman, I consider it an honor to welcome David Soileau here, but I think you heard from his testimony the importance of this bill to my state and we Texans have been accurately accused of bragging too much, but the facts are there that our highways are—more miles of highways are more numerous than any other

states. And I point that out along with the fact that we have more bridges, not for the bragging purposes, but to get back to the highway transportation fund situation. We recognized what was coming. And, David, correct me if I'm wrong—on that Constitutional Amendment you referred to, we have—and again, this sounds bragging—but we have a Constitution that's been amended more than any other Constitution in the United States. But that Constitutional Amendment restricting the use of Federal Highway Funds passed by a larger percentage or number of votes, looking at it either way, than any of the several hundred Constitutional Amendments we have in our State Constitution; isn't that correct?

Mr. SOILEAU. That's my understanding. I've only been in Texas 10 years.

Mr. LAUGHLIN. Well, I've been there all 48, and we have several hundred Constitutional Amendments versus the few that the Federal Constitution has, and none ever passed by that very substantial margin. Mr. Chairman, I think that highlights the concern that Texans as well as people all over this country have about the freeze on the Trust Fund that we're battling. I know that David's got a short schedule, but I do thank you for your appearance and your very important contributing testimony.

Mr. SOILEAU. Thank you, Mr. Laughlin.

Mr. MINETA. Mr. Soileau, let me ask, one aspect of the Administration's National Transportation Policy is to encourage Federal transportation assistance to leverage greater participation by state governments in providing mass transit assistance. I'm wondering how you would assess this proposal.

Mr. SOILEAU. In Texas in terms of mass transit assistance, one of the things that we've done is provided local governments with the option to add a sales tax—I think up to a penny in sales tax—to fund mass transit. That's one of the ways in which we've already increased our local participation in funding mass transit. I think that the Federal assistance is important to that, and we think that certainly there is a need for—in an urban state as Texas is, as strange as that sounds—I think there is a need for mass transit, for increasing support for public transportation, both in our urban and rural areas. And I think that the Skinner policy is correct in trying to leverage that up. But I think there is something that local governments can do there in the ways that we've suggested.

Mr. MINETA. Now you've indicated in your testimony that Federal red tape interferes with the upgrading of roads and bridges. I'm wondering if you could explain to the Committee how existing Federal regulations have limited this upgrading and why you think that's the case.

Mr. SOILEAU. One of the things that has been made clearest to me about that has to do with those highway bridges that are off the state-maintained system, where, if Federal dollars that are available to upgrade bridges are made available for those bridges, the result is that you end up with a bridge that is built to standards far exceeding the necessity of the particular location, and at a cost far beyond the county's ability to come up with the Federal matching funds. That's the most specific example that I think we've had. We believe that those bridges need to be upgraded, but perhaps not to the level that current Federal standards require

them to be built. That way we think the upgrading would be more within the reach of the local governments that are primarily responsible for those bridges.

Mr. MINETA. I understand you have to get away early, so let me go ahead and ask Congressman Nowak to go ahead and question you first before we get to Mr. White.

Mr. NOWAK. Well, thank you very much. I really don't have any specific questions. I wanted to ask Mr. White a couple of questions if I could.

Mr. MINETA. All right. Let me go to Mr. Laughlin then first.

Mr. LAUGHLIN. I have no questions. David and I visit frequently, and thank you very much, Mr. Chairman.

Mr. MINETA. You have nothing to provide for the furtherance of our education, Mr. Laughlin?

Mr. LAUGHLIN. I will.

Mr. MINETA. Everything gets done in such a big fashion there in Texas.

Mr. LAUGHLIN. At a later time, Mr. Chairman.

Mr. MINETA. Well, again, I don't want to hold you up, Mr. Soileau, because I understand you had some other commitment.

Mr. SOILEAU. I'll stay until the end of the panel.

Mr. MINETA. Oh, you can stay. All right. Well, then let me ask of Mr. White, Mr. Commissioner, in your testimony you indicate that formulas used to apportion Federal-Aid Highway Funds should be based on accurate easily collected and verifiable statistics. However, as you may know, whenever formulas are modified, there are always winners and losers. Should any new formula for apportioning Federal-Aid Highway Funds provide for a hold harmless amount or minimum guaranteed amounts to those states that may receive reductions in their apportionments under a revised formula?

Mr. WHITE. Mr. Chairman, it's difficult to answer that question without knowing the amounts of money that would be consumed in providing the hold harmless or the grandfathered amounts. But I would say in general, yes, that's the way the program changes are ordinarily done. What I would say on the other hand is we're not at all sure that there is any need for radical changes in the present formulas. We think the transit formulas take account of the right factors. We think by and large the highway formulas are appropriate, and so we're not clear at all that there needs to be any substantial revision of those formulas.

Mr. MINETA. Now, with the completion of the interstate system, the Congress will focus on the preservation of the Federal-Aid Highway System. Would the use of Federal funds for preventive maintenance activities result in a cost-effective use of Federal funds or would such a use of Federal funds only substitute for local maintenance funding?

Mr. WHITE. I think, Mr. Chairman, this is the most important policy issue that I believe is present in this debate, and I wish I could say I'm optimistic that it would come out the right way. I don't think it will because I think administratively there are all kinds of fears within the Federal Highway Administration about how you manage a program if it extends to preventive maintenance. What is the definition of preventive maintenance? How do

you monitor the cost? As someone running a program, I can envision all of the problems that they would foresee in managing a program that covers preventive maintenance. But I do strongly believe that the 50 states have often inappropriately spent money because of the availability of Federal money for rehabilitation and reconstruction when in point of fact, had we spent the money at the front end, we would have reduced the expenditures both of local funds and of Federal funds. I can tell you at the local level it's very attractive to say I need these dollars to match Federal dollars. I believe many states, including to some extent our state, fell into the trap of wanting to match Federal money and spending it on the purposes for which Federal money was available. And I do believe that it is sensible now for the Federal Government to ask whether in retrospect this may not have been the wrong approach; an approach that was more expensive than had we taken on the bureaucratic bear of how to manage preventive maintenance.

And I must say, in my judgment, the Federal money was provided without adequate insistence that in order to be eligible for the Federal rehabilitation money, one had to demonstrate that all of the preventive maintenance was done. I feel like a crier in the woods on this issue. It didn't work as we debated this issue in AASHTO, but I do feel that over the last 20 or 30 years perhaps we made a mistake in the way we structured this program.

Mr. MINETA. When you say that we didn't spend enough up front on the front end, when you're trying to come up with cost figures, you do life cycle costing of a specific project, do you not?

Mr. WHITE. That is the way the 50 states are moving with respect to pavement management systems and bridge management systems. That's the way we're now moving. In fact, there's a federal requirement that there be a pavement management system which includes life cycle cost by 1992. We now have such a system, but my basic point is if you were to take a matter as simple as the painting of bridges, you cannot get Federal reimbursement with respect to the painting or any Federal participation in the painting of bridges. Yet, when that bridge has corroded to the point where it has to be replaced, you'll get millions to help you rebuild it. I say that is insane. But it is a matter I do believe ought to be considered as difficult to implement though it be.

Mr. MINETA. So how do we turn the screws on that so to speak to make sure that states are doing a maintenance management program? In our conversation I was explaining the Williamsburg Bridge and the Golden Gate Bridge. The Golden Gate Bridge was under a regular maintenance program. Or even the Triborough Bridge Authority, how they're funded in terms of maintenance there. Or even—who is it—from the New York-New Jersey Port Authority talking about Holland Tunnel and their maintenance program versus some others.

Mr. WHITE. I think the answer is that if you're talking about an authority, something that has its own stream of revenue which it can adjust through tolls as it needs it, then you've got a different ball game. They can and will put the appropriate amounts of money, not only into preventive maintenance but into timely repair and rehabilitation. When you're talking about the funding of our infrastructure that comes from the general state funds, they

go up and down as the state financial difficulties go up and down. Consequently, what you find in very tight years is the state money that comes, comes to match the Federal money because you've got to have it to get the Federal money. This is true even from a state in which the Federal money that we receive is now a fraction of all of the money we spend. We have long been a state that overmatches multiples of what we're required to do. Nonetheless, there's all the reason in the world to think about whether we don't need to change the approach to our infrastructure management.

Mr. MINETA. Can you share with the Committee any recommendations that may be used to enhance overall highway safety under the National Speed Limit Monitoring Program?

Mr. WHITE. The thought we had there, Mr. Chairman, is simply that we wonder whether the 55 mile per hour maximum speed idea that came into being some years ago which has now been modified by the increase to 65 for rural interstates, has not really outlived its usefulness. As you know, the law is now very inequitable because there's no monitoring requirement for highways where speed limits have been raised to 65 miles an hour. Further, we think the focus ought to shift from speed to highway safety. We ought to be moving away from sanctioning states for non-compliance with enforcement of speed limits and to focus on the bottom line which is the safety record on the highways in each state. We don't have all the answers about how you ought to get there, but we think the new Act presents an opportunity to come up with a fresh approach which reflects highway safety rather than simply monitoring enforcement of speed limits.

Mr. MINETA. Was speed considered the fastest way to leverage by having a sanction against the states on withholding funds?

Mr. WHITE. I think that it is rightly perceived that speed is a very important factor of the overall safety condition. One point is that it's not the only factor.

Mr. MINETA. But suppose let's say under the Clean Air Act, under the fuel efficiency standards we keep raising those and then manufacturers keep producing smaller cars. The smaller cars may increase the accident rate, fatality rate. There's something you have no control of. You can lower your speed down to 45 miles an hour maybe, and your rate may still be going up and it would still be mitigating against you.

Mr. WHITE. Well, at the same time, though, while we have required more fuel efficient automobiles, we have also been trying to get them to be more safe in their construction. It's a difficult choice to make, but I——

Mr. MINETA. The reality, Mr. Commissioner, is that when the car gets smaller, the plate steel also gets thinner. Unfortunately, we could build a smaller car like an M-1 tank, maybe your point would be well taken. But unfortunately I think when they try to go from 2,900 pounds down to 2,400 pounds, it's not only the chrome that gets replaced by plastic but I think also that plate steel, sheet steel gets a little thinner.

Mr. WHITE. Well, my comment, Mr. Chairman, was not directed simply at the matter at how safe that vehicle would be. Even in a large car a seat belt, requiring helmets on motorcycle riders are all factors that play out in the ultimate safety of a highway, and we

are simply suggesting that speed is only one factor. Yes, it is true, as the vehicle gets smaller, it'll be less safe in an accident. But we ought to be looking at many more things because we are at a point I believe where we're not going to be able to enforce the sanctions which have been suspended for a number of years. The basic inequity has not been corrected, and so we're going to have to find another approach.

Mr. MINETA. Thank you. Mr. Nowak.

Mr. NOWAK. Thank you very much, Mr. Chairman. It's an interesting conversation that you engaged in concerning preventive maintenance. I'd just like to ask a question, as we look at preventive maintenance, in order to get some consistency throughout the Nation, has AASHTO taken a position or suggested a program which would make it eligible for Federal participation?

Mr. WHITE. I do not believe the AASHTO 20/20 report recommends as I do that consideration be given to including preventive maintenance activities as reimbursable in the Federal program. I do not believe they make that recommendation.

Mr. NOWAK. You know, I've seen some studies, some engineering studies; I've looked at bridges and analyzed those bridges over those long periods of time, and it's amazing the dollars that were saved by chipping and painting; the very same principle that the Navy uses to keep those ships alive out in the salt water. And, yet, we're not making eligible for the programs to on the other end of it to save an awful lot of heavy dollars on Federal reconstruction. It just doesn't seem to me to make sense, and I wondered if you were aware of any studies along those lines that could come before the Committee for their perusal.

Mr. WHITE. There are such studies, and we will submit them. It is accepted in this business as a truism that if you do the amount of annual upkeep that is required on the facility, whether it's a highway or a bridge, you will necessarily save over the long term. And I emphasize again that many transportation departments, as their states were strapped, had to use the money to match the Federal money which was coming and couldn't put it into preventive maintenance, nor was there a requirement at the Federal level that you demonstrate that all of the preventive maintenance required to be done on your system was indeed done before you're eligible to get the Federal funds. So, yes, we can submit the professional writings that have been done on the notion that timely preventive maintenance is cheaper.

Mr. NOWAK. The formulas and the studies that I've looked at, it's a dramatic difference, and I hope that you could provide or have your state associations provide that because I think it's a very worthwhile new initiative that we look at.

You mention the funding formulas and there is going to be discussion on that and, of course, on Secretary Skinner who was mentioned earlier talking about the new Federal role. And after he talked about the new Federal role, I guess it was about three or four weeks after that, he was someplace, and I just got a newspaper report as we're talking about the hold harmless provision, should we hold harmless. And I guess it makes a lot of sense to do that as long as you're dealing with an increased pot to hold harmless from. And whether we look at the initial spending down of the

Highway Trust Fund or whether we look at an opportunity for an increased—let's call it revenue at this time. Secretary Skinner made the statement, I believe, that a gas tax is not a tax in the traditional Bush read-my-lips survey that he puts out. And I don't think he referred to a revenue enhancement, but I guess he associated it with a user tax and that these were not the same. I'm wondering if all the states are looking at—I don't know 19 or 20 some states we have increases already over the last couple of years. The statistical information on spending, Mr. Chairman, that we discussed before shows a shift in actual amounts that each level of government invested in highways and mass transit. In 1980, the Federal Government's been 39 percent more for highway capital improvements than all the states and local governments. Yet, we turn the decade around, and by the end of the decade states and local governments are investing 36 percent more than the Federal Government. This huge shift seems to me to be part of the Reagan Federalism, but I wonder how long it can continue before we look at expanded revenue base here to further—now, we have to look at matching the state's initiatives and the local government's initiatives. I wonder if yourself and David could perhaps comment on that whole Skinner idea that now gas tax is a user fee.

Mr. WHITE. Congressman, let me just mention that in New York State relative to your comment about the last decade, I'm looking at a chart that shows transit expenditures in New York State. In 1980, the Federal share of transit expenditures was 78 percent and by 1989 it was 32 percent. That matches what has happened on the highway side as well. All of the states have had to triple the amount of local funds that they have had to have available for transit and highway needs over the last decade. We in New York had a billion and a quarter dollar transportation bond issue as you know in 1983, and a $3 billion highway and bridge bond issue in '88, and I don't even want to mention now what the next tier might be. At the present trend it will be enormous. So we were less than happy that the new policy really made no reference to either arresting that trend or turning it around to any degree, by drawing down the Trust Fund as I opened my comments with.

So we're less than happy with that policy.

Mr. NOWAK. Is Texas having the same general type of reversion, if you will, of investment? Tell us what Texas has had to do.

Mr. SOILEAU. As I mentioned in my remarks, the Federal dollars that we get amount to about one-third of our expenditures on highways. I mentioned also earlier that I've been in Texas for 10 years. In that time we have actually increased our user fee—our state fuel tax—200 percent. It's gone from a five-cent tax to a fifteen-cent tax, and so obviously that has happened. We're looking even at opening up some local option fuel tax as well there. I think we're in support of the user fee concept. I don't believe we're denying that that is a tax. But certainly we think that user fees are the way to go for transportation.

Mr. NOWAK. But it should be both on the state and the Federal levels.

Mr. SOILEAU. Yes.

Mr. NOWAK. Let me just say I'll be certainly working with the Chairman as we move forward with this legislation. And many of

the comments that you've made I think were well justified and certainly should be included in any revision. In addition to that, I hope Secretary Skinner comes forward with whether he wants to call it revenue sharing or whatever, an increase in those kinds of user fees which will give us the revenue in order to start to at least look at matching the new initiatives by the states. Thank you, Mr. Chairman.

Mr. MINETA. Thank you, Mr. Nowak. Mr. Soileau, let me ask, it's my understanding that among the innovative programs that are going on in Texas, one of them is called PASS—the Principal Arterial Street System. And the object of this project is to take a positive attitude toward traffic problems by attempting to meet travel demand rather than attempting to discourage use of the system. Through PASS how much traffic or congestion relief is this system expected to deliver over the long term, and is the PASS Program something that we might be able to use as a model to replicate with other state traffic relief programs?

Mr. SOILEAU. I'm not sure I can give you the detail on how much traffic it's expected to handle. I could get that information for you and provide it for you later.

Mr. MINETA. How long has that PASS Program now been in implementation?

Mr. SOILEAU. I think this is the second or third year of the program as I remember it. It's—the information I've gotten in responding to questions about the program has been that it's been quite successful and I think we do think it could serve as a model for handling congestion. I've heard it talked about as a way of encouraging cities to spend their money on increasing capacity rather than on roads that have less of an impact. And I think that's been successful in the areas where it's been applied. Everybody has chosen to go that route rather than seek to do other things.

Mr. MINETA. Commissioner White, let me ask you, with estimates that travel will increase 50 percent in the New York Metropolitan region between 1990 and 2015, can you provide the Committee with any recommendations for restructuring the current Federal-Aid Urban System Program to address that kind of expected travel growth?

Mr. WHITE. Yes, Mr. Chairman. I think the reality of that growth means one thing in the New York City Metropolitan area and in other large metropolitan areas, and that is we're going to have to seek to handle those additional trips through transit. Almost invariably, in all of our major cities the rights-of-way do not exist to rely on the highway system to meet this additional travel demand. We have to meet the travel demand through transit, and this is why we believe the entire structure of the transit program ought to be examined so as to encourage and make it possible for highly dense urban areas to meet the demands that they see through transit. I think that in the long run it will reduce the Federal participation in construction of new highways and rehabilitation of new highways, and so that is the answer as we see it.

Mr. MINETA. Very well. Mr. Soileau and Commissioner White, let me again thank you for your participation today. I know that this kind of dialogue will be continuing on over the next year and a half as we try to start—or within the next year as we try to formu-

late the program and try to get it passed before the September 30th date this next year because we don't want to have any break in the program. I intend to fully have some legislation in place by the time the present law expires, and so I'm going to be turning to you and your experience to get that done. Thank you very, very much.

[Mr. Soileau's prepared statement appears on page 1938.]

[Mr. White's prepared statement appears on page 1947.]

Mr. MINETA. At this time the subcommittee will recess for a half an hour and reconvene at 2:00 p.m.

[Whereupon, at 1:32 p.m., the subcommittee recessed, to reconvene at 2:00 p.m. the same day.]

AFTERNOON SESSION

Mr. MINETA. The committee will come to order. We have a large number of witnesses this afternoon, so at this time I would like to call forward a panel made up of Peter K. O'Rourke from the State of California, who is the Chair of the National Association of Governors Highway Safety Representatives; and also Maurice J. Hannigan, the Commissioner in charge of the California Highway Patrol. So if I could have Mr. O'Rourke and Mr. Hannigan come forward.

Mr. O'Rourke, we have your statement and that will be made a part of the record. If you would go ahead and proceed in your own fashion.

TESTIMONY OF PETER K. O'ROURKE, CHAIRMAN, NATIONAL ASSOCIATION OF GOVERNORS HIGHWAY SAFETY REPRESENTATIVES

Mr. O'ROURKE. Thank you very much. It is my pleasure to be here. Given the length of our testimony, I would just as soon highlight it.

It is true that over the last 20 years highway safety has improved greatly in this country, but it is still a major national problem. In 1988, over 47,000 people lost their lives on our highways and another 3.4 million were injured. Every 10 minutes, there is a traffic-related fatality; and every 10 seconds, a traffic-related injury.

Traffic collisions are the leading cause of death for those between the ages of 1 and 34; and it is only second to cancer in the societal cost to this country.

If we don't continue to make great strides, those fatalities are going to increase. There are those who project that by the end of the century, if the mileage to death rate does not decline, we will be experiencing over 60,000 fatalities annually, and by the year 2020, over 80,000 annually.

One of the reasons I believe that the improvement in fatality rates has occurred in this country is due to assistance of the federal grant programs. The most successful, I believe, is the 402 Program, which is the Community Highway Safety Grant Program. This program, in fact, has helped institutionalize traffic safety at State and local levels, and I am inclined to believe that if it hadn't

been for these programs, we would not have this devotion that we have seen in the 50 States and the territories to highway safety.

In implementing the 402 Program in California, for example, our role is to develop the California Highway Safety Plan. To do that, we take a look at what is occurring State-wide that is adversely impacting traffic safety for the State of California and its population. We do problem identification. We specifically solicit project activities that we would like to do in some cases because we feel that those programs would have a positive impact on improving traffic safety. In other instances, we just take blind proposals for highway safety projects as they come in.

While we can fund projects in 18 different highway safety areas, we target efforts at 7 areas. Not all States fund those 7 areas. For example, in California we do fund occupant restraint issues, impaired driving, traffic records, emergency medical services, police traffic services, and roadway safety projects, but we do not opt to fund motorcycle safety, because we have a self-sufficient motorcycle safety program. The 402-funded highway safety program in California has been instrumental in bringing Emergency Medical Services (EMS) to California. The 402-funded program paved the way for the EMS communications network; it established the first paramedic programs; it has been instrumental in the last few years in bringing down the incidents involving drinking drivers. The program has a very long-term, positive effect, we believe, in deterring young people away from alcohol and other drugs; it has been very instrumental, I believe, and I think Commissioner Hannigan will speak to it later—in improving seatbelt compliance we have in California.

In California we believe the 402-funded program may even have extended past our boundaries; for example, the state highway safety office worked with the entertainment industry to promote belt use. So it wasn't by accident that you saw television programs like Moonlighting and Cagney and Lacey and others dealing with occupant protection issues. This collaboration is still occurring even though we no longer give 402 money to the entertainment industry. The industry is now very carefully working with the issue of alcohol. In fact, within this last month, I found it interesting that on the same evening, one network had a half-hour comedy show that was devoted solely to the designated driver and, on another network, a show had an incident where one of their attorneys was arrested under California's new .08 provision. The show dealt with that whole issue very responsibly.

Now I can't say that the 402 money directly paid for those two shows, but it was instrumental in getting the networks, the television writers and movie writers, producers and directors to be thinking about those highway safety issues. So the program has been extremely beneficial in California; and, as I mentioned, I think its impact has extended beyond those boundaries.

One of the reasons the 402 program has been successful is that it is based on a seed money concept. We do not fund projects with 100 percent federal funds—we fund them 75 percent federal share in the first year, then 50 percent, and then 25 percent. The idea is that as the federal portion is withdrawn, the entity that you are funding has to fill in behind. When the federal funding is with-

drawn, that "seed" is in fact now an acorn growing into a mighty oak! All the audits that have been done have shown that for the most part, we have been extremely successful in encouraging local assumption of project costs. I think one of the other ways we have been successful in California—and I think in other States as well —is in enforcement programs. In California, we do not normally use 402 funds to pay for overtime enforcement. We will use the funds to support a position, or two or three positions, and then that entity, the city or the county, will ultimately budget for that position, so we are able to help them augment their enforcement staffs. That is the same type of approach that is done nationally.

Now, where do we think the 402 program should be going? We still believe that it is important in the years to come that the Federal Government, along with States and local government, work together in establishing priorities and goals; that the Federal Government should develop performance standards, provide technical assistance, conduct research, and develop national highway safety information and educational programs. The 402 Program should definitely be continued but should be restructured. We would like to see it basically become a two-tier system—a basic grant program as it is now, funded at approximately $125 million, and then an incentive tier, funded at the same level. The incentive tier would roll together the 408 and 410 programs but would also be broader based and would also include incentives for attacking the occupant restraint issues and other issues. The incentive program would address impaired driving, pedestrian safety, motorcycle safety, and speed. When I say speed, I do not mean speed isolated to just the 55-65 mph limit on the Interstate system. I do not think that is our problem; excessive speed on all roads is our problem. So we would like to see as I say a two-tier system to address speed as well as the other issues I've mentioned.

We believe the FHWA 402 program should be continued but funded at least at a minimum of $25 million. We are overwhelmed with proposals to spend that federal grant program money, and we cannot even begin to scratch the surface in answering FHWA 402 needs in the various States.

The MCSAP Program, the Motor Carrier Safety Program, should be continued and increased from its current $60 million level to $100 million annually. We believe the administration of that program should be shifted to NHTSA so that the commercial motor vehicle and non-commercial motor vehicle safety efforts can be addressed in a more comprehensive and coordinated way.

We also recommend that the program should be amended to allow MCSAP funds to be used for the enforcement of regular traffic safety laws as they relate to commercial vehicles. There has been research by the Congressional Research Services which indicates that there may be a weakness in the program. It is an issue that is being discussed at this point by both FHWA and NHTSA. If in fact, there is support for amending MCSAP, then we believe it should be expanded.

The Commercial Drivers' Licenses implementation grant should be continued but the funding for that also should be increased to be somewhere between $25 and $50 million.

A National Data Center should be established for the collection, analysis, and dissemination of uniform accident, injury, and fatality data. Over the long term, the Center could develop a unified database that includes all sorts of highway safety-related data such as licensing, registration data, traffic citation and conviction data, and data on highway characteristics. This Center we believe should be funded at $25 million a year.

Highway safety research should be continued and expanded to $75 million a year.

I can't stress the importance of having 402 program administration continue to be the responsibility of the Governor's Highway Safety Representatives. The GR's role has far exceeded merely passing through the 402 monies to highway safety projects. In many cases, we are instrumental in determining how other highway safety funds, for example, the Omnibus Drug money, is being utilized.

In my particular State, for example, over the last six years we have put $26 million into impaired driving. When we looked at that, we found that 62 percent of that money was going into prevention programs predominantly at the high school level. As the Omnibus Drug money started coming forward, we said wait a minute, if we are doing all these things, we had better make sure that we aren't duplicating some of the programs already being provided. As a result, California now has a Policy Council on Alcohol and Drug Abuse. The four agencies that administer the bulk of Federal monies in drug and alcohol programs are the Office of Criminal Justice Planning, the Department of Education, the Department of Justice, and the Governor's Highway Safety Office. We will not fund a request for prevention in the area of alcohol or other drugs unless an individual county has a master plan, and the city is part of that. That approach is being followed in a number of other States as well.

In order to provide increased funding for Federal safety grant programs and related activities, we recommend that the unobligated balance in the Highway Trust Fund should be drawn down and that the obligation ceiling on those programs should be raised. We strongly oppose any efforts to use the Trust Fund balance for nontransportation purposes.

Regarding speed compliance, as was stated earlier, we also agree that there should be monitoring and reporting on all 55 and 65 roadways and that data should be reported to DOT. We strongly feel that the compliance formula should apply to all States and should take into account the seriousness of the speed violation, the safety of the different types of roads, and the State's enforcement effort. As was stated by the gentleman from New York, we believe we should be looking at the entire safety record of the individual States and the compliance threshold should be set on a State-by-State basis. States should be given incentives for improving compliance instead of sanctions for failing to comply.

That concludes my remarks and I appreciate the opportunity to appear before the committee.

Mr. MINETA. Thank you very much. Commissioner Hannigan, we have your statement and it will be made a part of the record. If you would go ahead and proceed in your fashion, sir.

TESTIMONY OF MAURICE J. HANNIGAN, COMMISSIONER, CALIFORNIA HIGHWAY PATROL

Mr. HANNIGAN. Good afternoon Mr. Chairman and committee members. I am Maurice Hannigan, Commissioner of the California Highway Patrol, and I am here representing the State of California. I hope to offer you the perspective of at least one law enforcement agency that has primary responsibility, a major responsibility in the area of traffic safety.

My testimony will focus on the importance of traffic safety; principles to consider during the reauthorization of traffic safety programs; and finally some specific comments about the long-standing issue of speed limit compliance requirements. I do appreciate the opportunity to speak before you today. I have provided staff with my comments and I will to the best of my ability paraphrase those comments, but I want to make several points and in general I will follow the text.

First and most important, traffic safety is a critical local, State, and national problem. You have heard fatality counts and injury estimates from U.S. Department of Transportation, and statistical forecast of accident trends in the recent General Accounting Office report that you commissioned. The personnel in my agency and I have to deal with the reality of those statistics, not just the numbers and tables and charts, but the life and death on our highways.

April is the start of spring and initiates the rebirth of life in nature. But if April is like any other month in the average year, we will lose about 4,000 people on our Nation's highways. This human and senseless tragedy is certainly most visible in California, the Nation's most populous State. It certainly undermines my personal commitment and the commitment of the personnel within my organization to public safety and service, and underscores the need to use our limited resources in the most effective manner possible.

As sad and frustrating as this aspect of law enforcement can be, there is reason for encouragement. As you know, the national mileage death rate has been gradually improving. In 1974, when the 55 national maximum speed limit came into being, California realized a mileage death rate at 3.2. Over the last few years, it has been declining and reached just a little under 2.1 at the end of 1989, at least based on our preliminary estimates. We have established for our Department an objective to reduce the mileage death rate in the State of California to 1.8 by the end of 1990 and we are encouraged by what we see. During the first three months of 1990, we have seen a 13 percent reduction in the number of traffic deaths in our State, which equates to approximately 160 lives. So we are well on target and we believe we can, in fact, reach the 1.8 mileage death rate by the end of this year.

This improvement in highway safety is due to a wide-range of programs in highway engineering, enforcement, and public education. It is also due to changes in legislation, regulation, and judicial procedures. The point is that many factors contribute to safety improvements, and a good traffic safety program must reflect a balanced approach.

In California, our mileage death rate is lower than it has ever been and, as stated, I think the State's comprehensive approach to safety will cause this trend to continue. Our Governor and legislature have implemented one of the toughest DUI laws in the country with a .08 percent blood alcohol limit. We started a sobriety checkpoint program several years ago and just recently purchased preliminary alcohol screening devices to increase our effectiveness in removing drinking drivers from our highways.

In July, a second valuable tool that will be added is the administrative per se suspensions of driver's licenses of drivers who have been arrested for driving under the influence. We all recognize that driving under the influence of alcohol or drugs is the biggest safety problem facing most, if not all, States and it is deserving of considerable emphasis.

Seatbelt usage is another important contributor to safety. Not only do we have a strong CHP seatbelt enforcement program, but my Department plays a major role working with local law enforcement in the office of traffic safety to increase their emphasis on seatbelt violations throughout the State. In late 1988, I established a California Safety Belt Task Force. The purpose of the Task Force is to coordinate the efforts of Federal, State, and local agencies, our departments of Health and Education, the insurance industry, the news media, safety organization, and others interested in increasing the use of occupant restraint systems by the motoring public. Our goal is to reach a 70 percent safety belt usage level by the end of 1990.

I am happy to report to you that initial surveys indicate that we have achieved our goal. The compliance rate in California has risen from an estimated 25 percent in 1985, the year before our Seatbelt law became effective, to 70.3 percent currently. This substantially exceeds the 1989 national rate of 46 percent. I emphasize that enforcement and public education are equal partners in this success.

As part of our educational efforts, the Task Force, through our Department of Education, contacted all California schools, K through 12, and provided materials to carry out safety belt education activities during the upcoming "Buckle-Up American" week, May 21–28.

In 1989, the California Highway Patrol issued 716,000 citations for safety belt violations. It was the second most common CHP citation, second only to speed, and is in addition to the other outstanding efforts by local law enforcement throughout the State of California to bring about better compliance with our seatbelt statute.

Speed. Speed enforcement is an important area of emphasis for my Department. With all due respect, Mr. Chairman, when I have testified before this committee in the past, sometimes there has been an undercurrent of concern regarding California's commitment to enforcing speed laws. I hope you won't be surprised to hear that I think speed enforcement is very important. We issue more 55 MPH citations than any other State in the Nation, our citations per mile of roadway are better than the national average, we have been characterized as having high penalties for speed violations, and 85 percent of our officers' time is spent patrolling highways with the maximum speed limits.

Speed enforcement is important. About one-third of all arrests are for speed violations. We cite more speeding violators than any other type.

However, I cannot look at this problem with blinders. My resources, like yours, are limited. I must search for the most effective use of those funds. My responsibility to the citizens of California dictates that I achieve the maximum impact by setting priorities. And although speed enforcement is important, it is not our only priority. It is part of our balanced and comprehensive approach to traffic safety.

For example, a new dimension to the safety challenges results from the generally increasing use of illegal drugs by drivers. We have been aggressively meeting this challenge and have recognized the somewhere between 12 and 20 percent of the drivers involved in fatal accidents are under the influence of drugs or under the influence of alcohol and/or drugs. In recognition of that, we have trained approximately 950 CHP officers in drug recognition expert training. That has occurred in the past seven years. The training enables them to better identify motorists who are under the influence of drugs. Because the CHP was the first State agency to enter into this extensive training program, our Department now employs about of all the DREs in the Nation. Now NHTSA is marketing the program to law enforcement Nation-wide and hopes to have a significant impact in traffic safety once the program has been adopted on a Nation-wide basis.

There are a number of other CHP programs that contribute to our improving mileage death rate. These include commercial vehicle inspection and enforcement, drug interdiction, and ethnically-based community education programs, just to name a few.

In addition, there is whole range of programs with safety benefits that are carried out by the California Department of Transportation. In particular, I would like to point out the high priority CALTRANS has given to the installation of crash cushions, median barriers, guard rails, and break-away sign poles. Engineering strategies are of particular importance in reducing the severity of accidents.

As you can surely appreciate, there are many enforcement, engineering, and education strategies that are part of meeting the challenge of traffic safety. Based on our experience with the many facets of this problem, I would like to recommend some guiding principles for the development of the Highway Reauthorization bill.

First, the cooperation between Federal, State, local, and private entities. The Secretary of Transportation Samuel Skinner convened a Traffic Safety Summit earlier this month in Chicago to discuss a number of important safety topics. In talking with the Secretary, he made it clear part of the purpose of the summit was to lay a foundation for a partnership between States and the Federal Government.

I commend this attitude. Concerted, coordinated safety efforts are far more likely to be effective than adversarial or disjointed activities. Federal, State, and local Government, along with the private sector all have areas of expertise and can provide leadership

to address the many and varied traffic safety problems through cooperative programs.

Many traffic safety problems, such as DUI, are national in scope, but there is a diverse range of specific local needs and conditions. To be effective, Federal safety programs should be flexible enough to respond to differing local conditions as well as to take advantage of opportunities afforded by strong local safety laws or programs.

The multi-dimensional nature of safety problems is another important reason for program flexibility. To improve a State's mileage death rate, comprehensive programs are needed that permit a State to customize the appropriate mix of DUI, speed, seatbelt, commercial, and other types of enforcement and education. We do not think that compliance requirements and the distribution of Federal resources should be exclusively focused on any one program area, such as speed, especially if the issue is compliance alone and not safety.

With regard to needed resources, we agree with other highway safety advocates that additional funds will be required to maintain the downward trend in the mileage death rate. The State of California hopes to meet some of our needs with a special transportation funding initiative to be voted on by our voters in June. We hope the Federal Government can afford to increase its commitment as well.

The 55 National Maximum Speed Limit sanctions are a potential fiscal hardship for an increasing number of States. Unfortunately, this type of State/Federal adversarial relationship seems to be increasing, with five States now in jeopardy.

If some kind of direct Federal oversight is required, we believe incentives are more effective in both the short and long term. In the long run, greater Federal/State cooperation is encouraged. In the short run, incentives avoid the counterproductive loss of needed safety funds.

This is the perverse situation facing California where in the name of safety, as much as $28 million in needed Federal Highway funds could be lost through sanctions to California. At a time when California has made significant gains in traffic safety, the loss of Federal revenue will hurt California's traffic safety efforts, not assist them.

The counterproductive nature of sanctions also illustrates our final principle. We believe that safety proposals should be judged by the extent to which they actually reduce accidents and injuries. Hypothetical or hoped-for program results do not reduce society's pain and suffering. We are interested in DUI, seatbelt, speed, and other programs that actually save lives and reduce injuries and prevent property damage. In other words, we want practical, flexible programs that really work; programs that recognize the limitations and opportunities of the real world.

As you know, there is a statutory requirement for monitoring the percentage of traffic exceeding 55 MPH, and consequent fiscal sanctions for non-compliance.

We do not believe this monitoring and sanction process produces real safety benefits. I point out to you, Mr. Chairman, that some of the States with the best 55 MPH compliance have some of the

worst mileage death rates in the country; and conversely, some of the States with the best mileage death rates are facing sanctions.

In light of critiques by the Transportation Research Board, the General Accounting Office, and others, there is widespread agreement that these statutes should be changed. And from the viewpoint of many States, there is widespread agreement on how to change.

To name a few, the National Governors Association, my colleague Peter O'Rourke from the National Association of Governors Highway Safety Representatives, the American Association of State Highway and Transportation Officials, and the International Association of Chiefs of Police are all on record opposing the use of a sanction process for speed limit compliance.

The IACP has gone one step further and as Colonel Tippet from Maryland ably described at your March 22nd hearing, IACP advocates the repeal of the "Federal requirements relating to monitoring and sanction provisions of the National Maximum Speed Limits."

We agree with the IACP position. California also has a practical problem that I mentioned earlier. Because we are in violation of the speed limit requirement that many believe should be changed, as much as $28 million of our Federal Highway funds are in jeopardy. Unless there is Congressional action, we will lose those appropriations on October 1st of this year, which undoubtedly will have a negative rather than a positive impact on our highway safety efforts.

If there is no agreement by October on a substantive revision to the compliance requirement, we respectfully request that a moratorium be imposed to suspend sanctions for fiscal year 1989 and 1990 speeds. This would allow the compliance requirement to be resolved within the context of the Reauthorization bill.

In summary, I think there is widespread agreement that traffic safety is an important issue now, and it will be an even more important issue in the future with projected increases in drivers, vehicles, and travel. California also believes that the Federal Government should have a significant role in traffic safety in the post-Interstate era.

We believe this Federal role should be based on the ideas of equal partnership, mutual cooperation, comprehensive and flexible programs, adequate funding, reliance on incentives, and a strong focus on programs with particular safety benefits that are tailored to the specific needs of the States. Until such a program is in place, we do need your assistance in preventing the loss of funds from sanctions.

California currently has a comprehensive highway safety program, and with the support of many Federal programs, and has achieved a mileage death rate of 2.1 in 1989, and hopefully we will achieve 1.8 by the end of this year. Although this is better than the national average, we are not satisfied and will continue to develop DUI, seatbelt, speed, commercial vehicle, and other programs to save more lives and reduce this mileage death rate even further.

I commend you, Mr. Chairman and committee members, for your interest in traffic safety. Thank you for the opportunity to speak to you today. I will be happy to answer any questions you may have.

Mr. MINETA. Thank you very much, Mr. Commissioner.

Mr. O'Rourke, you mentioned that in fiscal year 1989 that the State of Virginia has begun a program to train police officers in selected jurisdictions to recognize drugged driving behavior. Is that the Drug Recognition Expert Program?

Mr. O'ROURKE. Yes, it is.

Mr. MINETA. And has there been a reduction in drug and alcohol related fatalities as a result of this program?

Mr. O'ROURKE. In Virginia, I don't think we have the data in, but for California, for example, where the program began, the answer is conclusively yes.

Mr. MINETA. Now with regard to the 402 funding, are the 402 funds successful in leveraging local funds, and has that proved successful in terms of the effectiveness of the program?

Mr. O'ROURKE. Yes, it has. As I mentioned earlier, our policy has been—and it is the same in all 50 States—is that we do not fund at 100 percent federal share. When there is a 75 percent federal share and the local agencies contribute a 25% match, they have already made a commitment. As we withdraw federal funds, their commitment has to grow that much larger. In the second year, it is a 50-50 matching ratio. In the third year the role is reversed; the local entity is providing 75 percent of the money.

We recently had an audit, for example, by the Inspector General's office, and in the programs they looked at, every one of them was still going even though federal highway safety monies were no longer being provided. Most of these projects were over two, three, four years beyond the federal grant.

Mr. MINETA. Now do you think the current NHTSA guidelines reflect State priorities?

Mr. O'ROURKE. The guidelines give the states the flexibility to recognize the State priorities. As I mentioned, there are 18 areas within which we can fund highway safety projects. States can fund projects in seven prioring areas, and if they want to do something outside of that, they have to provide added justification. As an example, in California we think pedestrian safety is a major issue and, in fact, we are addressing pedestrian safety with 402 dollars.

Mr. MINETA. Are you saying that a more flexible approach to 402 Highway Safety Grant funding, such as a block grant approach, is less preferable than the current program of categorical assistance as administered by NHTSA?

Mr. O'ROURKE. That would be my opinion, yes. It should be maintained as is.

Mr. MINETA. There is a great deal of interest in flexibility, if not 402, but in terms of trying to give States the ability to maybe come up with their own package of programs. But you are saying it ought to stay more with the—current program.

Mr. O'ROURKE. As I mentioned earlier, if it hadn't been for the 402 program, I don't think we would see the dedication that we have now by the States to traffic safety. If the funds were left to divide up within a block grant program, I strongly believe the 402 program would take a backseat position to other highway programs. I think now it is in the forefront.

There are an awful lot of things going on within highway safety that are spilling over into other public policy areas. There has been

a lot of discussion this morning about congestion, for example. We are doing a lot on this issue utilizing 402 monies to address congestion. For example, we have an innovative program called "Smooth Operator". Maryland has a program called "Drive To Survive." What we are doing is highlighting behaviors that not only adversely affect traffic and cause crashes, but are directly related to congestion. People are very quick to complain about congestion. Our program says, "Look, you can be part of the solution; you don't have to be just a complainer, be a smooth operator!" There is a lot of spillover in from highway safety to congestion management.

As I mentioned earlier, we are doing a lot of brokering with other state and local agencies and grassroots organizations. In the long term, we can have a much more positive effect on reducing the incidents of drinking and driving by our young people. There was a recent study done by Rand Corporation looking at schools within California and Oregon over the last 18 months. The study said smoking programs had a very positive affect on keeping young people from smoking unless they already were; a very positive affect in reducing their experimenting with drugs; but absolutely no affect on them experimenting with alcohol. We are combatting a real big marketing and social issue.

But we do see young people gravitating to more responsible drinking and driving behavior, probably patterned much after the Scandinavian countries. We see young people readily accepting designated driver programs, readily availing themselves of safe ride programs. The 402 funds have been utilized not only to promote those programs but to provide alternatives to when a youngster gets caught in a situation that may or may not involve drinking and driving. It is an amazing process to watch our young people; it reaffirms faith that we are going to make great strides.

We just had a conference in Santa Clara with 900 young people who plan and direct the conference and then they go back to their respective schools and institutionalize programs that address their highway safety needs. That would not be happening in were not for 402 funds which are utilized in conjunction with drug and alcohol programs money.

Mr. MINETA. Even though you don't think that we ought to go to a block grant approach in terms of the 402, keep the program as it is right now; are there other areas where you think there can be improvements made in the 402 program itself?

Mr. O'ROURKE. One area only that I think is a problem. Obviously we need more money. We could do a better job with more money; that is a given. The fact that we do not have any earmarking in the 402 program helps great deal in giving states the flexibility to spend those monies.

But one of the areas that I think maybe we should take a look at is the fact that we put $20 million to spend solely on the enforcement of 55–65 MPH. To be truthful with you, the States are having a very difficult time expending that money, and I speak collectively of all the States. Most of that money is utilized to buy equipment. The States buy airplanes, radar (except for California, needless to say, where unfortunately, I would buy it but Mr. Hannigan can't use it) but States do buy a lot of equipment. Well, you only have to buy equipment once and then maybe you start it recycling it five

or six years down, but for the most part that money goes for overtime for enforcement personnel. As a result, we are burning out officers. States are looking to maximize those 402 dollars. A lot of States are having difficulty in spending those monies.

We ought to have the flexibility to use that money for any police traffic service. Those States that are, in fact, having speed problems should be dedicating those resources toward speed enforcement, but the ones that aren't should have the ability to spread that money out over other police traffic services. I think that is really crucial, given with the fact that alcohol has become part of the war on drugs. The only real enforcement of the impaired driver over and above what is being done routinely by enforcement is the incentive grant program provided to enforcement through the 408 program. That would free up some monies to augment the enforcement of impaired driving programs.

Mr. VALENTINE [assuming Chair]. How would you propose that the combined 408 and 410 programs achieve the program flexibility in the incentive tier, as outlined in your testimony; and at the same time encourage States to adopt the standards currently set forth in each of the separate programs?

Mr. O'ROURKE. As I recall, the 408 program was first authorized in 1982 and that was also about the same period of time that all the States were adopting tougher drunk driving laws. Most of the legislatures at that point felt that they have addressed these issues; they didn't want to address them again. So States were delayed significantly in qualifying for 408 grants. Just a few years ago we only had a handful of States that qualified. Currently, I believe we only have 23 States that currently qualify for 408.

Now, the 408 program can't even support these states that will be qualifying, including California. We got a letter saying we have qualified for 408 funds and yet there is no money left in the 408 this fiscal year. And now we have a 410 program that is funded at $4 million, proposed to go to $8 million, and nobody can qualify for it. So we are repeating history. There is going to be lag time for States to qualify for 410. Our surveys of our own States indicate that, at best, two states will qualify for 410 grants in the near future, unless something really dramatic happens to change the 410 program.

It just seems to me that we ought to make sure that we can continue to support those States that are eligible for 408. Also, adequate funding would encourage states to try to qualify for 408 funds. The 408 program is an easier program for states to qualify for than the 410 program. It is easier for a State to be shooting for that objective than it is for 410 at this time. Combining those programs, I think, makes sense because it would allow for assured funding for the States that are qualifying for 408 and would still be an added inducement for States to move towards 410.

Mr. VALENTINE. You suggest that the administration of MCSAP be shifted to NHTSA. Do you mean that the Bureau of Motor Carrier Safety should be folded into NHTSA?

Mr. O'ROURKE. That is correct. It just seems to make sense to us that the programs that deal with driver behavior should all be rolled together under one entity, simplify the bureaucracies that are involved, allow for more harmonious relationships and a more

systematic approach to dealing with Commercial vehicle driver behavior.

Mr. VALENTINE. All right. It is Chairman Mineta's belief that the California—this is addressed to Mr. Hannigan in Mr. Mineta's absence—it is his belief that the California Highway Patrol has done a good job in enforcing traffic laws in the State of California. Well, let me just read this statement. He says,

> I realize that there are many demands placed on law enforcement communities in each jurisdiction, particularly with the drug epidemic sweeping the country at the present time. As a result of this epidemic and other criminal activities that place demands on law enforcement personnel, traffic enforcement has sometimes been relegated to a lower priority. But studies have indicated that in areas where strong traffic enforcement campaigns have been launched, other criminal activity has been reduced.

The question is, "How might law enforcement strategies be encouraged to place a greater priority on traffic enforcement, in your opinion?"

Mr. HANNIGAN. Well, Mr. Chairman, traffic safety is our highest priority in the California Highway Patrol. But I also agree with the Chairman when he deduces that if there is a concentration against criminal activity and traffic at the same time, they mutually have a positive impact on one another.

My approach in running our organization is to identify potential problems and address them, whether it is drunk driving or speed or seatbelts. I think probably our efforts with seatbelts is the most visible. And I think it is that coupled with our .08 law is the driving force behind the reduction in deaths that we have seen for the first three months of 1990.

Mr. VALENTINE. Excuse me, sir. We have got some votes and we need to find out how many and how long——

Mr. DUNCAN. Mr. Chairman, I have one quick question.

Mr. VALENTINE. Please.

Mr. DUNCAN. I am just curious. We have got this huge deficit and this huge national debt because everybody that comes to us tells us that their problem is a crisis problem and they are not receiving nearly enough funds, whether it is aid to the homeless or the mentally ill or whoever. Everybody tells us how much worse their particular problem of interest is growing. This is the best news I have heard in a long time. I didn't know these statistics for the death rate per 100 million miles driven or per million miles, whichever it is, has gone way down from 5.2 to 1.8, or you are hoping to get it to 1.8.

Mr. HANNIGAN. Very encouraging. We hope to reach 1.8. We are at 13 percent reduction now; if we can hold a 10 percent reduction, we will make 1.8.

Mr. DUNCAN. My question is though that we reach some point where there are diminishing returns. We are never going to eliminate all deaths unless we just remove all cars. Now, where do we reach that point in saying that we have enough being spent on highway safety programs? We have had this great progress; and the easy, simplistic answer is to say, well, one death is too many—and all of us agree that any death on any highway is a terrible and tragic thing—but do you understand my question?

Mr. HANNIGAN. I do, sir.

Mr. DUNCAN. Where do we reach the point where it does us not much more good to pour a lot more money into the highway safety programs?

Mr. HANNIGAN. I think there are two things. You have to go back to 1934, when the mileage death rate in California was 17, and now we are looking hopefully at a 1.8 or if we can get down to 2, that is a significant increase.

Mr. DUNCAN. That sure is.

Mr. HANNIGAN. I think I figured that out one day and if it had stayed at 17, we would have killed about 40,000 people a year just in the State of California. So I think a lot of headway has been made in traffic safety and in highways and vehicle design and enforcement and education. The fact is, for example in California, we are averaging somewhere between 12 and 14 billion miles of travel a year, and you enhance the exposure and the potential for accidents, so you target the mileage death rate. You are going to have accidents; I don't think we will ever reach the point where we will have a zero mileage death rate. But you can do a lot and I emphasize that education is as important as enforcement, they work together in educating our youth. I think you are beginning to see those impacts both in reduction in DUI by our youth as well as more usage of seatbelts.

But I don't know if you ever reach the point where you have a diminishing return in traffic safety. When you have that many cars and that many people, you have to keep working at it and do the very best you can. I think they projected that if we stayed at about 2.4 Nationwide, we would be killing 60,000 people a year. We only have about 28,000 homicides a year in this country, so that is a significant area and I think we should do everything we can to address the problems for the particular States.

The point is we do not have a level playing field. What works in West Virginia will not work in California, or what works in Alaska will not necessarily work in Texas.

Mr. DUNCAN. You have a different situation.

Mr. HANNIGAN. Every State has a different situation.

Mr. DUNCAN. We have to go vote, but what percentage of the Federal Highway dollar is being spent now on highway safety programs, do either one of you know?

Mr. O'ROURKE. The 402 program, for example, is only funded at a little less than $110 million annually.

Mr. DUNCAN. Do you have any idea of what percentage? In other words, it would be a very small percentage.

Mr. O'ROURKE. About 1 percent. As mentioned earlier, I think the Government is getting its best bang for the buck on that 1 percent.

Mr. DUNCAN. Are some States doing much more than other States in this area, or are basically all States doing about the same?

Mr. O'ROURKE. As the Commissioner mentioned, it is not a level playing field, so each State is addressing their needs as they are perceived within their own State boundaries, but they are all striving to reduce the mileage death rate in their individual States. As I mentioned earlier, a number of States have had extreme success, and the mileage death rate in every State is coming down.

Mr. DUNCAN. Well, I guess we have to go vote.

Mr. VALENTINE. Gentlemen, we have got a 15 minute vote followed by a series of 5 minute votes. I am going to try to squeeze in one more question and then we will get back here as soon as we can.

What are the greatest needs of the California Highway Patrol in your opinion in terms of manpower, funding, and other possible limitations to the effectiveness of the Patrol?

Mr. HANNIGAN. Our Governor has added 150 personnel to our Department over the last three years. This next fiscal year he will be adding another 150, so we are getting the additional resources we need. We have to continue to examine the data that comes out and identify and target particular problems. I think the FARS program could assist the States in that endeavor.

I am not one who is convinced that monitoring speeds in the Interstate system and the money that is spent to do that is best spent. If you take a look at the statistics and you identify where you have potential problems, if it is speed, then have the Federal Government work with that State, design programs that will bring down those speeds and, in turn, bring down the deaths that are caused by it. If it is DUI, it should be a program that is designed for that State for its particular needs and problems either at the State or local level. And, again, the FARS data, if it is collected correctly and there are adjustments made to the collection of that data, can tell the States where they need the particular assistance.

We have a SWTIERS program in California that is very specific and will tell us what causes accidents and what is the primary collision factor. Speed, for the most part, is a very low contributor to the largest percentage of our fatal accidents, it accounts for about 10 percent. And the vast majority of those are off the freeway system.

Mr. VALENTINE. We will suspend until we can finish these votes, and then we will return.

Mr. HANNIGAN. We'll stand by then, sir.

Mr. VALENTINE. Thank you.

[Recess]

Mr. VALENTINE. Let me get started again with apologies for that delay. I think that is the last recorded vote, so we won't have that kind of problem.

Mr. Hannigan, with regard to drug and drunk driving, can you tell us what the percentage of drugged driving incidents are as compared to drunk driving incidents that you have discovered through your enforcement efforts?

Mr. HANNIGAN. With our DRD program, Mr. Chairman, the best we have been able to determine right now, since our statute covers both alcohol and/or drugs, we have not been able to break that out in our SWTIERS or our traffic records system other than based on the estimates from the officers in the field themselves, the 950 we have currently out there. The best estimate we have been able to determine is running in the 15 percentile of the arrests we make. The Patrol in California makes 740,000 drunk driving arrests a year, local law enforcement will apprehend about another 200,000. California alone arrests about 27 to 28 percent of the drunk drivers

Nation-wide. So it is a very aggressive program, both with the Patrol and local law enforcement.

Mr. VALENTINE. Are you prepared to comment on the problem, if any, with respect to highway safety that is created by these trailers, where you have two or in some instances three? California law allows a cab to pull——

Mr. HANNIGAN. Doubles but not triples. Triples are not allowed in California.

Mr. VALENTINE. Just doubles?

Mr. HANNIGAN. Just doubles, sir.

Mr. VALENTINE. Are you in a position to make any comment as to what contribution the use of doubles has made to highway safety or the lack thereof in the State of California?

Mr. HANNIGAN. We have not been able to recognize any significant traffic safety problem with doubles. Under Federal statute, as you are aware, I believe they are limited to 28 or 28-1/2 feet maximum if it is a set of doubles.

Mr. VALENTINE. Well, that is the Federal statute, but there are all kinds of grandfather arrangements, as I understand it, which have blown that—not in California, perhaps, but other States—which have caused that to remain the patchwork that it was.

Mr. HANNIGAN. That's correct. And I know some States allow triples. Our Department of Transportation, CALTRANS, has had some difficulty with concept of triples—well, the tracking problem is a significant issue, when they go to make a turn and the width of the turn that is required to get that around a corner. CALTRANS has some very preliminary statistical data that shows it does excessive amount of damage to curbings and railings and signs. But we have not been able to identify a traffic safety issue from the standpoint of contributing at least significantly to injuries or deaths on our highways because of the doubles.

Mr. VALENTINE. All right. Back to the other line of questions, can you relate your experience with the photo radar and its possible function as one of the new technological tools for promoting highway safety.

Mr. HANNIGAN. We, personally, have no experience with photo radar in our Department. There is one city, Pasadena, that is experimenting with photo radar at this time. I cannot testify to the impacts that device has had on traffic safety within that respective city, although I do know it generates a lot of citations.

I would like to address one issue, Mr. Chairman, and that is probably seatbelts more than anything else I think has been a significant contributor to traffic safety. Over the last six months I have had all officers investigating accidents—we investigate fatal accidents and they have tracked a little over 1,000 accidents—and I have the officers specifically, based on their expertise in the investigation, whether passengers or drivers in the vehicle did or did not survive because of seatbelts. And out of that 1,000 accidents, about 28 percent of the people killed were wearing seatbelts; the other 72–74 percent were not wearing seatbelts and the officers estimate 64 percent of those people would have survived if they had been wearing a belt.

Mr. VALENTINE. Say that again, please.

Mr. HANNIGAN. It is estimated that 64 percent of those people would have survived had they been wearing a belt. In other words, we are talking roughly 450 lives that would have been saved in just a six-month period if belts had been used by those people. That is a significant start when you look at those type of numbers. Certainly it has been the focus of our officers with that type of knowledge and experience that has driven them from the standpoint of enforcing the law to use public education. We have used some graphic examples of cars going off one thousand foot cliffs and the individuals walking away versus a minor accident where somebody is thrown out of the car and killed. That is why we have concentrated so heavy in seatbelts, coupled with our DUI and our speed enforcements and other accident-causing violations that occur on respective beats.

I think that is the trend the Federal Government ought to go. I think they ought to work with the States—we have some 16 States that don't have seatbelt statutes—I believe the Federal Government should work with those State legislatures to convince them of the benefits that could be derived if nothing else from just a seatbelt statute.

Mr. VALENTINE. That's a good point. I want to make a statement and then ask you if you developed any statistical information on this in the State of California. I was somewhere recently, I think maybe the State of Pennsylvania, where there was—maybe this was a rental car, I don't know—but there were instructions, there was an admonition as to how to wear the seatbelt, to put the belt that goes across the bottom part as opposed to the shoulder strap down low on the person's lap as opposed to having it up over the stomach. This statement said that it could cause severe injury if it were worn too high. Now that might have something to do with the size of one's stomach. But have you developed any kind of statistical information that would shed light on that kind of thing?

Mr. HANNIGAN. Well, I think you are talking about the automated system where it closes across you and you have to use the lap belt in addition to that.

Mr. VALENTINE. No, I'm talking about the system where you just pull it up and over and part of it comes across your lap and part across your shoulder.

Mr. HANNIGAN. Right. Some of the new systems, when you close the door, the shoulder harness goes across but you have to manually connect the lap belt.

Mr. VALENTINE. Yes, but what I am talking about is the lap belt.

Mr. HANNIGAN. Just the lap belt. Well, all systems I have seen are 3-point harness here in the States. I can't think of any—I can tell you an interesting story on a radio show that was being done, an individual called in and said, "Well, I was wearing one of those seatbelts and had a head-on collision." He said, "I got my legs crushed and I got all these medical problems." And our former Commissioner asked him, he said "What would have happened if you hadn't been wearing that belt?" And he said, "I would have been killed." The point being, yes, there may be some injuries from a seatbelt, but certainly the use of a belt will in most cases prevent a needless death.

Mr. VALENTINE. Yes, I agree with you. It is a shame that there are that many States that don't recognize that. One of my four children, the youngest, my daughter's life was saved because she was wearing a seatbelt. She had to be cut out of a car she was driving about three or four years ago, and she had a seatbelt on and that is what kept her from going through the windshield and being killed.

We don't have any other members here to pester you.

Mr. HANNIGAN. You are not pestering me.

Mr. VALENTINE. That is all the questions. We do appreciate your coming here and sharing this information with us. Thank you very much.

Mr. HANNIGAN. Thank you for the opportunity.

[Mr. O'Rourke's prepared statement appears on page 1913.]

[Mr. Hannigan's prepared statement appears on page 1771.]

Mr. VALENTINE. Our next witness is Mr. Charles K. Dawson, the President of American Traffic Safety Services Association. He is accompanied by Ms. Caroline Carver, Director of Government Relations. Welcome. Your statements as presented to us will appear in the record en toto. We would encourage you to summarize.

TESTIMONY OF CHARLES K. DAWSON, PRESIDENT, AMERICAN TRAFFIC SAFETY SERVICES, ACCOMPANIED BY CAROLINE CARVER, DIRECTOR, GOVERNMENT RELATIONS

Mr. DAWSON. Thank you, Mr. Chairman. I am Charles Dawson, national president of the American Traffic Safety Services Association.

ATSSA is a national trade association in its 20th year representing 700 companies and individuals in the traffic control industry. Most of the traffic safety equipment and services used on our highways are provided by ATSSA members. Our membership also includes public officials at all levels of Government who are concerned with traffic control and the safety of the motoring public.

In two major national consensus efforts, the Secretary of Transportation's National Transportation Policy and the 2020 effort sponsored by AASHTO and the Highway Users Federation, enhanced transportation safety was mentioned as one of the top national priorities. Both reports called for renewed Federal leadership. Today, with your permission, I would like to make some specific recommendations in the areas of improved safety for aging drivers; improved work zone safety; uniformity of standards for traffic control devices; comprehensive safety management; reducing fatalities on rural interstate highways where speed limits have been increased to 65 mph; and funding and the Federal role.

First, aging drivers. We know intuitively that highway safety improvements reduce fatalities, but we don't often have figures that show so persuasively that well-spent dollars in safety improvements can dramatically save lives. In May of 1989, the New York State Thruway Authority announced that a safety program designed for older drivers would be undertaken on the entire New York State Thruway system. Among the things that New York did were increase pavement markings from 4 to 6 inches in width and painted those markings twice a year; they upgraded signs and road-

side delineaters with brighter state-of-the-art materials, and in some cases they used larger lettering on signing with new, higher intensity sheeting.

This program has been in existence a short time but the early figures are very encouraging. There was a 12 percent decrease in fatalities in 1989 over 1988. These decreases occurred on a highway that already had a lower fatality rate than the national average, and show once again that low-cost safety improvements can result in reduced fatalities.

In 1989, the New York Thruway fatality rate was .78 per hundred million miles travelled, two-thirds less than the national average of 2.2. The New York experience shows that safety improvements aimed at older drivers ultimately improve roadway safety for all drivers. Currently, 12 percent of the U.S. population is 65 or over, and in the next 30 years the number will more than double. The present highway system was designed for an average driver that is far removed in age and ability from today's older driver. With this in mind, ATSSA supports the findings of the National Academy of Sciences, reported through the Transportation Research Board in a Special Report, Transportation and an Aging Society. And we would like to commend this committee for making this older drivers study a part of the 1987 Highway Act.

Specifically, we would recommend upgraded marking and signing standards and better maintained pavement markings and signs; and improved positive guidance through the work zones. Improved positive guidance simply means that the motorist should be provided with information where they need it, when they need it, and in the form they can understand to be able to avoid hazards and safely navigate the roadway environment. Congress should direct the Secretary to propose rulemaking that would establish revised and improved visibility and legibility standards for signs and markings to accommodate all drivers, including the elderly and those with diminished visual capabilities.

Next, I would like to talk about work zones. Last year when we addressed this committee, we reported that work zone fatalities had shown a 40 percent increase from 1982 through 1985. This year we are saddened to report an additional 8 percent increase in work zone fatalities in 1988—756 deaths in one year alone. These disturbing figures explain why one of our primary objectives is to improve the level of safety in construction work zones. This continued rise in fatalities shows how badly we need a work zone safety program in the 1991 Highway Act.

We think that education and training of persons responsible for work zone traffic control are of utmost importance. This is so important to us that in 1977, ATSSA initiated a certification program developed as a joint effort with the Institute of Transportation Engineers and the Federal Highway Administration. The Worksite Traffic Supervisor Program sets industry standards that have resulted in real improvements in the quality of work zone traffic control. Eight States now require some degree of certification of worksite traffic supervisors, but all States should require this.

We suggest legislation that would specify that each State highway department designate and require the contractor to designate for each project, a person trained and certified who will have the

responsibility and authority of assuring that the provisions of the Traffic Control Plan and other safety aspects of the work zone are effectively administered.

To ensure enough funding is available for adequate traffic control, the FHWA has recommended the use of individual bid items for traffic control devices. Yet many States do not do this. Therefore, we suggest that each State highway department use individual bid items for providing, installing, moving, replacing, and maintaining traffic control devices and safety systems.

Many States do not collect work zone accident data, or if they do, it is collected inconsistently. There is no requirement for collecting accident data in work zones and it is difficult to obtain this information from the States. Each State highway department should be required to collect uniform data on all work zone accidents. They should also analyze and use this information to correct deficiencies and to improve future traffic control plans.

FHWA should effectively monitor work zone safety practices in the States and report on the progress of the States to Congress. In order to encourage States to utilize superior traffic control devices and procedures and reduce serious losses now occurring in work zones, 100 percent Federal funds should be made available for work zone traffic control.

We think it is important that there be consistent uniform standards for traffic control devices for all classifications of roadways regardless of the jurisdiction or user agency. Unfortunately, this is not the case. To remedy this, we recommend that the Secretary of Transportation be specifically required to establish standards and practices for the design and use of traffic control devices. The location and design of all traffic control devices shall conform to nationally uniform standards and practices.

Unfortunately, State and local jurisdictions do not have adequate funding to upgrade signs or pavement markings, even though the Federal Highway Administration's Report on Highway Safety shows that in these areas alone, we receive the maximum benefits in terms of lives saved and injuries prevented for every safety dollar spent. The annual Report on Highway Safety Improvement Programs, from the Office of Highway Safety, Federal Highway Administration, states that the number one improvement which has most effectively reduced fatal and injury accidents at the lowest cost are traffic signs at a benefit/cost ratio of 20.9 to 1.

We find categorical safety programs, while helpful in calling attention to vital safety problems and challenging State and local Governments to provide for lifesaving safety improvements, have fallen short because they are underfunded and underrated. Oftentimes, these programs are not coordinated with the regular construction programs. Safety work should be done as part of 3R work, not as an afterthought or, worse, overlooked altogether. Because safety has been categorized into narrow and low-funded programs, it is often the last thing to be considered.

In light of these substantial human and economic benefits even modest expenditures in the safety area provide, we would strongly recommend that Congress ensure that an adequate portion of the overall transportation funding be directed to achieving these safety objectives. The next Highway Act should ensure that States engage

in safety construction work as part of their project requirements in performing 3R work.

Each State should be required to have a highway safety management program, approved by the Secretary. Listed in our written testimony are some points that we think are important to such a program.

The current 65 mph limit increases make it additionally important for improved signing and adequate safety standards. ATSSA supports the Center for Auto Safety and its recommendations that each State raising its speed limit to 65 mph be required to improve the highway to the highest levels for design and traffic control, including larger and brighter signs, improved pavement markings, and the use of other state-of-the-art traffic control devices.

More than 45,000 people are killed and 3 million injured in traffic accidents each year. Because of the human cost, this produces tremendous economic cost as well as an additional burden on our overtaxed health care system. If vehicle miles traveled doubles by the year 2020 as expected, fatalities could increase to 90,000. In human terms, this is horrifying. In economic terms, it is devastating. Many of these injuries are debilitating requiring enormous attention and cost. Because of this, safety considerations must be an integral part of every aspect of the new Federal Highway Program.

For this reason, ATSSA has served as a member of the Advisory Committee on Highway Policy. We support the policy recommendations of this group that the Federal Government must provide increased funds from a permanent and reliable source that will correct existing deficiencies and meet future needs. We also support their second principle which is that the highest priority of the National Surface Transportation Program must be to preserve the physical integrity, enhance safety, and increase the effectiveness of existing highways, roads, bridges, and public transportation systems.

In order to meet these national objectives, we feel that there must be an increase in the authorization levels of all highway safety programs.

At a time when our country is frantically searching for ways to reduce the skyrocketing cost of medical care, a modest requirement that we make to improve safety on our Nation's highways could make a substantial contribution to this overall effort.

Specifically, we would request a significant increase in the FHWA-administered portion of 402 funds. This investment would result in the reduction of lost lives, property damage, and liability costs each year. Separate Federal funding categories for the training of personnel in work zone traffic control; require that products and services that enhance safety and improve traffic operations be included criteria for all Federal 3R and 4R programs; and lastly, that the Federal Highway Trust Fund should be made permanent. Remove it from the unified budget and release it from obligation limitations. All interest earned, and I understand that is more than $1 billion annually, should be released to the States and local Governments, and the balance of the Trust Fund should be drawn down to a reasonable level of $2 or $3 billion.

Mr. Chairman, this concludes my oral testimony. I will be happy to answer any questions that you may have.

Mr. VALENTINE. Thank you, Mr. Dawson. We hear a lot about the needs of aging drivers, and maybe the answer to this question I ask is obvious, but what specifically is the effect of aging on a driver's ability to respond to traffic control devices?

Mr. DAWSON. Every 13 years the visual acuity is cut by one-half in a driver. By age 59, we need eight times the light that is required for a 20 year old to see the same thing. Now this doesn't even take into account the reaction time. Older people don't have the reaction time that a younger person has. We have a harder time as we get older—and I am getting that way myself—in reacting to stimuli other than just the driving the car itself. But the visual acuity is the big problem.

Mr. VALENTINE. I must confess that I can tell a little difference in myself, especially at night it is more difficult to see.

You say that safety work is often not included as part of 3R work. Would you tell us for the record just what you mean by that, and how is it overlooked?

Mr. DAWSON. Well, for instance, say you are putting a 5 to 6 inch lift on asphalt, resurfacing, and at the same time, you have a guard rail that is adjacent to this job. If this isn't raised to the proper height, you have created a hazardous situation. If you resurface a highway and the resultant speeds are higher, you need to have a bigger and brighter sign or a newer sign to go along with that. We need to do the thing in its entirety rather than piecemeal.

Mr. VALENTINE. Of the eight States that require some type of certification for work site traffic supervisors, have there been any reductions in fatality rates in work zones in those States?

Mr. DAWSON. It is a pretty difficult question to answer because, as I alluded to in my testimony, the statistics and the information we are getting back from States really isn't complete and it is hard to draw any conclusions. We talked with the State of Georgia and they have had a certification program in effect for several years. They claim that over a five year period, accidents in the work zones are only 25 percent of what they were before the instigated the program. Colorado has been successful in their program. But we really don't have the information other than people telling us that they feel it is better, other than these instances that I have talked about.

Mr. VALENTINE. One final question. What would you say are the leading factors that contribute to highway fatalities in work zone sites?

Mr. DAWSON. I believe it is the lack of positive guidance. People need to be aware of what is coming up and what they have to do, where they have to go. Most people are willing to go around these construction zones safely, but they really haven't been shown where and when they are to make their moves. I believe it is an educational process with the driver, and we need to set the jobs up properly. We need certification for traffic control supervisors not only where they are trained, but where they have also had little time with practical experience working with people who are trained.

Mr. VALENTINE. Thank you, sir.

Mr. DAWSON. Thank you.

[Mr. Dawson's prepared statement appears on page 1733.]

Mr. VALENTINE. We are going to accommodate some colleagues. We are going to change the schedule briefly, and I will now recognize the panel to be introduced by Congressman Emerson and Congressman Glickman. If you gentlemen are ready and will come around, we will be happy to hear you now. The panel consists of Mr. Walter Wildman, Associate Director; and Doctor R.E. Haefner, consultant and Director of Governmental Affairs, Interstate 66 Project.

Mr. Emerson.

Mr. EMERSON. Mr. Chairman, I am happy to say that we have here with us today representatives of the Interstate 66 Project; the Executive Director, Mr. Glen Dockery, from Wichita; the Associate Director from my hometown of Cape Girardeau, Missouri, Mr. Walter Wildman; and the Director of Governmental Affairs, Mr. Lonnie Haefner, from St. Louis.

I know that this dedicated group has been working diligently to gather support for their proposal, which is essentially to build a trans-America highway connecting Interstate 66 right here in Washington to San Luis Obispo, California.

Congressman Glickman and I have been working very closely together on this project. I am pleased that the I-66 steering committee has been able to travel here today from the midwest to present their case to this subcommittee. I hope that as we proceed in our deliberations, the members of the subcommittee will carefully consider this project and the request for a feasibility study.

I am pleased at this time to yield to my colleague and good friend, Mr. Glickman, from Wichita, who will present the panel.

TESTIMONY OF HON. DAN GLICKMAN, A REPRESENTATIVE IN CONGRESS FROM KANSAS

Mr. GLICKMAN. Thank you very much, Mr. Chairman. We thank you very much for taking Mr. Emerson and me and this panel out of order. We appreciate it and it has been inscribed in our own personal books, as well as your personal books, and whatever books count, it is in there.

Mr. VALENTINE. The book of life.

Mr. GLICKMAN. Mr. Chairman, I have a full statement which I would ask to be made a part of the record. My statement will refer to one other issue besides the I-66 issue, which has to do with a highway in Wichita, U.S. 54. The street in Wichita is called Kellogg. I have asked that your committee consider basically two components of that. One is a freeway link between our airport and downtown Wichita. The city has determined that the project will cost $16 million. The city is committed to provided $4.7 million, and therefore we are asking for $11.3 million in Federal funding.

The other thing is a interchange at Kellogg and Oliver, which is on the east side of Wichita, high volume traffic area, and it is a high priority project under the State of Kansas Federal Aid Highway Act of 1987. That will be a part of my record. The State has passed the largest highway bond issue in its history, $2.6 billion, that the State has committed to participate in this. It is a part of the issue that I hope next year we will be able to work on with you, and I wanted to at least alert you to that.

The second thing, Mr. Chairman, has to do with I-66. The idea of developing a 2400 mile interstate corridor stretching east to west, southwest to northeast across this great country of ours. We are asking for the authorization of a feasibility and environmental impact study to develop this highway termed the I-66 Corridor. It would incidentally go through Wichita, Kansas, and Cape Girardeau, Missouri, and then on through Kentucky, probably West Virginia, Virginia, starting in the southwest of this great country of ours. Doctor Lonnie Haefner, Director of Governmental Affairs for I-66 Project; and Glen Dockery, Executive Director of the Project, are here and they will discuss it in greater depth. The Mayor of my city of Wichita, Bob Knight, has assumed the chairmanship of the National Steering Committee for the I-66 Project.

It is something we think is important for the country, and your committee would be asked to approve a feasibility and an environmental study. I would hope that such a study could be authorized and that the subcommittee would closely evaluate its results and consider future funding to create this new east-west interstate across this great country of ours. It is something Mr. Emerson and I feel very strongly about, running through both of our respective home towns.

Now I would like to introduce Doctor Haefner to tell you a little bit more about the project.

I thank you very much for letting us come in here in advance. If possible, Mr. Chairman, I would like to be excused because we are over in appropriations at this very moment. Perhaps Mr. Emerson could stay here for a little bit if there are any questions of us. So we thank you very much.

[Mr. Glickman's prepared statement follows:]

TESTIMONY OF CONGRESSMAN DAN GLICKMAN (KS)
BEFORE THE HOUSE PUBLIC WORKS AND TRANSPORTATION
SUBCOMMITTEE ON SURFACE TRANSPORTATION
APRIL 24, 1990

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE: Thank you very much for allowing me to testify before you today. I am here to request federal funding assistance for three different projects affecting my Congressional district as part of next year's highway reauthorization measure.

First, I would like to bring to your attention my Congressional district's urgent need for $32.3 million of federal funding for improvements on Kellogg Avenue (United States Highway 54).

There are two components of the needed expansion of Kellogg/US 54. The first pertains to the freeway link between Mid-Continent Airport on the west side of the city and downtown Wichita. The city of Wichita has determined this project will cost $16 million of which the city is committed to provide $4.7 million. On behalf of the city of Wichita, I request this Subcommittee authorize $11.3 million in federal funding to assist the city in completing this needed work.

Presently, the only impediment to efficient travel from the central-business district to the airport is the Dugan Road interchange on Kellogg/US 54. The west side of Wichita has been the fastest growing residential area in the city over the past decade. This population mass is contributing markedly to the travel demand on Kellogg, but residential growth explains only part of the congestion problem.

Commercial development in the western part of the city has steadily grown, particularly at or near the Kellogg and Dugan exchange. It is anticipated that 530,000 more square feet of retail space will be added in this immediate area over the next decade, further increasing significantly the traffic demands in the area.

Projected traffic volume of 74,000 vehicles per day indicates the need for a six-lane, controlled access freeway. A frontage road system on both sides of the freeway will be necessary to allow local access to abutting properties. Federal funding is necessary to ensure that the city meets the dual needs of serving the abutting development while providing safe, efficient operation to through traffic on Kellogg/US 54.

Additionally, it is important to remember the federal government already has made a strong commitment to Wichita's Mid-Continent Airport, and this investment now must be protected with an efficient highway to move travelers from Wichita and throught the midwest region to the airport. Without such improvements in the road leading to the airport, the benefits derived from recent airport improvements will not be fully realized by residents of the region. Further, commerce in the area will be jeopardized without an efficient road, making it more difficult for the city to generate increases in local revenue.

A key factor to address these mounting traffic needs and deficiencies along Kellogg/US 54 is the expedited implementation of this $16 million improvement to the Kellogg at Dugan interchange. I urge the Subcommittee to assist the city by providing a federal share of $11.3 million.

The second component of work on Kellogg/US 54 in need of federal assistance is the interchange at Kellogg and Oliver. The estimated cost of this portion of work is $42 million, of which the city of Wichita can provide half the funding. I request that the Subcommittee assist the city and provide the matching $21 million.

This area along the East Kellogg corridor is an equally critical link in the transportation network as the previous Kellogg project I highlighted. This component of Kellogg/US 54 serves over 40,000 vehicles per day and connects major regional roads such as I-35 (the Kansas Turnpike), I-135, and K-96 east of the city with the central city. Like the exchange at Kellogg and Dugan, the project I previously highlighted, congestion and operating levels at the Oliver exchange have intensified in recent years as a result of development in the eastern sectors of the city.

Traffic volumes along this corridor have nearly doubled in the last twenty years and are projected to double again during the next twenty years, have created a breakdown of service levels all along this corridor during peak hours resulting in high accident rates. Construction of an interchange on Kellogg at Oliver and a controlled access freeway will alleviate a major traffic bottleneck and high accident segment in the city.

This project is listed as a priority project for the State of Kansas under Title I Federal Aid Highway Act of 1987. This East Kellogg corridor is also among the top transportation priorities of the city of Wichita. Eastern and Northeastern Wichita have been the primary economic development growth areas in the city over the past 15 years.

Completion of improvements to the US 54 corridor and the K-96 Bypass will enhance opportunities for development in this half of the city and increase the area's economic potential. Therefore, I request that the Subcommittee provide $21 million to match the local contribution.

Without question, Kellogg/US 54 is the most important road in my community, and holds the key to future growth of the city. It is the link between two interstate transportation systems, I-135 and I-235. Kellogg/US 54 serves as the major east-west traffic artery in Wichita, and is the only east-west highway capable of being upgraded to a six-lane freeway. This is important because of the tremendous traffic congestion along this road as a result of Wichita's strong growth during the past twenty years. While our community has expanded in every direction from the central city, our highway system has not kept pace, and hence transportation mobility is stymied by this antiquated thoroughfare.

Several studies have been made over the past two decades to identify ways to alleviate east-west traffic congestion within the city of Wichita. The recurring conclusion in these studies has been that Kellogg/US 54 will continue to be the heaviest traveled east-west artery in the city, even after major improvements to parallel streets are completed.

With its access to downtown, it is necessary that Kellogg/US 54 be efficient if Wichita is to be successful in revitalizing our downtown area, one of my city's key objectives. City leaders are actively working with developers to construct a first-class hotel in downtown. An efficient road would enhance our ability to attract major conventions, as a good highway system would accommodate people traveling to our city either by air, or by using the highway system and improve access to downtown.

In 1985, the city of Wichita enacted a one cent sales tax, of which one-half has been set aside for street, highway and bridge improvements. While the city has collected nearly $13 million annually for road improvements and $18 million of unappropriated sales tax revenue, these dollars are not sufficient to meet the city's needs, which exceed $400 million worth of road improvements alone. Last year, the State of Kansas enacted a $2.6 billion highway improvement program, of which $600 million will go to system enhancements. The State also increased the sales tax, motor vehicle registration fees, sales tax transfers and committed to a bonding program to help fund highway improvements. Although the state program is a major step forward in financing highway needs, the requests for dollars far exceeds available funding. The city, therefore, cannot be assured of state matching dollars and must look to the federal government for assistance.

Finally, Mr. Chairman, I would like to bring to the Subcommittee's attention the request that will be presented in just a minute by the I-66 Committee, for inclusion in next year's highway authorization bill, a feasibility and environmental impact study to develop a 2,400 mile interstate corridor stretching east to west across America.

Termed the I-66 corridor, it would create jobs and increase accessibility, tourism, and economic impact throughout this nation. Recently the headquarters of the National Steering Committee was moved to Wichita, a city through which the current proposed highway runs, and Wichita Mayor Bob Knight was made Chairman. I have seen the hard work which has been performed by the committee to secure state and local funding along the route.

Only two major east-west highways exist in the United States, Interstates 40 and 70. The transcontinental Interstate 66 project as conceived and presently proposed would traverse the country along an alignment generally midway between I-40 on the South and I-70 on the North. The initial conceptual 50 mile wide corridor would cross parts of 12 states. Interstate 70 was constructed to handle 7% truck traffic, but is currently handling nearly 33%. I-40 has an even higher level of truck transportation at this time.

The need for relief on the east-west interstate system is crucial to avoid deteriorization and system overload. Further the mileage savings will range between 200-400 miles off of the current transcontinental route from California to the population centers in the northeast. It will also allow trucks to bypass major metropolitan communities with their already heavy local traffic. An added benefit would be the opening of the north rim of the Grand Canyon for tourism and major access to economically depressed areas of the Mississippi Valley and Appalachia.

I encourage the Subcommittee to listen to the comments of the I-66 project Committee and to strongly consider their request to provide federal assistance to fund a feasibility and environmental impact study evaluating the merits of their proposal. I also hope, should such a study be authorized, that this Subcommittee will closely evaluate it's results and consider future funding to create this new east-west interstate. Again, thank you for allowing me this opportunity to testify.

Mr. Haefner.

Mr. VALENTINE. Mr. Haefner, welcome.

TESTIMONY OF R.E. HAEFNER, DIRECTOR OF GOVERNMENTAL AFFAIRS, INTERSTATE 66 PROJECT, ACCOMPANIED BY GLEN DOCKERY, EXECUTIVE DIRECTOR, AND WALTER WILDMAN, ASSOCIATE DIRECTOR

Mr. HAEFNER. Thank you, Mr. Chairman. We appreciate the opportunity to offer testimony on the I-66 Corridor Project.

The past two years has seen a serious examination of the need for a new national statement of surface transportation policy. Several stimuli have spurred professional and trade association groups to undertake such a review and document their findings. The most relevant issues appear to be the doubling of surface travel of man by the year 2020; continued urban congestion and gridlock; a 50 percent decrease in American productivity over the last decade tied to lagging infrastructure investment; direct negative impacts of the above on our international trade processes; the closing of the interstate authorization in 1992; related needs to identify new highway corridors which serve post-interstate demographic and economic growth patterns and serve rural America's accessibility needs; the need for increased highway funding to accommodate the above travel of man growth; improve our domestic productivity and effectiveness in international trade.

In light of the above, this testimonial document is a proposal to request funding for a feasibility study of a 2,400 mile corridor stretching east to west across America. Termed the I-66 Corridor, it will yield significant national increase in accessibility, tourism, economic impact, and intermodal avenues for international trade. The rationale for the presence of the Corridor is the fact that only two major east-west flows exist to process travel across the U.S.—that of Highway 40 and Highway 70. Separated by up to 350 miles, the result is a lack of direct travel capabilities through America's heartland, linking major rural producing areas with major urban and rural centers.

Further, as the interstate authorizations draw to a close in 1992, it is appropriate to yield opportunity for a new review of America's corridor patterns. The post-interstate age must address several germane questions—How have population and activity centers shifted in the U.S. in the last decade of interstate construction? What are the opportunities for growth in the future of the U.S.? How can major highway corridors help such growth be achieved?

The transcontinental Interstate 66 Project, as conceived and presently proposed, would traverse the United States along an east-west alignment generally midway between I-40 to the south and I-70 to the north. The initial proposed 50-mile-wide corridor would cross all or parts of the following States: California, Nevada, Arizona/Utah, Kansas/Oklahoma, Missouri, Illinois/Kentucky, West Virginia/Ohio, Virginia/Maryland.

The approximately 2,400 mile long route is expected to originate in the vicinity of existing I-5, which is located east of the California coastal ranges and in the Fresno-Bakersfield valley, and thence run eastward through the Sierra Nevada Mountains, generally

across the States noted above, with an eastern terminus in Washington, D.C., termed the northern option, or Norfolk, Virginia, termed the southern option.

The western two-thirds of the corridor is located across areas that are not adequately served by present Interstate Highway System and which need improved transportation facilities to make a significant area of the Nation's recreational and scenic resources available to the population and to encourage economic development.

The western one-third of the corridor will ultimately require extremely careful analysis for final route identification because of environmental considerations. The middle one-third of the corridor appears to present few issues, except possible local issues. The eastern one-third of the corridor may present areas with expanded State/local issues as it passes through areas with historic significance or generates environmental concerns.

Preliminary cost analysis has been performed, resulting in an initial cost range of $17–$17.5 billion for the route. This will be further refined with the use of detailed cost modeling by the engineering team over the next few months. As noted in the previous paragraph, significant environmental issues may arise during future detailed studies.

The engineering cross-section associated with the alignment is that of high-type, Interstate design standards which include a 200–350 foot right-of-way and local service frontage roads. The design speed is conceived at 70 mph, with grades and curves within acceptable Interstate standards. Originally conceived as two 12 foot lanes in each direction, it may be developed as three lanes in each direction, with one lane dedicated as an exclusive truck lane. Subgrade, subbase, pavements, and related geometrics would be of design and depth to accommodate heavy weight trucks sanctioned in the 1982 Surface Transportation Assistance Act. The economic benefits of such operation have been thoroughly documented in the Transportation Research Board Special Report 223.

In addition, in keeping with the potential for increased performance from our highways, the above cross-section may be increased to 350–450 feet, and three lanes at 14 feet per lane, with an exclusive truck land, and design speeds in the 80–100 mph range. This is possible, though costly, to yield an "autobahn" type of performance level on our Nation's highways. No cost figures have been run on this at the moment, but they will be significantly higher than those above. Much will depend on design standards foreseen by FHWA for post-Interstate systems conceived to have major impacts on national economic development.

As stated earlier, a doubling of national travel demand is expected by the 2020. The presence of I–66 will reduce traffic on I–40 and I–70 by approximately one-third, and will yield a longer life of useful traffic flow for those facilities. In addition, as the truck percentages in each system are expected to be in the 20–35 percent range, the removal of truck traffic from the stream can be expected to reduce accident rates on facilities by about 20 percent. This is a significant reduction. Interviews with truckers have indicated that the presence of the I–66 corridor will yield a route travel time reduction of up to 400 miles, essentially one-half day of travel, or an

equivalent of up to two to three days per month. This is truly significant, yielding increased productivity of the trucking system, shorter shipper delivery times, and resultant fuel savings of $40 to $80 per run, resulting in an annual savings per truck-tractor unit of $7,000 per year.

In addition, this route allows a direct linkage of west- east deep water ports to midwest railroads, and travel time from the west coast to the gulf coast and east coast ports within one-and-a-half to three days from the west coast. Thus, containerized cargo and perishables can be moved intermodally by rail/water/truck or truck/rail or water/truck in a national "land bridge system" which connects the major internal and export-import break-bulk points of the Nation with world markets. This movement is significantly faster than by any one mode in isolation or deep water traverse through the Panama Canal. Such related moves have become a conventional opportunity, as Asian freight is brought to U.S. west coast ports, trucked to the midwest or east, then airlifted, barged, and/or deep-sea exported from the U.S. to Europe. This represents a very significant opportunity for the U.S. to become a major internodal cargo clearinghouse for world trade movements, in addition to enhancing its own export-import flow patterns. The presence of the I-66 Corridor would greatly improve tonnage across the ports of San Francisco, Oakland, and Long Beach, California and enhance the above clearinghouse effect in the midwest and at east coast and gulf ports.

There is a major set of population, although not metropolitan, which represents a series of significant population centers in rural America that can be linked together both economically and physically along the proposed I-66 route. Total 1986 population of the northern route option, terminating in Washington, DC, based on Bureau of Census reports, was approximately 12.4 million. Total 1986 population of the southern route option, terminating in Norfolk, Virginia, was approximately 10.3 million. For the northern route option, total 1986 income was estimated at $148 billion with an estimated average annual household income of $33,228. For the southern route option, total 1986 income is estimated at $99.1 billion with an estimated average household income per year of $27,274.

Finally, simple model analysis of the impact on the corridor of the proposed I-66 facility is underway through the development of multipliers. The economic impact of highway investment is the change in economic activity resulting from highway expenditures. Impact occurs because of shifts in economic activity amongst regions and because of increases in total activity in all regions. Specifically, the multipliers represent the amount of dollars generated per dollar of revenue in the basic industry. A multiplier takes into account the fact that various segments of the economy are interdependent and that not all dollars have ultimately the same impact on growth and change in the economy. Multipliers are being developed for business activity, household income, travel expenditures, and Government revenues. It is planned that future work will also include employment, property value losses and gains, and export multipliers.

Use of the above multipliers indicate that impacts that can be experienced during and after construction of the proposed I-66 facilities on counties within a 50 mile corridor are significant. Based on preliminary analysis, the northern route option of proposed I-66 is anticipated to experience an economic impact annually in excess of $303.7 billion and a one-time construction impact of $62.7 billion. The southern route option would experience an annual economic impact in excess of $281.5 billion and a one-time construction impact of $64.5 billion. This is truly a significant gain and illustrates the benefits of adequate highway corridors to GNP.

It is likely the requested feasibility study can be performed over a 12-month period, with a total cost estimated at $2 million. Each particular State department of transportation in the corridor will be requested to supply a matching $50,000 to $75,000 towards the feasibility study effort. The amount of Federal funds requested is $1.5 million. Design effort subsequent to a feasibility study would take some continual five years, with complete construction of the facility taking another fifteen to twenty years. The above timetable is ambitious, but reflects the urgency of provision of an infrastructure facility which has major positive national accessibility and economic impacts.

I would be most happy to answer any questions that you feel are germane at this time. We are continually undergoing revision of this document, and we will be happy to respond with further written documents in the future.

Mr. VALENTINE. Thank you, sir. Mr. Emerson, do you have any questions?

Mr. EMERSON. Mr. Chairman, I don't have any questions. I would just like to make the comment that I feel that as we look to the reauthorization of the Highway Act next year and to the highway transportation needs as we approach the next century, I feel that this concept, this idea does need to have a thorough feasibility study made of it. I think that Doctor Haefner has presented very cogently the reasons behind it; I won't be redundant in repeating them. I certainly want to urge the favorable consideration of this subcommittee for the feasibility study that is suggested here today.

Thank you, Mr. Chairman.

Mr. VALENTINE. Well, I am sure that the subcommittee and full committee will take this project under careful consideration. With the completion of the Interstate System over the last 40 years, the next big struggle will be to do what has to be done to put it back in first-class condition. There will be some questions raised, I'm sure as you would expect, as to whether or not the Federal Government should have a role in authorizing the funding of new segments of a transcontinental highway system.

We thank you very much for your presentation. I assure you that based on my knowledge of the members who represent the areas involved, that this matter will be aggressively and effectively pursued in the Congress.

Mr. HAEFNER. We thank you, Mr. Chairman.

[Mr. Haefner's prepared statement appears on page 1764.]

Mr. VALENTINE. All right. We now are pleased to welcome Mr. Philip W. Haseltine, Executive Director of the American Coalition

for Traffic Safety. Your statement will appear in the record as presented to us. We would thank you to please summarize.

TESTIMONY OF PHILIP W. HASELTINE, EXECUTIVE DIRECTOR, AMERICAN COALITION FOR TRAFFIC SAFETY, INC.

Mr. HASELTINE. Thank you, Mr. Chairman. Due to the hour, I most certainly will.

Our Nation has realized great progress in highway safety during the 1980s. Much of the credit for that progress goes to this committee and the leadership that has been so often demonstrated here. And during that last decade the fatality rate fell to the record low of 2.2 last year—and that's the lowest in the industrialized world—we saw five out of the ten years in that decade in which the number of people killed on our Nation's highways decreased to 45,500 last year.

A lot of things were responsible for those achievements, again many of which are the product of the earlier workings of this committee, starting with the Highway Safety Act which you enacted in 1986. But what we have seen recently is that we went from only one State having a Child Safety Seat law to all 50 States in the last decade; we saw 34 States enact safety belt use laws and belt use increased from 13 to 46 percent; we saw the number of States with 21 year old minimum drinking age laws increase from 13 to all 50; we saw a Nation become outraged with drunk driving and organizations like Mothers Against Drunk Drivers and incentives with sound drunk driving programs begin through legislation enacted by this committee.

But, despite that progress, as we are redrafting the Highway Safety Act, we have had a good decade behind us but we need to do a lot more. It is our belief that notwithstanding the past we ought to establish as a national objective the fewer than 40,000 annual traffic fatalities by the year 2000. That flies directly in the face of all the pundits. At the start of the 1980s, they were saying we were going to have 70,000 a year die; in 1990 we had 45,500. I see the current Secretary of Transportation in his transportation policy is now predicting 60,000 by early in the next century. None of that need be. We can achieve lower fatalities not just lower fatality rates, but it is going to require the utmost in planning, coordination, and utilization of all of our available resources to do so.

Let me summarize, Mr. Chairman, strictly by talking about the kinds of things that the Congress and that this committee can do to assist in the Nation's highway safety programs as you consider reauthorization of both the highway program and the NTSA programs that are funded as a component thereof.

First of all, we believe the Congress should consider incentive legislation to encourage States to enact safety belt use laws, (16 States still don't have them); to strengthen existing laws and promote compliance with child safety seat laws. We have those laws in all 50 States; about 80 percent of the people are using them but one-third of them are using them incorrectly.

Secondly, we think that Congress should seriously consider enacting legislation along the lines of the belt use legislation proposed by Representative Cooper to provide States with incentives to

enact motorcycle helmet laws. Again, we have many, many States that do not have motorcycle helmet laws; clear lifesavers, clear savers of dollars by State, local, and the Federal government as well.

Thirdly, we believe the Congress should continue programs to provide incentives to States having comprehensive drunk and drug driving programs—408 and 410 programs, perhaps with modifications along the lines that we heard suggested earlier.

Congress should provide modest funding increases for the State and Community Highway Safety Program, the 402 program, and to provide additional resources for NHTSA's occupant protection and alcohol countermeasures programs.

Those actions, which could be initiated in this committee, along with the continued cooperation of Government, the private sector, automobiles manufacturers, the many advances we are seeing in automotive engineering technology, indeed make a 40,000 annual death rate objective by the turn of the century something that is not unrealistic but something that is achievable.

Lastly, Mr. Chairman, I believe that the Congress should consider enacting legislation that would provide incentives for increased speed enforcement, particularly, but not exclusively, on those roads posted at 65 mph. One concept developed by this committee during the debate on the National Maximum Speed Limit a few years ago would have permitted States to raise speeds on selected roads if other stringent traffic safety measures—such as specified safety belt use levels or others—were in place. I think, Mr. Chairman, the time may be right to reexamine that proposal or something similar to it.

I think we do have a real opportunity to expand on the progress of the last decade and further reduce the number of Americans who die or are seriously injured on our highways each year. We would be pleased to work with the committee, Members of Congress, and the traffic safety community in general to help ensure that happens.

Thank you for the opportunity to appear before you today and I would be pleased to answer any questions you may have.

Mr. VALENTINE. Thank you, sir.

Besides the passage of laws, what do you think contributed most to the increase in the seatbelt usage and the decrease in drunk driving?

Mr. HASELTINE. With respect to safety belt usage, I think it was a combination of the laws themselves being enacted; enforcement of those laws. The States in general—although we don't see strong statistical relationship, there certainly is a positive statistical relationship—States that enforce those laws better seem to do better; and thirdly, as with any other law, a sound educational component. The combination of legislation, enforcement, and education I think is what has contributed to safety belt use increasing.

With drunk driving, I think the major gains that we have seen, unlike safety belt use, which kind of started with Government making policy action, on the drunk driving side it started with organizations like Mothers Against Drunk Drivers being formed and citizen outrage against drunk driving, which then precipitated action in the State Houses, precipitated action here in the Con-

gress. Again, it was the combination of Government, private sector citizens working together. In the case of the belts, much of the action began with the Government; on drunk driving, it began with citizens getting fed up with their friends and loved ones being killed by drunk drivers.

Mr. VALENTINE. Do you have there and could you read into the record the names of the States which do not have mandatory seat-belt statutes, and the States which do not require motorcyclists to wear helmets.

Mr. HASELTINE. Let me provide that for the record. I do not have the cycle data with me. The belt use I think I could do off the top of my head, but at the risk of missing one, if it would be permissible, I should prefer to provide that for the record.

[The information provided by Mr. Haseltine follows:]

States Without Safety Belt Use Laws

Alabama

Alaska - Bill awaiting Governor's signature. Becomes law if not signed by 6/8/90

Arizona

Arkansas

Delaware

Kentucky

Maine

Massachusetts

Nebraska

New Hampshire

North Dakota

Oregon

Rhode Island

South Dakota

Vermont

West Virginia

MOTORCYCLE HELMET LAWS

State	Effective date	Application
Alabama	11/6/67	Helmets required for all riders
Alaska	1/1/71	Helmets required for persons under 18 and all passengers
Arizona	1/1/69	Helmets required for persons under 18
Arkansas	7/10/67	Helmets required for all riders
California	1/1/85	Helmets required for persons under 15 1/2
Colorado	7/1/69	No helmet law in effect
Connecticut	1/1/90	Helmets required for persons under 18
Delaware	1/1/68	Helmets required for persons under 19 and helmets must be carried on the motorcycle for persons 19 and older
District of Columbia	10/12/70	Helmets required for all riders
Florida	9/5/67	Helmets required for all riders
Georgia	8/31/66	Helmets required for all riders
Hawaii	5/1/68	Helmets required for persons under 18.
Idaho	1/1/68	Helmets required for persons under 18
Illinois	1/1/68	No helmet law in effect
Indiana	6/1/85	Helmets required for persons under 18

Iowa		No helmet law in effect
Kansas	7/1/67	Helmets required for persons under 18
Kentucky	7/1/68	Helmets required for all riders
Louisiana	1/1/82	Helmets required for all riders
Maine	7/3/80	Helmets required for all persons under 15
Maryland	9/1/68	Helmets required for all persons under 18
Massachusetts	2/27/67	Helmets required for all riders
Michigan	9/1/69	Helmets required for all riders
Minnesota	5/1/68	Helmets required for all persons under 18
Mississippi	3/28/74	Helmets required for all riders
Missouri	10/13/67	Helmets required for all riders
Montana	7/1/73	Helmets required for all persons under 18
Nebraska	1/1/89	Helmets required for all riders
Nevada	1/1/72	Helmets required for all riders
New Hampshire	9/3/67	Helmets required for all persons under 18
New Jersey	1/1/68	Helmets required for all riders
New Mexico	5/1/67	Helmets required for all persons under 18
New York	1/1/67	Helmets required for all riders
North Carolina	1/1/68	Helmets required for all riders

North Dakota	7/1/67	Helmets required for all persons under 18
Ohio	4/2/68	Helmets required for all persons under 18 and first year novices
Oklahoma	4/27/67	Helmets required for all persons under 21
Oregon	6/16/88	Helmets required for all riders
Pennsylvania	9/13/68	Helmets required for all riders
Rhode Island	6/30/67	Helmets required for all passengers
South Carolina	7/1/67	Helmets required for all persons 21 and under
South Dakota	7/1/67	Helmets required for all persons under 18
Tennessee	6/5/67	Helmets required for all riders
Texas	9/1/89	Helmets required for all riders
Utah	5/8/77	Helmets required for all persons under 18
Vermont	7/1/68	Helmets required for all riders
Virginia	1/1/71	Helmets required for all riders
Washington	6/8/90	Helmets required for all riders
West Virginia	5/21/71	Helmets required for all riders
Wisconsin	7/1/68	Helmets required for all persons under 18 and all persons holding learners' permits
Wyoming	5/25/73	Helmets required for all persons under 18

SUMMARY

Helmets NOT required - 3 States

Helmets required for passengers only - 1 State

Helmets required for persons under a specified age (usually 18) - 23 States

Helmets required for ALL riders - 23 States, D.C. and Puerto Rico

Mr. VALENTINE. Thank you, sir.

Mr. HASELTINE. You're welcome.

[Mr. Haseltine's prepared statement appears on page 1787.]

Mr. VALENTINE. Our next witness is Mr. David Snyder, Counsel, American Insurance Association. Welcome, sir. Your statement as presented to us will appear in the record. We would request that you please summarize.

TESTIMONY OF DAVID SNYDER, COUNSEL, AMERICAN INSURANCE ASSOCIATION, ACCOMPANIED BY PAT BARKDOLL, USF&G, AND MELISSA WOLFORD, AMERICAN INSURANCE ASSOCIATION

Mr. SNYDER. Thank you very much, Mr. Chairman, for the opportunity to be here today. Congress is to be commended, and particularly this subcommittee and the full committee, for the work that you have done on highway safety. Unfortunately, as we know from the statistics and the personal tragedies reported routinely, there is much yet to do. The overall answer to highway safety lies in working on driving behavior, on the safety of the vehicles themselves, and on the highways.

I am today here representing the American Insurance Association and our testimony is submitted on behalf of the three major national insurance trade associations. I am focusing today on commercial motor vehicle issues. I will also make a very few short comments about more general issues that have come up during the course of this hearing, and I will be brief on all scores.

Also with me today is Pat Barkdoll of USF&G, and Melissa Wolford with our Federal Affairs Office.

The insurance trade associations that I represent do write the majority of the commercial vehicle insurance in the country and the private passenger insurance as well. In looking at private passenger issues—we would urge, Mr. Chairman, the subcommittee to pay particular attention to the testimony provided by the Mayors, the cities, and the counties. The importance that they placed on reducing congestion on our highways is not only a matter of environmental protection, a matter of economic development, it is also a matter of helping us to contain automobile insurance rates because we have found repeatedly that where there is congestion, there is economic disruption, there is air pollution, and there are higher insurance rates as well.

Speaking and focusing though for a moment on commercial motor vehicles, we have seen that our losses have skyrocketed 73 percent in the past five years for liability pay-outs resulting from commercial automobile insurance. That means that while our efforts have borne some fruit, there is much that we have to do yet on the side of improving commercial motor vehicle safety. To begin with, we urge the subcommittee to continue its oversight of the commercial drivers' license program; that you reject any efforts to relax the deadlines placed on the States to bring themselves into compliance with the commercial drivers' license program.

Secondly, we urge that the Congress freeze truck lengths and weights at the present levels. Initial research has shown that doubles tend to be more dangerous. Furthermore, there is a very trou-

bling 1985 Federal Highway Administration report that raised serious questions about longer combination vehicles and about their performance on the highways. We frankly ought to be looking at what we can do to reduce our losses on the highways rather than those things that might increase them. So therefore we urge, because of the very troubling initial results in studies that have been done, that you freeze size and weights for commercial motor vehicles at their present levels.

Next, we urge the Congress to mandate better brakes on all trucks, specifically antilock breaks; and to place on-board recorders on vehicles. We believe that these on-board computers are the only way to effectively address the possible abuses of hours of service and the fatigue related accidents that the National Transportation Safety Board found were the leading cause of fatal accidents to truck drivers.

Insurers are doing their part on highway safety. We are funding a number of agencies that do research. Our rating systems both for commercial motor vehicles and for private passenger automobile insurance reflect safe driving behavior and reward it on a very rapid basis. But it is only the Congress, because of the involuntary insurance pools set up by the various States, which can assure a minimum level of safety both for four-wheel vehicles and also commercial motor vehicles.

In conclusion, we urge the Congress to stand firm on the deadlines in the Commercial Motor Vehicle Safety Act of 1986, and to continue oversight of the CDL program. We urge the Congress to hold the line on allowable commercial motor vehicle size and weight. We urge the House of Representatives to approve S. 819, which includes important provisions on antilock brakes, drug use, and improving the U.S. DOT's safety rating and enforcement program. Finally, we urge the Congress to consider mandating antilock breaks on new vehicles and on-board recorders on all commercial motor vehicles. In total, we think these measures will go a long way toward reducing the significant economic loss and the human tragedies that result from preventable commercial motor vehicle accidents.

Mr. Chairman, once again, I have appreciated the opportunity to be here today and would be pleased to answer any questions. I would ask for an opportunity some time later in your hearing process to address the broader areas of highway safety beyond commercial motor vehicles. Thank you.

Mr. MINETA. Thank you very much, Mr. Snyder.

Mr. Snyder, do you know why double bottoms are more likely to be involved in traffic accidents?

Mr. SNYDER. I would be pleased to provide the research on that for you. I think it relates to breaking, it relates to the stability of the vehicles, it relates to the mix of traffic on the highways, particularly the congested highways where the double bottom vehicles may be present.

[The information received from Mr. Snyder follows:]

AMERICAN INSURANCE ASSOCIATION
LAW DEPARTMENT

1130 Connecticut Ave., N.W.
Suite 1000
Washington, D.C. 20036
(202) 828-7100

April 27, 1990

The Honorable Norman Y. Mineta
Chairman, Subcommittee on
Surface Transportation
Committee on Public Works and
Transportation
United States House of
Representatives
Washington, DC 20515

Dear Chairman Mineta:

Thank you for the opportunity to testify on behalf of several insurance trade associations on the critical subject of highway safety in general and, specifically, commercial motor vehicle safety. At the conclusion of my oral statement, you asked several questions, in response to which I am pleased to provide the following information:

1. What is the basis for your statements that double tractor trailer combinations may be more dangerous than single?

Doctors Howard S. Stein and Ian S. Jones reviewed large truck crashes on the interstate system in Washington State and prepared a report published in the American Journal of Public Health entitled "Crash Involvement of Large Trucks by Configuration: A Case-Controlled Study" (May 1988). While a full copy of the article is enclosed, here are a few of the findings of the researchers:

"The present study has shown that doubles have a much higher crash frequency than other truck configurations. However, a net benefit might be realized if this increase in crash frequency could be offset by substantial decreases in truck traffic because doubles' greater cargo carrying capacity reduces total truck mileage. The National Research Council study of double trailers estimated that their increased use would reduce combination truck mileage by about 10%. This reduction in mileage clearly does not compensate for the up to threefold increase in crash involvement of doubles over tractor-trailers. ....When the crash involvement of doubles was compared to that of tractor-trailers operating under similar conditions, doubles were involved in crashes two to three times more often. If the use of doubles becomes more

DeROY C. THOMAS CHAIRMAN | WILSON H. TAYLOR CHAIRMAN ELECT | ROBERT J. HAUGH VICE CHAIRMAN | GEORGE W. ANSBRO VICE CHAIRMAN | ROBERT E. VAGLEY PRESIDENT

widespread throughout the interstate highway system and connecting roads, an inevitable result will be increased numbers of truck crashes."

Some of the reasons the report cites for the negative experience of doubles are: jackknifing, swaying and poor braking performance. Antilock brakes, which should be mandated on all trucks, may virtually eliminate jackknifing.

A Federal Highway Administration study (also enclosed) on longer combination vehicles (LCV's), entitled "The Feasibility of a Nationwide Network for Longer Combination Vehicles" (May 1985), raised profound safety questions with triples as they compare with even doubles, let alone singles. These problems include inadequate designs of current intersections, serious backing up, speed and stability problems, pavement damage, difficulties with maneuverability, and the probability of an emergency braking maneuver resulting in a jackknife. In addition, the report noted that LCV's provide potential for severely damaging overloads and that "extending operation of LCV's would substantially increase highway investment costs." These two studies together raise some very troubling questions that must be addressed to the satisfaction of the public before more authority is provided for doubles and triples to operate on the nation's highways.

2. What highway safety priorities do you recommend the Congress to consider?

Although substantial progress has been made on highway safety, current levels of deaths, injuries, property damage and related economic costs continue to pose a critical problem from both humanitarian and economic standpoints. We believe the most effective reponse is a comprehensive program to address all of the relevant factors--the driver, the vehicle, and the roadway.

The most important driver related efforts are antidrunk driving, speed limit enforcement, seat belt use, and Commercial Drivers' License programs. With respect to the vehicle, airbags should be mandated on all new cars, antilock brakes and on-board recorders installed on trucks and buses, side impact standards improved, and safety standards made applicable to all commonly used passenger vehicles (including small vans and trucks). With respect to the highway, we agree with The United States Conference of Mayors and the National League of Cities that congestion must relieved, through a combination of mass transit, new highway building and improvement of existing highways. Also, significant attention must be paid to preventive maintenance and signing (considering America's aging population). Meanwhile, research on new highway, auto and safety technology must be stepped up.

We would also like to address the question you raised during the hearing: to achieve fuel efficiency, is it necessary to downsize vehicles and thereby actually increase highway deaths, injuries and property damage?

Although small vehicles tend to do worse in crashes, both in terms of occupant protection and property damage, this need not be the case. For example, a 1981 Ford Escort with 5 mph bumpers withstood a series of crash tests without any damage, yet, a 1989 model with 2.5 mph bumpers resulted in $1,481 in damage. Some small cars sustained more than $3,000 in damage from low speed crash tests. Clearly, a 5 mph bumper standard established by the federal government would limit much of this damage to small and large cars alike.

With respect to occupant safety, it is critical that airbags start to appear widely in smaller, cheaper cars, as they have in larger, more expensive cars. Unfortunately, the trend has been to install automatic seat-belts, instead of the better airbags in smaller, cheaper cars. The United States Senate has explored an interesting incentive approach. Under language added to S.1224, a fuel efficiency credit would be provided to auto manufacturers for small cars which they equip with airbags. It is hoped this will give an effective incentive to the auto manufacturers to install airbags in smaller cars.

Thus, while many small cars on the current market sustain far too much damage and poorly protect occupants, neither of these negative results flows necessarily from the size of the car, but the way it is designed and used. Accordingly, we hope that the Congress can revisit the 5 mph bumper issue, to require better bumpers and to either provide incentives or regulations to bring about the installation of airbags in smaller, cheaper cars.

We appreciate the opportunity to work with the Subcommittee on the critical subject of highway authorization. We know that automobile insurance is a subject of major public interest for some members of the Congress from some parts of the country. According, we are anxious to work with the Congress to reduce the deaths, injuries and property damage in the first place, so that auto insurance rates, which pay for many of the costs of auto accidents, can be stabilized or reduced. Thank you.

Sincerely,

David F. Snyder
Counsel

DFS/ct/0886K

Enclosures

AMERICAN JOURNAL OF Public Health reprint

Crash Involvement of Large Trucks by Configuration: A Case-Control Study

HOWARD S. STEIN, MS, AND IAN S. JONES, PhD

Abstract: For a two-year period, large truck crashes on the interstate system in Washington State were investigated using a case-control method. For each large truck involved in a crash, three trucks were randomly selected for inspection from the traffic stream at the same time and place as the crash but one week later. The effects of truck and driver characteristics on crashes were assessed by comparing their relative frequency among the crash-involved and comparison sample trucks. Double trailer trucks were consistently overinvolved in crashes by a factor of two to three in both single and multiple vehicle crashes. Single unit trucks pulling trailers also were overinvolved. Doubles also had a higher frequency of jackknifing compared to tractor-trailers. The substantial overinvolvement of doubles in crashes was found regardless of driver age, hours of driving, cargo weight, or type of fleet. Younger drivers, long hours of driving, and operating empty trucks were also associated with higher crash involvement. (*Am J Public Health* 1988; 78:491–498.)

Introduction

Large trucks (10,000 lbs gross vehicle weight or greater) are a major safety problem on the nation's highway.[1,2] They are involved in about 6 per cent of all police-reported crashes but account for 12 per cent of all fatal crashes.[3] Each year, about 4,800 people die in truck crashes, and almost 75 per cent of these fatalities are to people in a vehicle other than the truck.[4] Trucks are overrepresented in severe crashes, but on a per-mile basis trucks appear to have fewer crashes than cars because they travel predominantly on interstate highways, which are low-risk roads.[1] However, when car and truck crashes are compared on similar roads, trucks have higher crash rates.[5] In recent years, both the number of crashes and the percentage of fatal crashes involving large trucks have been increasing.[6,7]

Although the involvement of large trucks in crashes has been extensively studied, little is known about the *relative* involvement of different truck configurations or the role played by factors such as load, type of cargo, or driver characteristics.[1,3] The influence of truck size, configuration, and weight has become an important issue because the 1982 Surface Transportation Act authorized the use of heavier, wider, and longer trucks and permitted double-trailer truck combinations to operate, on certain roads, in every state. Prior to the Act, 14 states had prohibited double trailers.[8]

The relative safety of double trailers has been an issue for some time; however, most studies that attempted to compare the crash rates of different truck configurations have used mileage estimates as measures of exposure to risk and were unable to adjust these estimates for the variation in travel patterns among different truck configurations. Because of these differences, the crash rates computed in many studies for doubles and tractor-trailers were not readily comparable.[9] The most reliable studies with more comparable exposure measures concluded that doubles had higher crash involvement rates than tractor-trailers.[8,10,11]

The potential problems in operating doubles are well documented in studies reporting significant handling problems related to the inherent instability of a second trailer.[12,13] Relatively small tractor steering movements (e.g., in a lane change maneuver) are magnified by the second trailer and can reach unmanageable levels, producing exaggerated sway and subsequent rollover of the rearmost trailer. The same steering maneuvers do not produce rollover in tractor-trailers. The increased trailer sway and rollover potential of doubles is also evident in crash data that indicate significantly higher proportions of rollover in fatal crashes involving double or triple combination vehicles.[14] Poor handling and stability were also reported in several driving studies and surveys of drivers,[15,17] which all concluded that driving doubles requires greater alertness and concentration than driving singles.

Nonetheless, there has been no reliable estimate of the overinvolvement of doubles in crashes relative to other truck configurations that is based on comparable exposure measures. Because doubles carry more volume than tractor-trailers, fewer are needed to transport a given amount of freight, and it has been claimed that this greater carrying capacity more than compensates for their potential overinvolvement in crashes.[8] Moreover, doubles are used on longer trips, travel more at night, are more likely to have been fully loaded, and have been used predominately in western states.[8] Other factors such as driver characteristics also may vary among truck types.

A research approach that can adjust for differences in exposure is the case-control method. The present study was designed to compare the vehicle and driver factors of large trucks involved in crashes with those of a comparison group on the interstate highway system in Washington State.

Method

Washington State has allowed a diversity of truck configurations including western doubles, Rocky Mountain doubles, and truck-trailers as well as tractor-trailers, tractors (bobtails), and single unit trucks to operate on all its roads (see Figure 1) for more than 25 years. The state provides a wide variety of climate and terrain ranging from the temperate coastal region through the Cascade Mountains to the desert areas in the eastern part of the state. Our study was conducted primarily on Interstate 5, which carries north-south traffic, and on Interstate 90, which has east-west traffic. Data were collected over a two-year period from June 1984 through July 1986.

Truck data were collected by the Commercial Vehicle Enforcement Section (CVES) of the Washington State Patrol. Approximately 100 officers are responsible for the weight enforcement and inspection programs in the state, which includes weigh stations on interstates and other major

From the Insurance Institute for Highway Safety. Mr. Stein is now with Callow Associates, Inc. Address reprint requests to Ian S. Jones, PhD, Director, Engineering Research, Insurance Institute for Highway Safety, Watergate 600, Suite 300, Washington, DC 20037. This paper, submitted to the Journal April 14, 1987, was revised and accepted for publication November 17, 1987.

Editor's Note: See also related editorial p 486 this issue.

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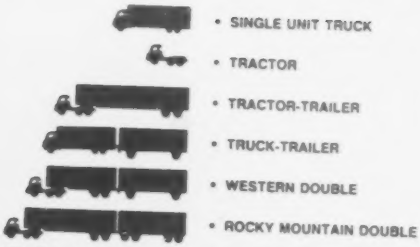


FIGURE 1—Truck Configurations. NOTE: Western doubles were defined as a tractor with two trailer units with the first trailer 35 feet or less in length; nearly all had two 28 foot trailers. Rocky Mountain doubles were tractors hauling two trailers with the first trailer greater than 35 feet in length; the majority had a first trailer of 40 feet with second trailers of various lengths.

routes as well as port-of-entry weigh scales. The officers conduct detailed inspections of truck equipment including brakes, steering, tires, and other major systems. They also provide assistance to the Washington State Patrol in the investigation of truck crashes. Truck inspections followed the procedures detailed by the Commercial Vehicle Safety Alliance (CVSA) and the National Uniform Driver-Vehicle Inspection Manual.[19]

Study Design

The study included all crashes involving trucks with gross vehicle weight rating (GVWR) greater than 10,000 pounds that occurred on the interstate highway system (see Methods) and involved property damage of at least $1,500 or personal injury. Each crash-involved truck was inspected by a CVES officer to check the condition of the major truck components including brakes, steering, and tires. Where possible, quantitative measures of performance were used; for example, brake adjustment was measured from pushrod travel and tire condition from the tread depth. Truck weight, size, and configuration; driver age and experience; and the type of trip were also recorded.

One week after each crash, the CVES officers conducted a random roadside truck inspection at the crash location. For every crash-involved truck, three trucks were selected for the comparison sample: one approximately 30 minutes before the time of the crash, one at the time of the crash, and one 30 minutes later. The only criterion for selection of comparison sample trucks was that they have a gross vehicle weight rating of 10,000 pounds of greater. Because of safety and convenience considerations, the inspection site was usually at the next interchange, weigh scale, or rest area. Each comparison truck selected was inspected following the same procedures used for the crash-involved trucks. If the inspection was at the roadside, truck weights were obtained using portable scales or estimated from shipping papers. The inspection was typically completed within 30 minutes, which allowed the officers to select the next truck at the appropriate time.

This sampling procedure could not always be followed; some crash locations did not have sufficient area at the roadside to conduct an inspection or a convenient alternate site before the next interchange. In these cases, the inspection site was moved to an appropriate location as near the crash site as possible, and the inspecting officers confirmed that the selected truck had passed the crash location. Because of very severe weather or because the officers were investigating other crashes, a small number of the comparison sample inspections were conducted two or three weeks after the original crash. In addition, some comparison inspections were omitted because the crash had occurred in congested areas (e.g., downtown Seattle), where it was not possible to apply the sampling procedure satisfactorily. Crashes that occurred on ramps were not analyzed in this paper because of the difficulty and hazards of selecting comparison trucks. The study analyzed 676 crashes involving 734 large trucks that occurred between June 1984 and July 1986. Almost 85 per cent of the crash-involved trucks were successfully matched with sample trucks, and only these cases were used in the subsequent analyses of relative involvement.

Data Analysis

Truck configurations were classified as shown in Figure 1. The variables used in these analyses included truck configuration, age of driver, weight of load, hours of driving, truck body type, and fleet size (number of trucks operated by a given company). Variables with continuous ranges, such as driver age or hours of driving, were classified into three groups of equal size (i.e., low, medium, and high) based on the comparison sample. If a variable of interest was unknown for a crash-involved truck, then both crash and comparison trucks were excluded from the particular analysis. In the small number of cases (typically 3 per cent or less) where the value of a variable for one of the comparison trucks was unknown, a representative value was randomly assigned based on the distribution of this variable by truck configuration in the rest of the comparison sample.

To determine whether particular factors were overinvolved in the crash vehicles, contingency tables were constructed using the crash and comparison samples.[20] The statistical analyses were performed using the CATMOD procedure of the SAS Institute.[21] To present the effect of particular factors on crash involvement, involvement ratios were computed by dividing the percentage of trucks with that particular characteristic in the crash group by the percentage of trucks with the same characteristics in the comparison group. An involvement ratio greater than 1.0 indicated that the particular factor was overinvolved in the crash sample, and an involvement ratio of less than 1.0 indicated it was underinvolved.

Analyses were also performed stratifying the data by the study design parameters, which included crash type (single vehicle or multiple vehicle), day/night, route, and roadway alignment. In these analyses, the comparison sample was adjusted to include only those inspections corresponding to the specific parameter under study. For example, in analyzing the involvement of trucks in single vehicle crashes, the comparison sample included only those trucks sampled at the sites of single vehicle crashes. However, extraneous factors, such as weather, are randomly distributed throughout the sample of trucks, and it would have been inappropriate to match the cases by these factors.

To examine the simultaneous effects of the various study factors, a matched logistic regression model was used to estimate the adjusted odds ratio for each of the factors included in the model.[22] The odds ratio is the odds of crash involvement given a particular factor divided by the odds of crash involvement in the absence of that factor. To fit the model, the logistic regression procedure MCSTRAT from the

TABLE 1—Distribution of Crash-Involved Trucks and Control Sample Trucks by Configuration and Crash Type

Crash Type	Per Cent Distribution of Truck Configurations						Total* Number of Trucks
	Single Unit	Tractor Only	Tractor-Trailer	Truck-Trailer	Western Double	Rocky Mountain Double	
All Crashes							
Crash Involved	8	4	59	9	18	3	604
Comparison Sample	23	5	59	5	6	1	1,812
Single Vehicle							
Crash Involved	9	3	52	9	25	3	222
Comparison Sample	21	5	62	4	8	1	666
All Multiple Vehicle							
Crash Involved	8	4	62	9	14	2	382
Comparison Sample	25	5	57	6	5	1	1,146
Rear End**							
Crash Involved	9	9	64	7	13	1	104
Comparison Sample	24	8	51	8	7	1	312
Sideswipe**							
Crash Involved	7	4	67	8	14	1	108
Comparison Sample	27	4	59	6	3	1	324

*Some totals do not equal 100 per cent due to rounding
**Truck struck other vehicle

SAS Users Group International (SUGI) Supplemental Library was used.[23]

Note that the involvement ratio bears a direct relationship to the odds ratio. If the crude odds are computed with respect to tractor-trailers, for example, the involvement ratios could be transformed to odds ratios by dividing each involvement ratio by the ratio for tractor-trailers.

With a case-control study of this type, it is only possible to compute *relative* involvements, which cannot be converted into crash rates. Consequently, these results cannot be directly compared to other studies that compute crash involvement rates on a per-miles-traveled basis. Also, because the crash-involved trucks were compared with randomly sampled trucks, if one value of a variable (e.g., a particular truck configuration) is overrepresented in the crash sample, some other values of the same variable must be underrepresented. By definition, every overinvolvement in the crash sample must be balanced by underinvolvement. Thus overinvolvements or underinvolvements are *relative* to the overall involvement of large trucks in crashes on the interstate highway system. Consequently, the results from this study cannot be compared directly with the crash involvement rates of other vehicles.

Results

Truck Configuration

Table 1 provides an overview of the data sets that were analyzed, and it shows the distributions of the crash-involved trucks and comparison sample trucks by configuration. Tractor-trailers were involved in 59 per cent of all crashes, doubles (including Western and Rocky Mountain doubles) in 21 per cent, truck-trailers in 9 per cent, and single unit trucks in 8 per cent. Corresponding figures for the comparison sample are 59 per cent tractor-trailers, 7 per cent doubles, 5 per cent truck-trailers, and 23 per cent single unit trucks. Thus, among large trucks, the crash experience of tractor-trailers parallels their exposure on the road, whereas doubles and truck-trailers are substantially overrepresented in the crash sample and single unit trucks are underrepresented.

Involvement ratios by truck configuration are given in Figures 2 and 3 for all single vehicle and multiple vehicle crashes, respectively. Compared to tractor-trailers, doubles were overinvolved in both types of crashes, although their overinvolvement was greatest in single vehicle crashes.

Although truck configuration plays a major role, crash involvement is affected by other factors. The factors of interest were separated into three major categories:

- truck operating characteristics (load, fleet size),
- driver characteristics (age, hours of service), and
- environmental/road conditions (day/night, curve/grade).

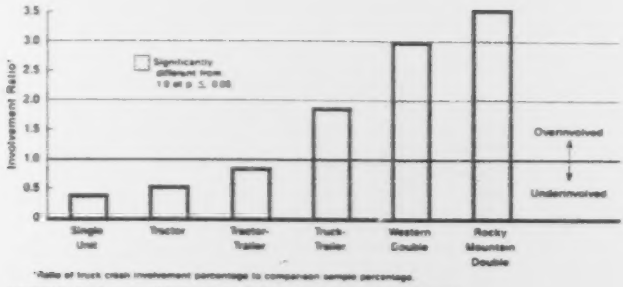
These various factors were analyzed in conjunction with truck configuration and the results are presented in Figures 4–7. Although many other factors affected crash involvement, truck configuration was the dominant effect and the other factors, in general, had less effect. Note that although all truck configurations were analyzed, only the results for the three configurations with the largest samples—single unit trucks, tractor-trailers, and doubles (Western and Rocky Mountain)—are presented.

Truck Operating Characteristics: Body Type, Load, and Fleet Size

Figure 4 gives crash involvement both by truck configuration (expressed as a percentage of the truck's GVWR), and by load. Compared to fully loaded trucks, empty trucks were overinvolved in crashes and partially loaded trucks were underinvolved. Load did not appear to have as large an effect for single unit trucks or tractor-trailers as for doubles. Doubles were overinvolved in all crashes, but empty doubles were move involved than partially or fully loaded doubles. An analysis of crash involvement by truck body type (i.e., van trailers, flatbeds, tankers, etc.) showed that no one particular body type was consistently overinvolved or underinvolved. Fleet size was not related to the crash involvement of tractor-trailers (Figure 5), but there was a trend of increasing involvement with decreasing fleet size for doubles and single unit trucks. However, irrespective of fleet size, doubles were always overinvolved in crashes.

Driver Characteristics: Age and Hours of Driving

Figure 6 gives the effect of driver age as a function of truck configuration. Compared to older drivers, young driv-



*Ratio of truck crash involvement percentage to comparison sample percentage.

FIGURE 2—Involvement of Trucks in Single Vehicle Crashes by Truck Configuration

ers are significantly overinvolved in crashes independent of truck configuration. Just as important, the Figure also shows that doubles are overinvolved in crashes irrespective of the ages of their drivers.

Figure 7 shows the effect of hours of driving on crash involvement. Drivers with six or more hours driving prior to their crash were more involved in crashes than those with fewer hours. Single unit trucks and tractor-trailers were less affected by driving hours than were doubles. Doubles showed an overinvolvement that increased steadily as the number of driving hours increased. There was a particularly high crash involvement if the doubles' driver had been driving six or more hours.

Environmental and Road Conditions

The involvement ratios for daytime (daylight conditions including dusk and dawn) and nighttime (dark) crashes as a function of truck configuration are shown in Table 2. Doubles were overinvolved in crashes compared to tractor-trailers, but for all configurations nighttime involvement ratios were generally lower than daytime ratios.

Table 2 also shows that the involvement ratios for single unit trucks and doubles were greater on curves or grades than straight level roads but that the involvement ratios for tractor-trailers were lower on curves or grades.

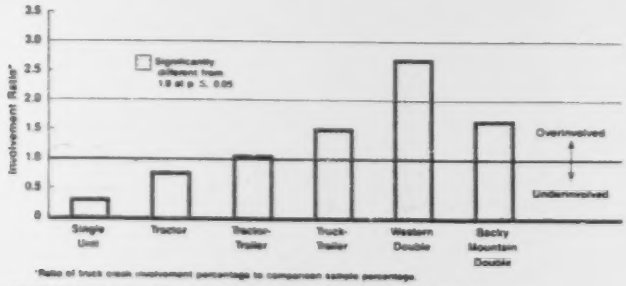
The crash involvement ratios were comparable on Interstate 5 and Interstate 90. These ratios further confirm the basic finding that single unit trucks were underinvolved, and doubles were overinvolved in crashes relative to tractor-trailers, regardless of route.

TABLE 2—Truck Configuration Crash Involvement Ratios by Time of Day, Highway, and Roadway Alignment

Factor	Single Vehicle Crashes			Multiple Vehicle Crashes		
	Single Units	Tractor-Trailer	Doubles	Single Units	Tractor-Trailer	Doubles
Time of Day						
Day	0.6	0.8	4.9	0.4	1.1	2.9
Night	0.2	0.9	2.5	0.2	1.0	2.0
Roadway Alignment						
Straight/level	0.3	1.0	2.8	0.3	1.2	2.4
Curve/Grade	0.6	0.8	3.3	0.4	1.0	2.9
Interstate Route						
5	0.5	0.9	2.5	0.4	1.1	2.6
90	0.2	0.7	3.8	0.4	0.9	2.5

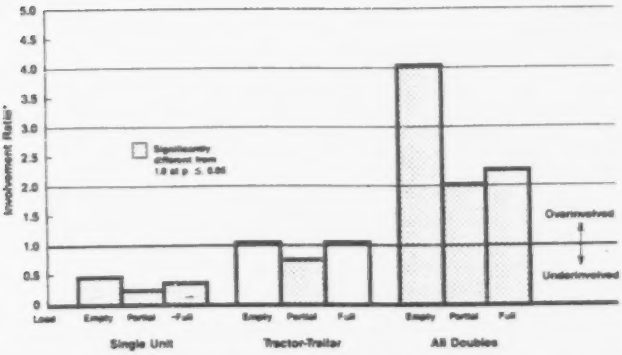
Relative Risk of Crash Involvement by Various Factors

The various two-way analyses that have been presented suggest the possibility of interaction effects although with the current sample size the effects could not be reliably assessed. To examine the simultaneous effects of these study factors (body type, load, fleet size, driver age, driving hours), a matched logistic regression model was used without interac-



*Ratio of truck crash involvement percentage to comparison sample percentage.

FIGURE 3—Involvement of Trucks in Multiple Vehicle Crashes by Truck Configuration



Empty = ≤ 25% GVWR; Partial = 26-90% GVWR; Full = ≥ 91% GVWR.

*Ratio of truck crash involvement percentage to comparison sample percentage.

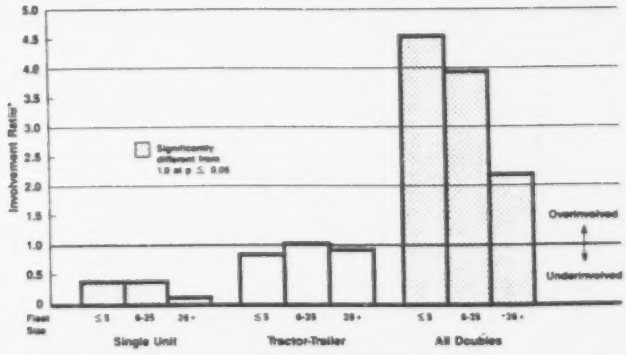
FIGURE 4—Involvement of Trucks in Crashes by Truck Configuration and Load

tion terms. Table 3 gives the crude and adjusted odds of crash involvement by the various study factors. Truck configuration is the dominant effect; after adjusting for the other study factors, the relative crash risk for doubles was more than three times that for tractor-trailers. Type of carrier operation (interstate versus intrastate), driver age (<30), driving hours (>6), and load (empty versus full) all showed higher adjusted odds.

Table 4 gives the adjusted odds computed separately for single vehicle crashes and multiple vehicle crashes. For single vehicle crashes, the relative risk of crash involvement for doubles increased to 4.8 from 3.2 for all crashes. The odds for the driver age and carrier operation variables were similar, and those for load and driving hours were reduced. In multiple vehicle crashes, the adjusted odds for truck configuration, load, driver age, and carrier operation were about the same as for all crashes; however, the odds for driving hours (>6) were higher, suggesting a stronger relationship between hours of driving and overinvolvement in multiple vehicle crashes.

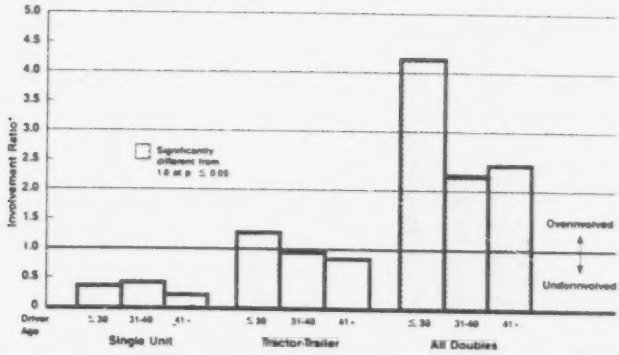
Trailer Stability: Rollover, Jackknifing, and Trailer Separation

Table 5 gives the frequency of rollover and jackknifing in single vehicle and multiple vehicle crashes as a function of truck configuration. Doubles were involved in a higher proportion of single vehicle crashes (49 per cent) compared with tractor-trailers (30 per cent). An obvious question is whether this occurred because the doubles configuration with the two trailers is more prone to rollover or jackknifing than



*Ratio of truck crash involvement percentage to comparison sample percentage.

FIGURE 5—Involvement of Trucks in Crashes by Truck Configuration and Fleet Size



*Ratio of truck crash involvement percentage to comparison sample percentage.

FIGURE 6—Involvement of Trucks in Crashes by Truck Configuration and Driver Age

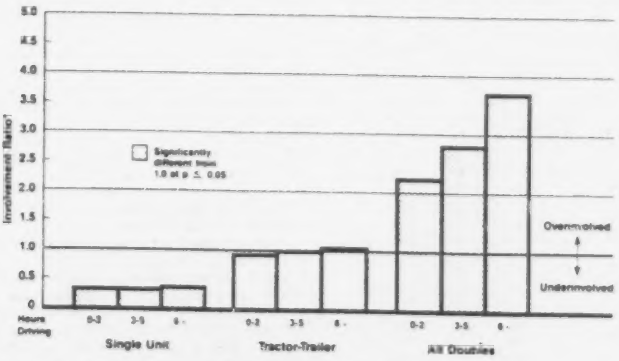
the tractor-trailer combination with one trailer. The proportion of rollover in single vehicle crashes was the same for doubles and tractor-trailers (about 45 per cent), but it was higher for truck-trailers and single unit trucks. The risk of injury was higher when rollover occurred; 49 per cent of single vehicle crashes with rollover involved injury, compared to 33 per cent without rollover. In multiple vehicle crashes truck-trailers, single unit trucks, and doubles all had a higher frequent of rollover than tractor-trailers.

Jackknifing of doubles occurred frequently in both single vehicle crashes (75 per cent) and multiple vehicle crashes (37 per cent). Truck-trailers jackknifed less frequently than doubles but more than tractor-trailers. In single vehicle crashes, jackknifing was almost twice as frequent on wet roads as on dry roads.

Table 5 also gives the frequency of trailer separation following a crash. Separation of units occurred in nearly 40 per cent of single vehicle crashes involving doubles and in 12 per cent of their multiple vehicle crashes; it was almost as frequent for truck-trailer crashes. Trailer separation generally occurred as a result of the crash although there are some cases reported where the separation of the second trailer precipitated the crash. Trailer separation was rare for tractor-trailers.

Discussion

Previous studies have documented the inherent stability problems of double trailer configurations.[12,13,15] The findings of this study suggest that trailer instability is one of the causes of the overinvolvement of doubles in crashes. Truck-trailers,



*Ratio of truck crash involvement percentage to comparison sample percentage.

FIGURE 7—Involvement of Trucks in Crashes by Truck Configuration and Hours Driving

TABLE 3—Crude and Adjusted Odds of Crash Involvement—All Truck Crashes

Study Variable	Crude Odds Ratio	95% Confidence Interval	Adjusted Odds Ratio	95% Confidence Interval
Configuration (N = 604)				
Single Unit	0.35	(0.25, 0.48)	0.48	(0.32, 0.71)
Doubles	2.92	(2.20, 3.87)	3.17	(2.33, 4.31)
Others	1.18	(0.87, 1.60)	1.40	(0.99, 1.97)
(Tractor-Trailers)**	(1.0)		(1.0)	
Load				
Empty	1.37	(1.10, 1.70)	1.05	(0.79, 1.38)
Partial	0.63	(0.51, 0.78)	0.83	(0.64, 1.08)
(Full)	(1.0)		(1.0)	
Driver Age (N = 604)				
≤30	1.21	(0.98, 1.49)	1.51	(1.20, 1.92)
(>30)	(1.0)		(1.0)	
Hours Driving (N = 555)				
(1–2)	(1.0)		(1.0)	
3–6	1.43	(1.12, 1.83)	1.25	(0.98, 1.62)
≥6	1.49	(1.13, 1.97)	1.32	(0.99, 1.76)
Carrier Operation (N = 603)				
Interstate	2.02	(1.61, 2.54)	1.54	(1.17, 2.02)
(Intrastate)	(1.0)		(1.0)	
Carrier Type (N = 603)				
Private	0.49	(0.36, 0.60)	0.88	(0.68, 1.14)
Contract	1.76	(0.91, 1.52)	1.34	(1.01, 1.77)
(Common)	(1.0)		(1.0)	

*Matched logistic regression: 554 matched cases in adjusted model.
**Reference group is given in parentheses; the odds ratios are computed within each group.

which have one coupling point less than doubles, were nevertheless overinvolved in crashes although less so than doubles. Similarly, tractor-trailers*[1] had a lower involvement than truck-trailers but were more involved in crashes than single unit trucks. The high crash involvement of empty doubles may reflect the fact that when doubles are lightly loaded sway problems are worse and their braking performance is also reduced.[8,16,24] Doubles were particularly overinvolved on curves.

*Tractor-trailers and truck-trailers both have one coupling point, but the fifth wheel connection of a tractor-trailer has more roll and yaw stability than the pintle hook arrangement used on truck-trailers.

TABLE 4—Adjusted Odds of Crash Involvement for Single Vehicle and Multiple Vehicle Crashes

Study Variable	Single Vehicle Odds Ratio (N = 177)	95% Confidence Interval	Multiple Vehicle Odds Ratio* (N = 350)	95% Confidence Interval
Configuration				
Single Unit	0.58	(0.27, 1.16)	0.41	(0.28, 0.67)
Doubles	4.76	(2.91, 7.83)	2.45	(1.84, 3.67)
Others	2.12	(1.16, 3.90)	1.15	(0.78, 1.75)
(Tractor-Trailers)**	(1.0)		(1.0)	
Load				
Empty	1.02	(0.62, 1.68)	1.06	(0.75, 1.49)
Partial	0.96	(0.61, 1.51)	0.75	(0.54, 1.04)
(Full)	(1.0)		(1.0)	
Driver Age (years)				
≤30	1.56	(1.04, 2.40)	1.52	(1.13, 2.03)
(>30)	(1.0)		(1.0)	
Hours Driving				
(1–2)	(1.0)		(1.0)	
3–6	1.06	(0.67, 1.68)	1.39	(1.01, 1.97)
≥6	0.82	(0.50, 1.35)	1.88	(1.17, 2.41)
Carrier Operation				
(Intrastate)	(1.0)		(1.0)	
Interstate	1.64	(0.98, 2.75)	1.48	(1.07, 2.06)
Carrier Type				
(Common)	(1.0)		(1.0)	
Private	0.77	(0.47, 1.25)	0.92	(0.66, 1.29)
Contract	1.86	(1.11, 3.11)	1.14	(0.81, 1.61)

*Matched logistic regression.
**Reference group is given in parentheses; the odds ratios are computed within each group.

Although the proportion of rollover in single vehicle crashes was similar for doubles and tractor-trailers, the frequency of doubles in single vehicle crashes and thus their rollover frequency was much higher than for tractor-trailers. It was not possible to determine whether the high single vehicle crash involvement was the result of a tendency of the second trailer to rollover or whether rollover was the result of a loss of control crash. In nearly 40 per cent of single vehicle crashes involving doubles, trailer separation occurred. This high proportion of trailer separation has been noted by other researchers.[25]

The present study has shown that doubles have a much higher crash frequency than other truck configurations. However, a net benefit might be realized if this increase in crash frequency could be offset by substantial decreases in truck traffic because doubles' greater cargo carrying capacity reduces total truck mileage. The National Research Council study of double trailers estimated that their increased use would reduce combination truck mileage by about 10 per cent.[8] This reduction in mileage clearly does not compensate for the up to threefold increase in crash involvement of doubles over tractor-trailers.

The strength of the current results stems from the study design, which compared different truck configurations operating under similar conditions; this comparison is extremely difficult using conventional mileage-based methods. For example, a recent study used Fatal Accident Reporting System, Bureau of Motor Carrier Safety, and Truck Inventory Use Survey data to compute accident rates per 100 million miles of travel.[26] Unfortunately, that study suffers from the same data and method limitations as previous studies—rates for doubles and singles were not compared

TABLE 5—Frequency of Rollover, Jackknifing and Trailer Separation in Single Vehicle and Multiple Vehicle Crashes by Truck Configuration

Truck Configuration	Percentage of Single Vehicle Crashes* Involving				Percentage of Multiple Vehicle Crashes* Involving			
	Rollover	Jackknife	Separation of units	Number of Trucks**	Rollover	Jackknife	Separation of units	Number of Trucks**
Single Unit	73	—	—	22	12	—	—	41
Tractor-trailer	43	51	0	129	5	18	2	308
All Doubles	48	75	39	69	11	37	12	73
Truck-Trailer	61	67	29	21	15	24	11	46

*More than one crash event may have occurred for a specific crash involved truck.
**Includes all crash-involved trucks.

under similar conditions. The study concluded that overall crash involvement rates of the two configurations were similar but that 70 per cent of doubles crashes were on divided roads compared to 52 per cent of tractor-trailer crashes. However, the authors noted that per-mile crash rates are substantially lower on divided highways, thus "the accident picture is not quite as favorable to the current doubles as appears at first glance, since the doubles chiefly travel on relatively safe divided highways."

Although doubles have been operated in Washington State for more than 25 years, their crash involvement is much higher than that of other truck configurations. When the crash involvement of doubles was compared to that of tractor-trailers operating under similar conditions, doubles were involved in crashes two to three times more often. If the use of doubles becomes more widespread throughout the interstate highway system and connecting roads, an inevitable result will be increased numbers of truck crashes.

DEDICATION

This paper is dedicated to the memory of the late William Haddon, Jr, MD. Dr. Haddon was a pioneer in the field of injury control and used the case-control approach to study the contribution of alcohol to motor vehicle crash losses. Dr. Haddon was involved in the early stages of this project, and we feel he would be particularly pleased with our application of this technique to study the factors involved in truck crashes. We regret that he was unable to see this study through to its completion.

ACKNOWLEDGMENTS

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The Feasibility of a Nationwide Network for Longer Combination Vehicles

Report of the Secretary of Transportation
to the United States Congress
Pursuant to Sections 138 and 415
Surface Transportation Assistance Act of 1982

Federal Highway Administration
Washington, D.C.

May 1985

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SUMMARY OF FINDINGS

BACKGROUND AND SCOPE

This is the final report of a study, mandated by Sections 138 and 415 of the Surface Transportation Assistance Act (STAA) of 1982, on the potential benefits and costs that could be anticipated from the establishment of a nationwide network for longer combination vehicles (LCVs). Impacts on shippers, rail and truck carriers and the general public have been considered. Estimates of freight volumes that would be carried by LCVs, the fuel savings, transportation cost savings and productivity, safety, pavement and bridge impacts, needed highway geometry improvements, and rail freight diversion are evaluated in the determination of network feasibility.

Vehicles considered in the study are Turnpike Doubles (a tractor-semitrailer-trailer combination vehicle with 40- to 48-foot trailers), Rocky Mountain Doubles (a vehicle with one 40- to 48-foot and one 26- to 28-foot trailer), and Triples (a vehicle with three 26- to 28-foot trailers). Vehicle weights are not limited to 80,000 pounds, but range up to the maximum for each configuration based on bridge overstress criteria roughly equivalent to the current statutory "Bridge Formula B" for lighter vehicles.

Highways considered for inclusion in the study network include the Interstate System and a few other highways that are of similar design as well as of significant length. Several approaches to local access have been considered, including establishing staging areas, using access zones, or limiting off-network travel to selected roads that can safely accommodate LCVs.

Many sources of information were used in the study. Existing Bureau of the Census, Department of Transportation (DOT), and Bureau of Labor Statistics data bases were used extensively to obtain information about the current truck fleet, its productivity, and its travel. Information supplied by motor carrier and shipping groups was important in estimating potential use of LCVs and in assessing the safety records of various truck configurations. The American Association of State Highway and Transportation Officials and its member State agencies supplied important information regarding highway adequacy and costs to upgrade facilities. The Federal Highway Administration data bases supplemented case information provided by States and provided additional general

descriptions of highway system components. Traditional freight forecasting methods were incorporated into a comprehensive model developed by DOT's Transportation Systems Center that is being used to assess transportation effects of establishing an LCV network.

Information on longer combination vehicle use was also gathered from other countries, mainly Canada and Australia. European use of such vehicles is limited.

FINDINGS

Review of the issues shows a broad range of impacts associated with a network for longer combination commercial vehicles. Following are the most important findings of the study.

LCV Configurations in Use and Parameters Defining the Vehicles for the Study

- Turnpike Doubles are used on many Eastern turnpikes and generally consist of two 40-to-45-foot trailers, but may eventually consist of twin 48-foot trailers when such trailers become more prevalent.

- Rocky Mountain Doubles are allowed chiefly in the Rocky Mountain States and consist usually of one 45-foot and one 27-foot trailer, but may move toward a 48-foot and a 28-foot trailer.

- Triples are allowed on selected highways in a half-dozen Western States and consist generally of 27-to-28-foot trailers.

- Allowing weights to be controlled as indicated in Sections 138 and 415 only by existing axle load limits and the current Bridge Formula could result in vehicle weights exceeding 200,000 pounds, which would severely overload existing highway bridges.

- Basing the allowable weight on an additional criterion of bridge overstress would result in the heaviest LCVs reaching 131,000 pounds without overstressing simple-span bridges any more than some existing 80,000-pound vehicles.

- Because some span lengths and bridge types are subject to more overstress by LCVs than others, a bridge-by-bridge analysis is needed on each potential LCV route to determine whether an LCV can be safely accommodated.

LCV Regulations

- Current Federal regulations preclude the use of LCVs weighing more than 80,000 pounds on the Interstate System (except in States with grandfather rights), but do not control weights off the Interstate System.

- There are also Federal regulations that apply to the safe operation of freight vehicles operating in interstate commerce, including LCVs.

- Where LCVs are allowed by States and turnpike authorities, it is almost always only under special permit.

- Most States and turnpike authorities require LCVs to meet certain performance (e.g., acceleration and braking) standards and many require special driver certification.

LCV Performance

- Performance of the LCV configuration varies, as indicated in Table 5-1.

- Few nonfreeway street intersections could realistically be modified to accommodate Turnpike Doubles and although modification could be considered for the Interstate System most interchanges would have to be upgraded to accommodate them.

- Triples can maneuver on most roads traversable by a combination vehicle with a 48-foot semitrailer, although a substantial number of interchanges need to be modified to accommodate either vehicle.

- LCVs operating at heavy weights need high-power engines to maintain speed on grades and thus avoid creating traffic operation problems or safety hazards.

TABLE S-1

LONGER COMBINATION VEHICLE DIFFERENCES

	Rocky Mountain Double	Turnpike Double	Triple
Offtracking	◐	●	○
Backing-up	●	●	●
Stability	◐	○	●
Acceleration	◐	●	●
Maintaining Speed	◐	●	●
Splash and Spray	○	○	○
Overweight Potential	◐	●	◐
Pavement Damage	◐	*	●
Productivity	*	*	*
Trailer Sway	◐	○	●
Fuel Consumption	*	*	*

LEGEND:

* = Better than a 45- to 48-foot semitrailer

○ = Equivalent to a 45- to 48-foot semitrailer.

◐ = Somewhat worse than a 45- to 48-foot semitrailer.

● = Much worse than a 45- to 48-foot semitrailer.

- [redacted] downgrades is less effective for LCVs than for other [redacted] because [redacted] ratio of [redacted] vehicle weight.

- LCV braking capacity is potentially better because they have more axles and therefore more braking power per pound of cargo carried. Axle loads are lighter, however, and given LCVs length and the tendency of truck brakes to be out of adjustment and imbalanced, the probability of an emergency braking maneuver resulting in a jackknife would be increased.

- Triples have a greater potential than existing conventional vehicles to sway and to amplify rapid turning movements. Trailer sway can be alleviated somewhat with carefully maintained, special equipment.

- LCVs with more than two articulation points cannot be reliably backed up more than a few feet.

- Difficulties with lane changing and other operations by LCVs on congested roadways indicate a need for careful evaluation of times that such vehicles should be allowed on each route or places on a route where certain actions, such as passing, can take place.

- A medium length tandem axle double with less offtracking than a Turnpike Double but greater stability than a Western Double should be investigated further.

LCV Safety

- LCVs currently operated have very low accident rates, but this safety record cannot necessarily be extrapolated because of the special conditions that govern their operations.

- Performance and handling limitations of LCVs, as well as their higher gross weights, could prove to create significant safety problems if LCVs are used more generally, such as under a greater variety of road, environmental, and traffic conditions.

- An LCV network limited to Interstate highway links would divert some freight to these relatively safer highways from lower-level roadways and thus could decrease accident rates on the lower-level roadways.

- A given amount of highway travel by LCVs can move more freight than the same amount of travel by conventional vehicles and thus accident rates per ton mile could be reduced if current LCV accident rates did not worsen.

- We simply do not know whether LCVs can be operated safely in general use.

LCV Network Characteristics and Considerations

- Each potential LCV route should be analyzed segment-by-segment to determine whether LCVs could be safely operated.

- Inclusion or exclusion of particular Interstate routes from an LCV network could have an impact on local economies and specific motor carriers.

- While most Interstate mileage meets high geometric standards and is relatively uncongested, route selection based on such engineering criteria alone would result in a discontinuous network that would fail to connect major U.S. market areas.

- Mountainous terrain and urban areas are primary locations of geometric or capacity deficiencies on the Interstate System.

- Pavement condition, interchange spacing and geometrics, availability of services, bridge characteristics, lane widths, curves and grades, and traffic levels all must be considered when assessing the suitability of a particular highway route for LCV network inclusion.

- Local access could be handled via staging areas, access zones at selected interchanges, or specific, case-by-case inclusions of nonfreeway routes. Each of these has major consequences on operators of LCVs.

LCV Costs and Productivity

- Use of LCVs would allow a given amount of freight to be moved with fewer driver-hours and vehicle trips, with less fuel, and at lower total cost.

- The more extensive the network and the greater the local access, the higher are potential benefits and the proportion of freight that would be carried by LCVs.

- The ability of individual motor carriers to benefit from an LCV network varies widely, depending on carrier proximity to the LCV network and type of operations.

- Given the current competitive status of motor freight transportation, some of the transportation cost savings would be passed on to shippers and consumers.

Modal Diversion by LCVs

- Freight could be diverted from rail to truck if there were an LCV network, and the diverted freight would come disproportionately from high-revenue-producing freight categories.

- Rail corridors and freight categories would be affected unequally. Railroads could be expected to adjust some rates downward to limit diversion in affected corridors.

- Diversion would result in the need to spread fixed costs over a smaller traffic base, potentially resulting in higher rates for some shippers.

- Net revenues of some rail carriers could be substantially reduced due to competitive rate reductions and traffic diversions.

- When the Nation's transportation system is considered as a total entity, diversion away from rail would reduce the total transportation productivity and fuel consumption gains made by LCVs.

Roadway Costs Produced by LCVs

- LCVs with weight limited by overstress criteria will not overstress bridges more than the shortest, heaviest vehicles now allowed but will still decrease service lives of some bridges by increasing frequency of overstress.

- Costs of providing staging areas or, alternatively, of rebuilding interchanges to allow partial access off the network could be substantial. These costs are highly dependent on the access policies that are adopted. Such costs are necessary to some degree just to accommodate 48-foot semitrailer combinations, but would be much higher with twin 48s.

- Costs of upgrading interchanges must be borne by someone at the outset in order to allow the greater use of LCVs. The private sector could directly finance many types of improvements.

- The higher capacities of LCVs provide a potential for severely damaging overloads and call for much stricter weight enforcement and more severe penalties for overloads.

UNRESOLVED ISSUES ASSOCIATED WITH AN LCV NETWORK

- There is no compelling reason for designation of a federally mandated LCV network at this time. The States are currently providing opportunities for controlled use of LCVs.

- There are positive aspects of LCV use, but many unresolved issues argue against their immediate widespread use.

- Federal regulations currently permit LCVs at the discretion of States, but limit their desirability by restricting gross weights on Interstate highway in most states to 80,000 pounds.

- Permits and many other special driver and vehicle regulations used by States to control LCV use would be difficult to adapt to a national network.

- Enforcement of weight and other operating regulations is an important part of allowing larger vehicles and a plan for more effective enforcement would be needed if more widespread use of LCVs were allowed.

- FHWA experience in designating a nationwide network for STAA vehicles revealed a myriad of local considerations that would apply with equal validity in designating an LCV network. A more complete understanding of these considerations, with respect to the network already designated, is required.

- Local access is potentially the most troubling aspect of network designation. More analysis of tradeoffs between staging areas and allowances for leaving the network is needed.

- Any network designation plan would need the total cooperation and heavy involvement of State departments of transportation.

XL - Extending operation of LCVs would substantially increase highway investment costs. Since LCVs would not come close to paying their share of highway costs under current user fees, extending their operation without a substantial increase in user fees would unfairly subsidize them at the expense of other highway users and other freight transportation modes. Two recently begun studies, mandated by the Deficit Reduction Act, will report on user fees for heavy vehicles.

X - LCVs vary widely in their performance, handling, pavement damage, and other characteristics and must be considered separately in assessing the desirability of any LCV.

- Heavy gross weights of vehicles, as long as they are controlled to limit bridge stress, are not as damaging to highways as heavy axle weights. Some way to encourage lower axle weights is needed to ease anticipated pavement rehabilitation costs.

Mr. MINETA. I would also like to ask you if you could identify the study that found that one-third of the truck drivers are under the influence of drugs or alcohol or both. I am wondering really how comprehensive that study was in terms of a National trend.

Mr. SNYDER. That's the National Transportation Safety Board's study that was released approximately a month ago. It found that nearly one-third of the fatal truck accidents—that is accidents fatal to truck drivers—involved drivers who were under the influence of drugs, alcohol, or both. In addition, it found nearly the same percentage, actually a slightly higher percentage, where fatigue may have been a contributing factor. And one of the points that we wish to emphasize today is that automatic on-board recorders may be the only real solution to fatigue resulting from violations of hours of service of commercial motor vehicle operators.

Mr. MINETA. In terms of automobile safety, what programs have you found to be the most effective in reducing fatalities and injuries?

Mr. SNYDER. Mr. Chairman, a comprehensive approach that addresses driving behavior, that addresses the safety of the vehicles themselves, and that addresses the configuration and the congestion on the highways is the kind of program that will ultimately work. With respect to driving behavior, we think critical have been the efforts to improve seatbelt use, efforts to crack down on drunk driving, and the commercial drivers' license program which States are putting into effect.

With respect to the safety of vehicles, there is no question that air bags ought to be in every new automobile as soon as possible, and that the presence of air bags is already starting to pay off. We also think that the damageability of vehicles is something that has to be looked at for small vehicles, in particular. Fender benders at very low speeds cause unnecessary damage and 5 mph bumper crash resistant standards ought to be required.

Finally, with respect to the highways, we think that the major issue there is congestion. We see time and time again that auto insurance rates are tracking where the congestion on the highways is. For that reason, we think the earlier testimony today of the Mayors, the cities, and the counties on a highway policy that attacks congestion would bear a lot of rewards for the United States.

Mr. MINETA. Thank you very much, Mr. Snyder for your testimony here today.

Mr. SNYDER. Thank you, Mr. Chairman.

[Mr. Snyder's prepared statement appears on page 1924.]

Mr. MINETA. Now we would like to call on Fraydun Manocherian, the President of The Manocherian Foundation. Mr. Manocherian, your statement will be made a part of the record. We are pleased to have you here. If you would go ahead and proceed in your own fashion, sir.

TESTIMONY OF FRAYDUN MANOCHERIAN, PRESIDENT, THE MANOCHERIAN FOUNDATION

Mr. MANOCHERIAN. Thank you, Mr. Chairman. I am Fraydun Manocherian, founder and President of the Manocherian Foundation. This foundation has pursued safety on our highways for the

past three decades. It is a commitment and purpose of my life to do what I can do to reduce this major cause of grief and injustice in our country.

The first time I personally testified before a body of Congress was two decades ago. I believe I was among the first to bring the severity of the problem of alcohol abuse on our highways to your attention.

Since then, thanks to actions by Congress, the Department of Transportation, and many private groups, we have been able to reduce deaths per 100 million miles driven from 3.3 in 1979 to 2.2 in 1989. An impressive achievement of one-third reduction in deaths per 100 million miles driven.

In spite of this reduction, over 47,000 Americans died on our Nation's highways in 1988—a number of approximating the deaths that we suffered in all ten years of the Viet Nam war. The fact is, a lot more can be done and it is the responsibility of you, the leaders, to take such steps as necessary to reduce further this continuous carnage.

Auto accidents are the number one cause of death among Americans up to the age of 34, and probably the number one cause of tragedy and grief in this country. Aside from death and injuries, highway accidents cost the American public $75 billion each year.

It is our contention that a national driver education program conducted principally on the national television and radio would reduce accidents substantially.

It is established fact that the driver is the cause of 90 percent of auto accidents. Despite these findings, Federal programs concentrate on improving the car, which we agree should be made safer, and on the road, which we also agree is imperative for safety. Our concern lies with the lack of attention given to the driver and the role his lack of good judgment and incompetence plays in 6.8 million annually.

While drunk driving is responsible for 50 percent of the fatalities, only 9 percent of all accidents are alcohol-related. Therefore, 91 percent of accidents that cause the other 50 percent of fatalities are virtually ignored. These findings demonstrate that driver judgment and everyday behavior are the most critical factors in accidents.

The proposed new media campaign would focus on the prevalent causes of highway accidents with concentration on alcohol and drug abuse. These would include driver inattentiveness, such as taking your eyes off the road; tailgating; dozing off at the wheel; as well as educating the public how to address road hazards, such as skidding and blow outs.

Mr. Chairman, if I may get away from the text just to bring a point that you had brought up in previous testimonies, you were discussing small cars versus larger cars and the safety factor, which is absolutely correct—the possibility of death in an accident in a small car is much larger. However, taking your own Sherman tank example, if you do wear a helmet in a Sherman tank but you take your eyes off the road and go off a cliff, you get killed. Therefore, the competence and the points of driver safety are imperative.

In summary, the program we propose would be geared to improve driver competence, judgment, and knowledge of laws and regulations.

While it is known that driver education at least temporarily reduces the incidents of accidents, only a small portion of America's 158 million drivers receives formal training. From 1983 to 1987, the percentage of the Nation's public and private schools offering driver education declined 14 percent. Also, driver education programs do not address non-driving citizens and children. Educating them through the media could reduce the 7,000 annual pedestrian deaths.

Such a campaign, centered on national television and radio advertising, must contain three critical elements—it must be continuous; it must be aired in specified times to target specific audiences; it must utilize state-of-the-art production values.

It has been proved that all knowledge attained in driver education courses does not remain with the individual indefinitely. Typically, that education comes at the age of 16 and one out of every five drivers today is over 60 years old. More reason why continuous education is a must.

Again, Mr. Chairman, if I may get away from the text. In airlines, the Transportation Department requires that most competent airline pilots be retrained every six months. Yet, when it comes to driving that can kill you just like an airplane crash, we don't have any retesting of a person who could be 93 years old and driving.

A truly effective campaign cannot rely on PSAs only, as has been the case. Rather, it must be augmented with a substantial paid advertising budget, such as that used by major U.S. corporations.

Mr. Chairman, this is really the $64 question. To fund this program, we propose the use of less than 1 percent of the Highway Trust Fund. Safety on our highways is directly related to highway use.

The 1 percent allocation of the Highway Trust Fund would empower the Department of Transportation with an additional $150 million annually to use for the purposes outlined. This expenditure—which approximates the national advertising budget of General Motors—even if only 1 percent effective in reducing accidents, would save Americans $750 million, five times the investment, and considerable life and limb.

The estimate by many experts, including people in the Department of Transportation, have gone as high as a 15 percent reduction in accidents with cumulative effect. A 15 percent reduction, if achieved in time, would save over $11 billion, spare over 7,000 lives, and eliminate injuries to 500,000 people annually.

The auto accident, the number one disabler of all Americans, takes a life every 11 minutes around the clock. In America, we are innocent until proven guilty. We spend millions of dollars to prove someone's guilt beyond a shadow of a doubt so an innocent is not wrongfully punished. Yet, on our highways, many innocent men, women, and children are becoming paraplegic, quadriplegic, blinded, brain damaged, and killed daily. This problem can be helped, and you can do something about it. For the sake of justice for inno-

cent victims who can be you, me, or our loved ones, we ask that you consider this proposal carefully.

In this proposal, we are not asking for any new expenditure on the part of the public or the Government. The question at hand is that if we an save lives, reduce injuries, eliminate much grief, and ultimately save billions of dollars, shouldn't we? If the answer is yes, we ask you to act now to reduce the number one cause of injustice and grief in America.

Thank you, Mr. Chairman.

Mr. MINETA. Mr. Manocherian, thank you very much for your very thoughtful statement.

The study conducted by both the National Highway Traffic Safety Administration (NHTSA) and the Insurance Institute for Highway Safety have indicated that high school driver education programs have shown no reduction in fatalities of younger drivers; and, in fact, in some of those States where driver education is required, there has been some increase in fatalities in that age group. It is believed that one reason for this phenomenon is that driver's ed encourages earlier licensure. You have indicated that a national driver education program conducted principally on national radio and television would reduce accidents substantially. I am wondering as I read your statement and then I see these studies by NHTSA and the Insurance Institute——

Mr. MANOCHERIAN. Mr. Chairman, you may have answered the question yourself—the younger driver coming on stream may be one of the problems. But I know of a very major study that was done two decades ago or more where 500,000 armed forces people were given driver education, after which the incidents of accidents and fatalities were cut by 50 percent. However, with time, that decrease in accidents faded away. Much that we learn, I guess if we don't keep up with it, we will lose it.

Now this is really a question where I feel that if you had a more competent behind the wheel or a more competent pilot, wouldn't you have a better chance of reaching your destination, Mr. Chairman? For example, people get licenses today who haven't got the slightest idea what to do in case of a skid. If audio-visually this could be shown, you would definitely get somewhere with it, or if you were able to tell people that a bridge freezes before the road would. Now how that could possibly increase incidents of accidents or fatalities, I couldn't really understand. But I can tell you that in my opinion and in the research that we have done in the 30 years that we have been involved in safety, we find that when you have more competent people behind the wheel, it is the best way you can assure safety.

Mr. MINETA. Was it last fall when there was a driver education program that was on national television?

Mr. MANOCHERIAN. It was several years ago, I believe.

Mr. MINETA. Has it been that long?

Mr. MANOCHERIAN. Yes, sir. Time goes.

Mr. MINETA. I didn't realize it was that long ago, but I remember it. I think through the newspapers they had distributed some kind of a booklet that you would follow the program. I think it was sort of interesting to do it. I know I waited for that time just to do the exam.

Mr. MANOCHERIAN. Many failed I believe, if you recall the results of that exam.

Mr. MINETA. I was just reminded that it was done by the Ashland Oil Company people, the Valvoline people had done that on national television.

Mr. MANOCHERIAN. Yes, I think CBS or one of the networks also.

Mr. MINETA. Right, I believe they carried it on one of the major networks. I remember having the brochure and answering those questions.

Mr. Manocherian, NHTSA has, at the behest of Congress, undertaken five pilot projects to determine the effectiveness of public information programs. The agency found that the most effective ad campaigns were those that were combined with comprehensive programs addressing the specific driving behavior. You were talking about how many people knowing about the bridge freezing up before the road. I am wondering if you are familiar with this study and whether or not you have had a chance to make any kind of an assessment of that study?

Mr. MANOCHERIAN. I am in touch with the Transportation Department and I do also know that in 1982 seatbelt use was somewhere around 11 percent; in 1988 it was 47 percent Nationwide. Now, certainly, the law enforcement had a lot to do with that, but I think that the public education also played a major part. According to previous testimony, we found that has been a very effective way of saving lives. That is why a one-third reduction in the last decade has been achieved.

The anti-drinking ad campaign done by the Transportation Department I believe has brought a lot of consciousness into not only the public but also the law enforcement officials as well as the judges. Today, you have approximately 2,000 arrests compared to 500 arrests of drunken drivers.

Mr. MINETA. The terms of this 1 percent set aside that you are envisioning, why do you think that the dedication— again, following up on what you just said—why do you think that the dedication of a penny or some increment of the Highway Trust Fund for a paid advertising campaign to reduce highway fatalities and injuries would be more effective than increasing funding for other safety programs, let's say in design and engineering of roads, whatever it might be, and that any of those safety programs might include public information as part of its criteria?

Mr. MANOCHERIAN. Mr. Chairman, at this particular time, the Highway Trust Fund, which comes into many billions, is being used for highways, better highways, more highways, and safer highways, which we absolutely agree with. The road plays a part, making cars safer plays a part, law enforcement plays a part, but it is our contention that the driver is ultimately 90 percent the cause of the accident. The ultimate accident is in the hands of the driver, his judgement, his competence. Drinking and driving is a part of the judgment of the driver also when you think about it. So we are thinking about trying not to let the accident happen in the first place. Restraint systems are fantastic, they have saved many lives and they will save many more. The air bag system will save a lot of lives. But that is after the accident occurs. What is going to keep the accident from happening in the first place is the driver.

Mr. MINETA. Smart highways, smart vehicles, smart drivers——

Mr. MANOCHERIAN. All of these things are going to aid and help, as they have in the past. But I am of the opinion and conviction, after thirty years involvement in auto safety, that the most important criteria for safety is the person behind the wheel.

Mr. MINETA. The loose nut behind the wheel.

Thank you very much, Mr. Manocherian. We appreciate it very much.

Mr. MANOCHERIAN. Thank you, Mr. Chairman. I appreciate the privilege to be before you today.

[Mr. Manocherian's prepared statement appears on page 1805.]

Mr. MINETA. I would now like to call on Mr. Edward R. Book, President of the Travel Industry Association of America, and Vice Chairman of the Travel and Tourism Government Affairs Council. I believe Mr. Book will be accompanied by Aubrey C. King, Executive Director. Welcome, gentlemen. Your statement as presented to the committee will be made a part of the record, and you may proceed in your own fashion.

TESTIMONY OF EDWARD R. BOOK, PRESIDENT, TRAVEL INDUSTRY ASSOCIATION OF AMERICA, AND VICE CHAIRMAN, TRAVEL AND TOURISM GOVERNMENT AFFAIRS COUNCIL, ACCOMPANIED BY AUBREY C. KING, EXECUTIVE DIRECTOR

Mr. BOOK. Thank you, Mr. Chairman, for this opportunity to present the views of the travel and tourism industry on the reauthorization of the Federal Highway Program.

My name is Edward R. Book and I am President of the Travel Industry Association of America (TIA), the national trade association which represents the whole of the Nation's travel industry. I also serve as Vice Chairman of the Travel and Tourism Government Affairs Council, an affiliate of TIA, which is a permanent coalition of 33 national organizations from every segment of the travel and tourism industry. It is on behalf of the Government Affairs Council that I appear before you today.

The deliberations of this subcommittee and the decisions it reaches concerning the future of the Federal Highway program will have a profound impact on the travel and tourism industry.

Over the past decade, employment in travel and tourism has grown at more than twice the rate of all U.S. industries. So many States and industries rely on travel and tourism as a key component of their economic development efforts, it has become either the first, second, or third largest employer in 37 of our 50 States. Approximately 80 percent of vacation travelling is done by highway, amounting to more than 321 billion in 1988. More than $225 billion is spent along the way. So, as you can see, our highway system is very much a part of producing a substantial amount of income for our country.

Our international visitors also find the American road appealing. Approximately 50 percent of them typically use a car for at least a part of their stay.

The impact on the average U.S. community of increased vacation traffic can be dramatic. One hundred additional visitors a day will generate $1.3 million in sales, $280,000 in payroll, and 29 new jobs.

Yet American highways are increasingly aging and congested, more often frustrating and discouraging travellers than offering the lure of the open road. We therefore offer the following recommendations. Let me outline them briefly.

One, the existing Federal Surface Transportation Program should be continued and expanded. The Interstate System should be completed and maintained by the highest standards. Federal support should also target other roads and highways of national or interregional significance. Enhanced metropolitan mobility should get special priority.

Two, our country needs more timely and fuller expenditure of user tax revenues collected for the Highway Trust Fund. It is imperative that the $18 billion surplus in the Highway and Transit Trust Fund be fully used for the purposes for which it was collected. By using this surplus as intended, it should be possible to develop new initiatives and expand current programs without increasing Federal taxes for several years.

Three, Federal gas tax revenue should continue to be dedicated exclusively to the highway program. We applaud the leadership of the full committee and this subcommittee in staunchly opposing proposals to use the gas tax for non- transportation purposes.

Four, we support increased capital investment in highway safety. Federal aid funds should be available to ensure the safety of all highway bridges and to eliminate significant roadside hazards.

Five, we support Federal research, development and training efforts to maximize use of the best available highway technology.

Six, we support a National Scenic Byways Program. With the benefits of America's great scenic and historic byways as a guide, it is time for a national program which would rely on State initiative to design and maintain such byways while making them eligible for appropriate Federal assistance, including technical and marketing support. Byways under the control of the Federal land agencies should be eligible for Federal highway funds for construction and maintenance. A Federal Office of Scenic Byways could provide State technical support and marketing assistance and Federal agency coordination. This offers an opportunity to support rural tourism initiatives to supply new jobs to the less populated areas of our country.

Seven, improved transportation information systems will facilitate convenient, efficient, and safe travel. As travellers are older or less likely to have English as their native language, it is necessary to improve the availability and clarity of highway information. Private sector messages need to be supplemented and improved by standardized signage. Technological advances and Federal support for the construction and maintenance of State information or welcome centers should be utilized.

In conclusion, these policies and programs will enable our Nation to accomplish the essential rebuilding and expansion of our national surface transportation infrastructure. Surely, we can do no less.

The travel and tourism industry looks forward to working with the subcommittee as it strives to complete this monumental task.

Thank you very much.

Mr. MINETA. Thank you very much, Mr. Book. Those statistics that you have outlined are just really eye openers. I am just won-

dering as travel delays occur in urban areas because of congestion on our Nation's highways, will the decision to take alternative modes of transportation adversely affect the travel and tourism industry?

Mr. BOOK. I think unquestionably that the gridlock syndrome we are experiencing in some of the major urban areas will become a deterrent to travel in our country. It could have a very measurable negative effect on the growth of our industry. There are areas of the country now, as you are well aware, that have six to eight hours of gridlock per day. The international visitor does not expect that type of problem when he arrives in this country and it can become a deterrent.

Mr. KING. I might add, Mr. Chairman, you will see in our more detailed testimony that the American Automobile Association has begun an annual survey of vacation travellers to try to get some assessment as to where they are going and why. Last year, in 1989, they determined that 9 percent of this scientifically constructed sample that they questioned indicated they were not taking a vacation trip by car specifically because of their concerns over congestion. Another 4 percent indicated that they were going to change the ultimate destination for their vacation.

Mr. BOOK. I was thinking earlier that we have built a very good Interstate system to take us from cities A, B, C, D, on whatever route you want to take in terms of intercity travel through the Interstate program. But once we get you to city A, or city B, or city D, you are on your own. And then because of that gridlock within the city A, or B, or C, or D, we then use Federal funds to build beltways. Then the local community takes advantage of the beltway to help their own local folks to commute, and thereby adds more to the gridlock. We just never seem to be able to get out of that trap we keep building for ourselves.

Mr. MINETA. Well, Mr. Book, in your statement you indicate that metropolitan area mobility should receive particular attention with bypasses, outer beltways, and improved public transit utilization. I am wondering would increased funding for these proposed initiatives also help alleviate congestion and air pollution problems, or would the initiative just continue to add to metropolitan sprawl that will soon result and greater congestion and greater air pollution?

Mr. BOOK. That obviously is a question that would need additional study. But it seems to me that as we are looking at the congestion problems we have today, it is necessary to relieve that congestion not only from the metropolitan areas in the east, but for the needs of the transient traveller. Those of us who drive in the metropolitan D.C. area certainly have a lot of experience in parking on the Interstate Highway System. I think the congestion here must be a shock to someone who passes through the area, as we see it on most holiday weekends for example. So I think what we are talking about is creating the loops far enough away from the city so that the person who is going from city A to city B does not have to experience the problems of the city near which they may be passing on their way from A to B.

However, looking at the dynamic economics that are involved with highway development—and this is the good news, bad news

story—we know that when highways are developed, they are a vital link in the development and growth of economy. As the folks who sat here and talked about the Interstate 66 Project, most assuredly with the development of that highway will come economic development. So it has got an upside, downside to both of them.

Mr. MINETA. Let me follow up on the economic benefits that you have indicated because your council has identified many of the economic benefits that are derived from a viable transportation infrastructure system. Your council also supports the establishment of a new Scenic Byways program in that post-Interstate Surface Transportation Program. I am wondering if you could explain to the committee the need for a Federal role in the establishment of a new program category, that is Scenic Byways, that would be eligible for funding under the Federal Aid Highway Program.

Mr. BOOK. There are many scenic roads already present in the United States. One of the more famous of course is Route 1 out in California. There are others in Virginia, Pennsylvania, and other portions of the country. These roads could be utilized for transition from one city to another without utilizing the already crowded Interstate System. So it could on one hand act as a relief; on the other hand it could act as a generator of additional business and become an economic development tool at the same time. So we are dealing really with a multiple approach to the development of that scenic byways programs.

Mr. KING. It also may not be necessary, Mr. Chairman, to create an additional program category for scenic byways. The Federal Highway Administration now has underway a very extensive study of the possibilities of a National Scenic Byways Program and the composition of that program. But for the present time all we are suggesting is at least the possibility of qualifying scenic byways for eligibility under current Federal highway funding. This is as far as we are prepared to go at this point in time. I don't think that we are really arguing for an additional categorical program here.

Mr. MINETA. Thanks, Aubrey.

Mr. Shuster.

Mr. SHUSTER. Thank you, Mr. Chairman. I have no questions, I just want to compliment you gentlemen on your testimony. In central Pennsylvania, tourism is in some of my counties the number one industry, and in others, the second and third, but extremely important. And so it is important that we not only provide the transportation but the scenic transportation as well to attract people so they can spend their money in central Pennsylvania.

Thank you very much.

Mr. BOOK. Thank you, sir. As a resident of East Berlin, Pennsylvania, it is nice to see you.

Mr. MINETA. Mr. Lewis.

Mr. LEWIS. No questions, Mr. Chairman.

Mr. MINETA. Mr. Book and Mr. King, thank you very much for your testimony here today.

Mr. BOOK. Thank you, sir.

[Mr. Book's prepared statement appears on page 1717.]

Mr. MINETA. I would now like to call on a panel consisting of Mr. Roland McElroy, President of the Outdoor Advertising Association of America; the Honorable Archie Amos, a member of the Council,

City of Buffalo, New York; and Ms. Sherri George, Director of Advertising and Marketing, Hoss' Steak and Sea Houses Corporate Office, Altoona, Pennsylvania.

Mr. McElroy, your statement will be made a part of the record. If you would go ahead and proceed in your own fashion.

TESTIMONY OF B. ROLAND McELROY, PRESIDENT, OUTDOOR ADVERTISING ASSOCIATION OF AMERICA, INC.

Mr. McELROY. Thank you very much, Mr. Chairman. I am Roland McElroy, President of the Outdoor Advertising Association of America. Before I begin my formal testimony, I think it may be useful to the committee for me to take a moment and explain just what we mean by the term "billboard." I think in so doing that it will better enable the committee to know who we are and who we are not, and it probably would help me as well. I am the new kid on the block, having just been on this job about a year. But I think it would be good for the committee to take a look at this photograph, because this is the type of photograph that you are typically shown by those who would like to ban billboards. This is a usual indication of excessive sign clutter. If you were to repeal the Highway Beautification Act in its entirety, the only billboard that would be effected in this picture would be this one, because it is the only billboard in the picture. It is the only billboard in the picture. The rest are non-standardized, on-premise signs. It might further be useful for us to say that we also represent the typically standardized signs that are known as 30 sheet poster panels and painted bulletins. The sizes of them are 12 by 25 feet for the 30 sheet panels; and typically 14 by 48 feet for the painted bulletins. These are standard sizes. These are sizes that have been standard for decades. The size for the standard poster, the 30 sheet poster, was set back in the 1920's and early 1930's, it has not changed. The size of signs has not changed.

Mr. Chairman, I ask that this photograph be circulated among the members of this committee, and further request that if it be your desire, it be made a part of the record.

The OAAA is composed of 200 outdoor advertising companies which operate in over 7,000 communities throughout the United States. These companies range in size from very small companies, often managed by the second or third generation of family ownership, to large publicly held companies with diverse business interests.

Our member companies maintain approximately 80 percent of the estimated 500,000 sign structures currently in existence in America today.

On the surface it may seem disingenuous for any industry to argue that a law which regulates it may also serve the public interest. The fact is that the just compensation provisions of this statute are of critical importance to billboard owners. But this aspect of the statute simply reaffirms a basic tenet of the Bill of Rights which guarantees to every individual and every business in this country the basic right to be compensated when property is expropriated by governmental action. That is the core interest that the OAAA seeks to preserve; that is the fundamental reason why we

support an Act which otherwise imposes considerable constraints upon our business. It also reflects the essential balance that was struck by the Congress in enacting this statute. Our opponents want to upset this balance because they say "things have regressed terribly." Allow me to tell you how things have really changed in the last 25 years.

In 1965 there 1.1 million signs along our Interstate and Federal aid primary highways. Since that time, over 710,000 signs have been removed, including 95 percent of the illegal structures in existence in 1965. Furthermore, while the number of signs has gone down dramatically, the miles of Interstate and primary highways have expanded significantly. There are still some illegal billboards, still some signs located in scenic area, but we believe that number is very small and can be readily eliminated through effective enforcement action or negotiated removal programs.

Indeed—and this is important—there is much evidence that the statistics bandied about regarding the number of problem signs is grossly inflated and unreliable. The State of Arizona, for example, reports that there are 675 non-conforming signs rather than the 3,514 reported by DOT.

In testimony before this subcommittee about a month ago, even the anti-billboard lobby admitted they were not confident of their statistics.

Now let me make an important point, non-conforming signs and illegal signs are not the same thing. Non-conforming signs, like all non-conforming uses, are sanctioned by law and can remain in existence. Illegal signs have no lawful status and are not protected by the Highway Beautification Act. You can take them down. Twenty-five years after enactment of the Highway Beautification Act, the public simply does not identify billboard control as a pressing environmental issue.

During this past week, just two days ago preceding Earth Day, the news media were full of stories about the major environmental issues facing Americans. In none of the opinion surveys reported were billboards mentioned as an environmental concern of Americans. For example, in Gallup's Earth Day Poll, conducted April 5–8, citizens were asked to list their major environmental concerns. No one named billboards. Indeed, during the Earth Day celebrations last week, billboards were used by local sponsors in many areas to promote environmental awareness. Many of our companies were specifically asked by the Earth Day sponsors to put up billboards promoting environmental awareness.

It is important that you know what the OAAA supports and what it opposes. The OAAA believes that billboards are compatible with other commercial land uses and should be located in commercial or industrial areas. We do not support the establishment of special zones carved out of rural environments solely to permit outdoor advertising, so-called bogus zoning. The OAAA supports enforcement action to eliminate illegal signs that have been erected without authorization. The OAAA supports the right of all to advertise lawful products as well as non-commercial and political messages. That is a right precious to all of us. Finally, we are against the unauthorized cutting of vegetation along the highway

right-of-way and we support effective enforcement action at the State level to prevent these abuses.

We do support the Highway Beautification Act. The record demonstrates that the law has worked and that it retains its vitality as the core regulatory device for controlling billboards on the Nation's principle Federal highways. We strongly support the principle of just compensation as articulated in the Constitution, as defined by the framers of the Highway Beautification Act, as reaffirmed 13 times in the past 25 years by the Congress, as reaffirmed by the courts, Federal and State, numerous times. The two most recent State Supreme Court cases, decided just last month in Georgia and Colorado have made abundantly clear that cities must not force the removal of signs without cash payment.

The outdoor advertising industry is a responsible broad-based industry that is sufficiently regulated at the Federal, State, and local levels. We accept the notion that billboards should not be everywhere. But decisions must be made on the basis of reality. Businesses have a right to promote their legal products and services; citizens have a right to be informed and to use our medium to inform others. Billboards are a part of American life because Americans respect variety, efficiency, and the unique combination of effectiveness and egalitarianism billboards represent.

Thank you, Mr. Chairman.

Mr. MINETA. Thank you very much, Mr. McElroy.

Let me now call on our Councilman from the City of Buffalo, Mr. Amos.

TESTIMONY OF HON. ARCHIE AMOS, JR., COUNCILMAN, CITY OF BUFFALO, NY

Mr. AMOS. Thank you, sir. My name is Archie Amos, a Councilman of the City of Buffalo. First of all, I would like to thank Congressman Norm Mineta and his committee for the opportunity to address this honorable body's subcommittee which is considering the Surface Transportation Reauthorization Bill.

The freedom of speech and expression guaranteed by the First Amendment is under not so subtle attack. Recently, as in the past, some miseducated people and/or groups have decided to target advertising agencies, product producers, and ad space providers, charging them with everything from polluting the scenery to causing cancer.

Let me first state for the record that the City of Buffalo, New York, and its legislative body, stand firmly and wholeheartedly behind the outdoor advertising industry. This, however, was not always the case. In 1985, the City of Buffalo enacted a moratorium on the development of outdoor advertising structures. Had this moratorium continued, 3M and Penn Advertising would have virtually been nonexistent on all city-owned property. The conditions that caused this moratorium were quite simple. Companies like the former Whitmier and Ferris, all of which was subsequently purchased by Penn Advertising, did nothing to update their structures or the structures' surroundings, in other words, the landscaping.

Many city officials and citizens became quite outraged and incensed at the insensitivity of these companies. Billboard structures,

while having their ads change frequently and providing much profit to their owners, were seldom repaired. Many of the old channel iron structures stood with their structure members dangling or laying on the ground unpainted and unkept. Not one of the former owners of these companies made any serious attempt to rectify the situation. The City was committed to seeing that upon the lease expiration the structures would come down, never to exist again.

If allowed to digress a moment, I would like to make clear how I, as a legislator, got involved with writing the City of Buffalo's billboard ordinance. As many of you know, the City of Buffalo was once a heavily industrialized city. The demise of the steel industry left us with the need to find replacement industries to help keep our population working and our economy afloat.

Since 1985, the service sector of our city has grown tremendously. This, coupled with the signing of the U.S.-Canadian Free Trade Agreement, has caused Buffalo to now experience new and surprisingly accelerated growth. Being an urban planner by education and having a strong interest in economic development, I had begun to look at what businesses had survived industrial death and was examining ways to strengthen and encourage their growth. As fate would have it, I had the good fortune of meeting Mr. Wayne Lamm, formerly General Manager, now Vice President of Penn Advertising, at a March of Dimes' affair. We began to talk about his industry, one that I knew completely nothing about. Mr. Lamm brought to my attention the situation facing the billboard industry on the local level, and, in turn, I began to apprise the situation and began to explore the city ordinances, only to find out that no meaningful rules or regulations were in existence. However, there was a moratorium. I began to gather data on the billboard advertising industry on a national level and became quite intrigued by it growth potential and what it could mean to the city seeking and needing growth industries.

After successfully getting an extension of all city leases due to expire, I was appointed by our City Council to chair a committee that became known as the Billboard Legislation Committee. The committee consisted of our city's Corporation Counsel, Controller, representatives from 3M and Penn Advertising, and, of course, myself. I have always felt that to have meaningful laws, all affected parties must be a part of any rule construction. The end result is a law all can live and growth with. The entire ordinance development process took approximately one year to date to the day we started. The first six months or so were used to do research so that the city representatives thoroughly understood what we were dealing with. It became clear to all of us as we began to learn more about the industry, that what was before us was an opportunity we had been seeking.

In its simplest description, our ordinance, which I have here and I would like to submit as part of the record, placed a limit on the maximum amount of signs allowed on city property. It restricted development along water routes, it increased the distance between structures, thereby precipitating the need for the industry to remove many of the structures. We have reduced them drastically, and I have a fact sheet that I will submit. It also set minimum distance from residential zones. All roof mounts that existed at the

date of passage of this ordinance were to remain, however, no further erections of this type were to be allowed. It demanded that all channel beam construction be brought into the new industry standards within a four year period. Finally, and in my mind the most significant, the city would now be the recipient of a much greater share of the profits realized by the ad companies. Before my legislation, our city received a maximum of $35 per location. Today, our rates range from $400 to $1,700 per location, per space, per year, with a renewable and renegotiable five year lease. Our city also receives a 6 percent increase every year during the five year period. This increase is based on the previous year sales. Today, the outdoor advertising industry and the City of Buffalo are in harmony; both benefitting from a cooperative effort.

Let me add as a further note, Mr. Chairman, that one of the things we found in the City of Buffalo that made 3M and Penn Advertising easy people to deal with was their willingness to become involved in the community projects. Over $2 million by Penn Advertising alone have been dedicated for public service use, and this is over the three year period that they have been there. They have been quite cooperative; we have been quite cooperative with them; and we found a way that we can really work and live together.

Thank you very much.

Mr. MINETA. Thank you very much, Councilman Amos.

Your fact sheets will be added to the record.

[Mr. Amos' fact sheets follow:]

PENN ADVERTISING
BUFFALO DIVISION RENOVATION

"Making a Commitment to the Communities We Serve"

ACQUISITIONS AND RESTRUCTURING

***December 1986:** Penn Advertising acquires assets of Whitmier & Ferris Company. Whitmier & Ferris had been an established business in Buffalo since 1872.

***December 1986 & June 1987:** Penn also acquires poster panel billboards from National 3M Company and Victor Outdoor.

*Penn hires General Manager A. Wayne Lamm to restructure the market, refurbishing billboard structures that were 50-60 years old, and also involve Penn Advertising in the community of Buffalo.

*Presentation is made to the City Council of Buffalo regarding planned restructuring of the market to update billboard structures and help reverse a city moratorium on billboard structures.

***TOTAL NUMBER OF BILLBOARDS AT TIME OF ACQUISITION:**

1231 30-SHEET POSTER PANELS
322 8-SHEET POSTER PANELS
81 PAINTED BULLETINS

***TOTAL NUMBER OF BILLBOARDS ON 12/1/88:**

1120 30-SHEET POSTER PANELS
308 8-SHEET POSTER PANELS
77 PAINTED BULLETINS

During Penn Advertising's first year of renovation in the Buffalo market **129 billboards were removed** due to restructuring (replacing multi-units with single pole structures).

In that same year Penn Advertising remodeled or refaced 300 poster panels and 70 painted bulletins, and landscaped over 50 leased billboard locations. (See enclosed slides)

TOTAL SPENT ON RENOVATING MARKET 1986-1990: $4 MILLION

BILLBOARD TASK FORCE RECOMMENDATIONS

THE BILLBOARD TASK FORCE, AFTER EXTENSIVE REVIEW OF EXISTING "NON ACCESSORY SIGN ORDINANCES, SECTION 17 PARAGRAPH H, MAKE THE FOLLOWING RECOMMENDATIONS:

AMEND

SECTION

H (1) PARAGRAPH (1)--change 300 square feet to 675 square feet. This change reflects the industries standard. -350

H (1) PARAGRAPH (2)--change 500 feet spacing to 1000.

H (2) PARAGRAPH (3)--change 500 feet spacing to 1000.

H (2) PARAGRAPH (3)--change 100 feet spacing to 300. ok

H (2) PARAGRAPH (4)--omit because Paragraph (3) establishes distance from residential district. Remove

ADDITIONS

10. ROOF MOUNTS

ALL EXISTING ROOF MOUNTED DISPLAYS ARE HEREBY GRANDFATHERED IN. NO FURTHER ROOF ERECTIONS WILL BE ALLOWED.

11. EXISTING STRUCTURES

ALL EXISTING STRUCTURES THAT ARE NOT PRESENTLY MEETING THE INDUSTRY STANDARDS ARE TO BE BROUGHT INTO COMPLIANCE WITHIN FOUR YEARS.

12. LEASES

ALL LEASES WILL BE SUBJECT TO A 30-DAY WRITTEN NOTICE OR CANCELLATION IN THE EVENT SAID LOCATION IS SOLD OR NEEDED FOR DEVELOPMENT. ALL LEASES WILL RUN FOR A FIVE-YEAR PERIOD.

A). IN THE EVENT SUCH CANCELLATION OCCURS, BOTH LESSEE AND LESSOR SHALL WORK JOINTLY IS SECURING AN ALTERNATE LOCATION FROM THE RESERVE POOL. THE NEW LOCATION WILL BE SUBJECT TO ALL ZONING AND PERMIT REQUIREMENTS AND REGULATIONS AS DEFINED BY THE CITY SIGN ORDINANCE.

B). UPON NORMAL EXPIRATION OF A LEASE, THE COUNCIL WILL REVIEW EACH LOCATION BEFORE RENEWAL IS GRANTED. IF IT IS DETERMINED THAT SAID LOCATION IS NO LONGER CONDUCIVE TO THAT AREA. THE SAME JOINT PROCESS OF SELECTING A NEW LOCATION WILL OCCUR.

C). ALL EXISTING LEASES WILL BE SUBJECT TO ALL NEW BILLBOARD STANDARDS SET FORTH UPON THEIR EXPIRATION.

13. NEW LOCATIONS

ADVERTISING AGENCIES WILL EXAMINE A LIST OF IMPROVED PROPERTIES HELD BY THE DIVISION OF REAL ESTATE THAT HAVE BEEN FOUND TO MEET ALL BILLBOARD ZONING REQUIREMENTS (I.E. C2, C3, ETC.). APPLICATIONS OF SELECTED LOCATIONS WILL BE SUBMITTED TO THE COMPTROLLER. THE COMPTROLLER WOULD FORWARD THOSE REQUESTS TO THE COUNCIL FOR EXAMINATION AND APPROVAL. ONCE APPROVED, THE ADVERTISING AGENCY AND COMPTROLLER WOULD EXECUTE THE NECESSARY LEASES.

BILLBOARD TASK FORCE RECOMMENDATIONS
PAGE TWO

14. RESERVE LOCATIONS

THESE ARE LOCATIONS THAT WILL BE USED AS ALTERNATE LOCATIONS IN THE EVENT PROPERTIES NOW LEASED ARE SOLD OR NEEDED FOR DEVELOPMENT. THE ADVERTISING AGENCIES WOULD REVIEW LOCATIONS AND REPORT THE DESIRED REPLACEMENT LOCATION TO THE COMPTROLLER AND COUNCIL. IF RESERVE LOCATION IS AT THAT TIME STILL CONDUCIVE TO BILLBOARD DEVELOPMENT, THE AGENCY WOULD BE ALLOWED TO ERECT A NEW SIGN. THE NEW LOCATION WOULD BE SUBJECT TO ALL ZONING AND SIGN ORDINANCES. IN CASE OF A DUPLICATE REQUEST (I.E. TWO OR MORE COMPANIES REQUESTING THE SAME LOCATION), AN AUTOMATIC BIDDING PROCESS WOULD BEGIN.

15. BIDDING PROCESS

OPENING BIDS WILL BEGIN AT THE FIXED RATE, PER FACE (I.E. 6 X 12 = 400.00, 14 X 48 = 1700.00,) ETC. WITH THE LOCATION AWARDED TO THE HIGHEST BIDDER.

16. MAXIMUM NUMBER OF LOCATIONS

THE MAXIMUM NUMBER OF LOCATIONS TO BE ALLOWED WITHIN THE CITY OF BUFFALO WILL NOT EXCEED 100 SITES.

17. MONETARY BENEFIT TO THE CITY

CITY TO RECEIVE ITS' REVENUE BASED ON THE TOTAL NUMBER OF LOCATIONS LEASED BY THE ADVERTISING AGENCIES. THE CITY WOULD BE PAID A FLAT-RATE PER FACE PER LOCATION, PLUS A 6% INCREASE PER YEAR, BASED ON THE PREVIOUS YEAR'S RATE. LEASES WITH THE CITY WOULD RUN FOR A FIVE-YEAR PERIOD. UPON EXPIRATION OF SAID LEASE THERE WOULD BE A PERCENTAGE ADJUSTMENT ON THE FLAT RATE BASED ON THE PERCENTAGE OF INFLATION.

FEES PER FACE PER LOCATION

POSTER PANELS	6 X 12	$ 400.00
	12 X 25	700.00
PAINTED BULLETINS	10 X 36	1200.00
	14 X 48	1700.00

Leg

BY: MR. AMOS

RE: ORDINANCE AMENDMENT
SECTION 17(h) AND 17(i) OF
CHAPTER LXX NON-ACCESSORY SIGNS

The Common Council of the City of Buffalo does hereby ordain as follows:

That subdivision h of Section 17 of Chapter LXX of the Ordinances of the City of Buffalo be amended as follows:

(h) **Standards applicable to nonaccessory signs:** Nonaccessory signs shall not be erected to any residential district. In the "C1" neighborhood business district, no nonaccessory sign or signs shall be erected. In the "C2" community business district, "C3" central district, "CM" general commercial district and in all industrial districts, nonaccessory signs shall be permitted subject to the following regulations. No non-accessory sign shall be erected along the river or lakefronts west of the New York State Thruway, the Buffalo Skyway or Fuhrman Boulevard.

(1) In the "C2", "C3" and "CM" districts only one (1) nonaccessory sign structure shall be permitted on any lot with one hundred (100) lineal feet of street frontage or less and only one additional structure for an additional one hundred (100) lineal feet of street frontage or major fraction thereof. No such structure shall contain more than one (1) sign per facing that shall not exceed [three hundred (300) feet] six hundred and seventy-five (675) square feet.

No nonaccessory sign shall be located within three hundred (300) feet of another such structure located on the same side of the stret. In the case of a nonaccessory sign facing a limited access highway or expressway, no such structure shall be located within a distance of [five hundred (500)] one thousand (1,000) feet of any such structure located on the same side of such highway. No nonaccessory sign shall exceed an overall height above ground at the base of such sign of forty (40) feet, except for a sign oriented to an elevated road or highway, such height may be increased to that of thirty (30) feet above the pavement level of the elevated road.

(2) In industrial districts only one (1) nonaccessory sign structure shall be permitted on any lot with one hundred (100) lineal feet of street frontage or less and only one (1) additional structure for an additional one hundred (100) lineal feet of street frontage or major fraction thereof. No such structure shall contain over two (2) signs per facing and if the structure contains two (2) signs per facing (that is, facing the same direction), neither sign shall exceed three hundred (300) square feet in area.

In lieu of two (2) signs per facing, one (1) larger sign may be erected, not to exceed six hundred seventy-five (675) square feet in area, exclusive of customary extensions and embellishments that do not exceed twenty 20) per cent of that area.

No nonaccessory sign structure shall be located within three hundred (300) feet of another such structure located on the same side of the street. In the case of a nonaccessory sign facing a limited access highway or expressway, no such structure shall be located within a distance of [five hundred (500) feet] one thousand (1,000) feet of any other such structure located on the same side of such highway. No nonaccessory sign shall exceed an overall height above ground at the base of such sign of forty (40) feet, except for a sign oriented to an elevated road or highway, such height may be increased to that of thirty (30) feet above the pavement level of the elevated road.

(3) No nonaccessory sign shall be erected within [one hundred (100) feet] three hundred (300) feet of any residential district if it would face such district and be visible therefrom.

(4) No nonaccessory sign shall be erected next to a building in any zoning district used for residential purposes when closer than forty (40) feet to any window of an existing residential as measured from the sign to the window. No nonaccessory sign shall be erected within ten (10) feet to a building in any zoning district used for residential purposes even when such sign is not visible from any window of existing residential units.

(5) No nonaccessory sign shall be erected within two hundred (200) feet of any public park or parkway if it would face such park or parkway and be visible therefrom.

(6) No nonaccessory sign shall face Delaware Avenue between Chippewa Street and North Street if it would be within two hundred (200) feet thereof and visible therefrom.

(7) No nonaccessory sign shall be closer to any street line than the front line of the nearest building within fifty (50) feet; provided, however, that when a nonaccessory sign is erected between two (2) buildings within fifty (50) feet of the structure, no part of the sign structure shall be erected closer to any street line than a line drawn from the nearest front corner of the two (2) buildings.

(8) Except as otherwise may be provided in this chapter, any sign which for a period of three (3) years has not been repainted or reposted and on which the message on which has been removed or is totally or partially illegible or absent, or which pertains to a time, event or purpose which no longer applies, shall be deemed to have been abandoned. An abandoned sign is prohibited by this chapter and such sign and its structure shall be removed by the owner of the premises if not by the owner of the sign. Failure to remove an abandoned sign and sign structure, as described above, shall be a violation of this chapter. If the owner or lessee shall refuse or neglect to remove the sign and sign structure within three (3) months after delivery of a notice from the commissioner of inspections and licenses, the

commissioner may cause the sign and sign structure to be removed and the expense thereof shall be assessed against the owner of the property on which the sign is located in accordance with the provisions of the charter of the city relating to assessments. Delivery of the notice may be made by personal service thereof or by registered mail to the last known address of the owner.

(9) Modification of sign regulations. An applicant seeking modification of sign regulations contained in this section may submit a request for modification to the city planning board. The board shall investigate the request and present its findings and recommendation to the common council within one (1) month of its receipt of the matter. The common council may authorize and direct the approval or denial of a permit for the requested modification on the basis of the effect of such permit on the public health and welfare.

(10) Nothwithstanding any other provision of this chapter, roof-mounted non-accessory signs, which existed at the effective date of this amendment shall be permitted to remain, but no further roof-mounted non-accessory signs shall be permitted.

(11) Existing nonaccessory signs, including billboards, pole signs and similar advertising devices, which do not meet the regulations of this amendment on the effective date of this amendment shall be removed or brought into compliance herewith within four (4) years of the effective date of this amendment.

(12) Subdivision (i) of Section 17 of Chapter LXX of the Ordinances of the City of Buffalo is hereby repealed.

APPROVED AS TO FORM

_____
Corporation Counsel

NOTE: (Matter underlined is new: matter in brackets [] to be omitted)

PASSED.

RGB:bmg

Mr. MINETA. Ms. George, we have your statement. It will be made a part of the record. If you would go ahead and proceed in your own fashion.

TESTIMONY OF SHERRI GEORGE, DIRECTOR OF ADVERTISING AND MARKETING, HOSS' STEAK AND SEA HOUSES CORPORATE OFFICE, ALTOONA, PA

Ms. GEORGE. Good afternoon. Thank you for the opportunity to address our views on the billboard status. This is the first time I have had the pleasure of talking before such a distinguished committee, and so I thank you for the privilege.

Hoss' is a rapidly growing chain of steak houses in the central-western Pennsylvania. We feature a family-style restaurant with a "back to basics" scratch type cooking.

In the community, each of our locations provide employment for 60 people. In addition, we have a corporate support crew and other divisions of the company that total over 2,000 employees in the State of Pennsylvania.

We have a $50 million investment in our restaurant chain. Our sites are not considered to be prime locations. Real estate costs prohibit a company such as ours from negotiations for the selections of those type properties. For that reason, we rely heavily on outdoor advertising industry as our primary source of advertising.

I have a budget of $900,000 a year, $240,000 of which is earmarked for billboards. The importance of that figure is that it is the largest amount of money we spend anywhere in the company for anything. Our second largest donation is to the 4-H Baby Beef Sales at the auctions.

The billboards are an affordable medium for us. They provide us the opportunity to maintain our market presence. But most importantly, they serve as a directional map for the public. That is vital for our restaurants and for any other restaurants in the industry. Seventy-five percent of our billboards are strictly directional, and as our contracts are negotiated, we have been changing them all into directional. The local municipalities have varying standards that apply to the regulation of signage. Many of them prohibit a marquee large enough for the average driver. In a recent project, we acquired one of our locations, and the ordinances were such that the sign was not of a size to be effective. I drove past it and I knew where it was. It took us almost six months to obtain a billboard for that particular location, and it was still 11 miles away, but at least it gave people the awareness that we were 11 miles ahead on the left. That restaurant was projected to be one of our highest sales volume restaurants, but only after six months of waiting to obtain a directional billboard, did we start to meet our projected budget. It just wasn't there.

In a few instances, very few, but a few instances such as these, the billboards have been a direct influence on the restaurant industry as to whether or not the restaurant is a profit center or sort of at the break-even point. We have seen as much as a 20 percent increase in customer count when key billboard locations were accessible.

With the Hoss locations as they are, billboards are, again, an affordable medium for our company. They provide us with the opportunity to enforce the continuity of our message and our business across the State. The cost, with respect to the market value in a particular market, for one month is often less than 30 seconds of air time. We have no other cost efficient way to maintain the same value or market presence.

I spoke about market presence, the continuity, the basic facts of billboards. I have not even begun to address the educational or the safety or the other issues directly related to outdoor advertising. I have heard other speakers address them for me, very fortunately. I couldn't see where environmentally billboards ever cause any harm. Aesthetically, they are questionable, but they have been accepted as a traditional form of information for the American public. There needs to be an evenly weighed scale on the balance between economics, information, and aesthetic interests.

Speaking for a company who derives growth based on success, profits, and customer satisfaction, none of these things can be accomplished without the right combination of marketing. Billboards are a part of that formula. Perhaps the solution between economics and aesthetic values can be neutralized by energy spent on creative solutions and laws that would regulate maintenance and the overall quality of the existing outdoor medium. We even have a few.

Again, thank you for the opportunity to appear here today.

Mr. MINETA. Thank you very much, Ms. George, for your testimony.

Mr. McElroy, the OAAA acknowledges that there are problems in the implementation of the Highway Beautification Act due to inconsistent or lax enforcement. Does OAAA have any recommendations to improve the enforcement of the provisions of the Highway Beautification Act?

Mr. MCELROY. We think first of all that of course illegal signs which are out there can be removed with no further authority needed at any level. They can be removed without the expenditure of any taxpayer funds. Before any further action could be recommended, however, legislatively or otherwise, I think it would be important for us to know just how many signs in each category remain. As I indicated in my testimony, I think that a comprehensive, in-depth, meaningful inventory would be helpful to all of us before we can come up with concrete recommendations.

Mr. MINETA. During the consideration of the Surface Transportation and Uniform Relocation Assistance Act of 1987, the Congress considered several amendments to the Highway Beautification Act which would not mandate the payment of just compensation for the removal of non-conforming signs. Does OAAA support any amendment to the just compensation requirements of the Highway Beautification Act, and, if so, can you explain?

Mr. MCELROY. No, Mr. Chairman. We think the Act has worked well, that the framers of the original Act who debated this issue at length and, of course, the other members of congress who have revisited this issue at length at least 13 times over the last 25 years and have reaffirmed the principle of just compensation and the interpretation of it to mean the payment of cash compensation. We think that issue does not need to be revisited, that the issue is

clear. The Fifth Amendment to the Constitution, which says that private property shall not be taken for public use without the payment of just compensation, does not mean amortization. The Constitution doesn't say let a period of time elapse and let that constitute compensation. We think this issue has been debated over and over and it is time finally to lay it to rest. We would not advocate any amendments on that issue.

Mr. MINETA. OAAA has consistently supported funding for implementation of the provisions of the Highway Beautification Act and recommends an authorization level of at least $5 million. Based on the number of non-conforming signs along Interstate and primary highways, what would be your estimate of the cost to remove all non-conforming signs.

Mr. MCELROY. That's a very good question. First of all, it goes back to what I said earlier, we know that according to latest FHWA report there are 99,919 non-conforming signs that they count in existence on FAPs and Interstates. We think that number may be considerably inflated. So before you can arrive at a figure as to how much it would cost to remove the remaining non-conforming signs, I think we would have to come up with an accurate number of how many there are.

Mr. MINETA. Councilman Amos, several Members of Congress have expressed concerns for certain types of messages that are conveyed by billboards that encourage actions that may endanger one's health. Has the City of Buffalo been able to work effectively with the billboard industry to encourage responsive use of billboards to convey messages that are sensitive to the Nation's health concerns?

Mr. AMOS. Yes, we have. We found that working with the ad agencies has been very easy. They have been very receptive to our suggestions. But let me say as an additional note, I think under the First Amendment where freedom of speech is protected, that whatever message is on billboards, as long as they are legal products, it is protected and should continue to be protected. There are just as many signs, relative to smoking—against smoking as there are promoting tobacco products. To me, it is an insult for anyone to say that a picture would be so influential that it would cause one to do something that is detrimental to one's health or well-being. We have the intelligence I think to make choices and I think that as long as information is out there, whether we are for it or against it, it gives us an opportunity to create that balance needed in our judgments.

Mr. MINETA. Can you explain how the billboard industry has enhanced economic development for the City of Buffalo?

Mr. AMOS. Oh, yes, quite definitely. As part of the record which is being submitted, if you just look at the employment levels, initially there were only 16 employees under the former companies all total; just 16 employees. In just the short period of time that Penn has come in and taken over other companies, they have already grown to 47 and project that it will go higher. This has given income to those who work for them, it has also helped the City of Buffalo in terms of people spending their money in the city. We are collecting money by way of taxes on the homes that they are buying and products that they are purchasing.

Mr. MINETA. The Highway Beautification Act establishes requirements for the location of billboards along Interstate and primary highways on the Federal Aid Highway System. Do the provisions of the Highway Beautification Act apply to the billboards located within the City of Buffalo?

Mr. AMOS. We have even taken it a step further. We have put distance limitations between signs, which has caused the industry to have to remove some signs on major highways. Our ordinance requires 1,000 feet between signs and no closer than 300 feet to residential areas, and they cannot be facing those residential areas.

Mr. MINETA. Ms. George, you have stated that billboard marketing has had a direct influence on the profitability of the restaurant business. Has the lack of the availability of billboards for marketing purposes hindered the profitability and growth of Hoss' Steak and Sea House Restaurants?

Ms. GEORGE. I wouldn't use the word restaurants, plural, but there have been occasions with several of our restaurants, as we mentioned, where the signage is so limited that the addition of billboards was a direct influence and, indeed, actually changed the restaurant.

Mr. MINETA. Very well.

Mr. Shuster.

Mr. SHUSTER. Thank you very much, Mr. Chairman.

We certainly appreciate your testimony here today. Ms. George, I want to compliment you particularly on your testimony. It was very effective when you can give us evidence that billboards will increase your sales by 20 percent, that's effective. In fact, my own experience a few years ago where I was using a billboard in a campaign and Governor Casey of Pennsylvania was driving throughout the State, he was campaigning, and he said, "Bud, those billboards you have got throughout central Pennsylvania and the particular copy on them are absolutely tremendous. Every place I go I see your billboards." The fact of the matter is there was only one billboard and it was on 220. It certainly was a testimony to the effectiveness of billboards in selling products. I guess that is what some people object to, and that is some of the products that get sold. But that's another story.

Mr. McElroy, I want to compliment you, too, on your testimony. I can remember the days when the billboard industry was pretty much only concerned about selling billboards and making money, and that was sort of difficult for those of us who supported the industry. But I think your statesman-like testimony was certainly very impressive. The fact that you support scenic byways, which means billboard-free highways, is certainly statesman-like. The fact that you have indicated that the billboard industry on average only has about 10 percent of their boards on cigarettes also is impressive. I understand our colleague, Mr. Waxman, is probably going to be introducing legislation in the near future to limit cigarette advertising. If you already only have 10 percent of your boards in cigarette advertising, then the 10 percent cap on cigarette advertising probably wouldn't be too harmful, and I am sure he will be happy to know that.

One of the things that intrigues me, let me ask you, Mr. McElroy, there has been so much progress, which you have outlined,

why don't we simply record a victory and go home. Senator Chafee today I understand introduced legislation returning the decisions on billboards to State and local Government, essentially getting the Federal Government out of the business. What is wrong with that?

Mr. McElroy. Why would you turn back the clock on any effective legislative initiative. That is what Senator Chafee and others would have you do with the bill that they have introduced today. They want to turn back the clock 25 years and make it an issue again. Billboards are not an environmental issue at the present time——

Mr. Shuster. Educate me, maybe I misunderstand. If Senator Chafee's legislation were enacted, this would not permit the construction of more billboards would it?

Mr. McElroy. No, it wouldn't be turning back the clock in the sense that——

Mr. Shuster. You have outlined a tremendous accomplishment, so——

Mr. McElroy. One of the things he would do in his bill would be to give the States the authority to determine whether compensation should be amortization or cash. All the efforts that are included in his bill would weaken the present regulatory structure that has worked so well over the last 25 years.

Mr. Shuster. Would that mean then that a State, for example, could say more billboards could be built, that where they had been taken down, they could be put back up?

Mr. McElroy. It would give the States complete authority I would think in that regard. That is part of what I see as the problem. You would have chaos out of control. At the present time, you have control of billboards, which is what the original framers of the Act wanted.

Mr. Shuster. So Chafee's legislation could——

Mr. McElroy. You could have chaos.

Mr. Shuster. They could either take down more boards or permit the construction of more boards; it could go either way? I don't want to put words in your mouth, but I want to understand what you are saying.

Mr. McElroy. I have not looked at the details of his legislation which he introduced today. It certainly would upset the balance that currently exists in controlling the proliferation of billboards.

Mr. Shuster. In which way, down or up? Could it not be argued that some States could take down their billboards, other States could permit—for example, in New York, in Buffalo, where they are so pleased with them, then they could permit more construction of billboards. Couldn't it go either way?

Mr. McElroy. It places a moratorium on certain roads, interstates, highways, and FAPs, for instance, so States would not have the authority to allow the construction of billboards on those streets, according to my reading of the major points. Again, I haven't read the legislation.

Mr. Shuster. Let me ask you, Mr. Amos, a question. Did I understand you correctly that in Buffalo you have a tax on billboards and it becomes a source of revenue?

Mr. Amos. There is a fee for billboards on all city-owned land.

Mr. SHUSTER. City-owned land. But this is not a tax on other billboards in the city? It is a fee for renting space on city-owned land?

Mr. AMOS. It is based on city-owned land and applies to all billboards within our jurisdiction, whether they are on private land or not.

Mr. SHUSTER. Oh, which are on private land? So it is a tax?

Mr. AMOS. We don't call it a tax, we call it a fee.

Mr. SHUSTER. It's a fee, okay. Read my lips, no new taxes. Right. It is a user fee. We like user fees in this committee. So you are saying it is a fee if I own a piece of property and I lease that piece of property to Mr. McElroy who puts up a billboard on it, he has to pay you a fee——

Mr. AMOS. Based upon the size——

Mr. SHUSTER. Based on the size of that board whether or not the city owns that property.

Mr. AMOS. Exactly.

Mr. SHUSTER. So this becomes a new source of revenue.

Mr. AMOS. Exactly.

Mr. SHUSTER. So do you recommend that other cities consider this as a new source of revenue as well?

Mr. AMOS. We have a cap. They cannot exceed the cap. They can only produce at a maximum 100 more signs on city property within city limits. In order to assist them whereas it relates to city-owned land, as we see a need to develop or sell that land, our controller banks land all year, and we give them the opportunity to look at replacement locations or new development locations.

Mr. SHUSTER. It is interesting. I hear some of the criticisms that as long as we require just compensation and the States don't come up with enough money to take down billboards, maybe cities could start taxing billboards and then use the revenue from billboards to take down other billboards. It becomes an interesting concept. I am intrigued with the idea of a user fee and cities possibly considering that.

Well, I very much appreciate your testimony. Thank you very much.

Mr. MINETA. Mr. Lewis.

Mr. LEWIS. Thank you, Mr. Chairman.

Mr. McElroy, your photograph tells me that perhaps my bill really doesn't go far enough. What that photograph tends to demonstrate is an excellent example of what I like to call litter on sticks, community clutter by billboards or things that look like billboards, at least to me.

Councilman Amos, you are from Buffalo, I know Buffalo, I have a lot of relatives living in Buffalo. The first time I left the south in 1951, when I was 11 years old, I took an automobile trip from rural Alabama to Buffalo, New York. I am glad to know that your city has developed a sign control system. I think all we are proposing is to give you the power, give it back to the cities, to control billboards, to give you a way to get rid of non-conforming signs.

Ms. George, let me just ask you a few questions. You stated in your testimony that most important are billboard service directional maps for the public. Do you know anything about directional signs used in some States, such as Virginia, the small signs on which several restaurants may be listed, with very narrow arrows

indicating how to get to their restaurants, and the indication of the mileage to these different restaurants. Have you seen those type signs?

Ms. GEORGE. Are you talking about the logo signage?

Mr. LEWIS. Yes.

Ms. GEORGE. Yes, sir. We were one of the pilot people in the State of Pennsylvania program when they developed it. We were one of the originals.

Mr. LEWIS. Have you ever travelled from Petersburg, Virginia to Richmond and seen those little signs along the way on I-95?

Ms. GEORGE. I have travelled I-95 near Richmond, yes.

Mr. LEWIS. Do you think those signs are effective for the purpose of giving directions?

Ms. GEORGE. Yes, sir, I do.

Mr. LEWIS. You stated in your testimony that the aesthetics of billboards are questionable. Won't you agree that the smaller uniform signs found along the highway of Virginia are a little more pleasing?

Ms. GEORGE. No, sir, I don't.

Mr. LEWIS. Wouldn't it be a little more pleasing to look at a small directional sign rather than something six stories high?

Ms. GEORGE. Well, compared to what? I mean, in perspective, compared to what? I find that they are boring.

Mr. LEWIS. Mr. McElroy, a number of the numbers you used in your testimony were confusing to me. You said that the billboard industry employs about 100,000 people. According to the 1985 U.S. Census publication, only 12,290 people were employed in the outdoor advertising industry in 1985. Can you tell me why this difference?

Mr. MCELROY. We have included in that number all of the people who are directly and indirectly in the outdoor advertising business; who get some portion of their income directly or indirectly, or some other benefit, from being associated with the industry. That is how many people we estimate would be affected.

Mr. LEWIS. You further stated that there are 200 outdoor advertisers in your association?

Mr. MCELROY. Members of our association. There are others out there.

Mr. LEWIS. Isn't it a fact though that about 70 percent of all billboards are owned by just nine companies?

Mr. MCELROY. I don't think that is correct. Most of them are small businesses. We do have several large outdoor advertising companies in America that do own a large number of billboards. But billboard companies have been around for 200 years and, as I said in my testimony, some of them are now being managed by second and third generation families. They have been around a long time. We have one company that has been run by one family continuously for over 100 years up in the northeast. The largest majority of our member companies are small businessmen spread out all over this country.

Mr. LEWIS. You stated that tobacco ads accounted for only 10 percent of all billboard ads. But I am looking at a summary of an excerpt from the Advertising Age, dated November 28, 1988. It says that eight of the top ten advertisements on billboards are tobacco

or alcohol advertisements. In minority neighborhoods, according to a recent report that I read, 70 percent of all billboards advertise alcohol or tobacco. Do you know anything about those reports?

Mr. McElroy. Yes, sir. Tobacco, while it is still the number one single category of advertiser on the billboards, it is rapidly being challenged by a host of other categories. Health, for example, has risen over 300 percent in the last decade. Television, the media in general, has risen over 300 percent in the last decade. In fact, many of the newspapers that criticize us freely on the editorial pages are some of our biggest users in the same communities. So the number of major users is quite large indeed.

Mr. Lewis. I am looking at a report prepared by the Congressional Research Service. There is a report on 1988 outdoor spending by categories, the source of which is listed as the Outdoor Advertising Association of America. According to this table, of the five top advertisers, tobacco advertisers are number one and alcohol advertisers are number two. Tobacco advertisers spend more than two times as much for outdoor advertising as do advertisers in the second largest category. Were you aware of this report?

Mr. McElroy. I am aware of the fact that tobacco has been a very good customer of the industry for quite a long time. But the percent of their spending as a percent of our revenue has been in a seven year decline. As these other categories have gone up, the percent of dollars spent in our medium as a percent of revenue have been on the decline, and we think that is an encouraging factor.

Mr. Lewis. Let's move to another area where I have some concern. On the compensation issue, I think the easy way for us to resolve this issue once and for all is for me to walk through my understanding of the issue. You stop me where I go wrong or where I may misspeak or where I say half-truths or where I just don't imply the truth, okay? The Highway Beautification Act was enacted in 1965. Its purpose was to provide for scenic development and rural beautification along Federal highways. It was to protect our tremendous investment in our highway system, and it was to protect the safety of our highways. Towards this end, Congress asked the States to develop plans for the control of outdoor advertising. We told the States that we would help them make sure that their plans were adhered to. Am I right so far, Mr. McElroy?

Mr. McElroy. Yes, go ahead.

Mr. Lewis. Until 1978, States could compensate billboard owners without paying them cash. They could allow a billboard to stay up despite their being non-conforming for a prescribed period of time. That period of time was called an amortization period, a grace period, a write-off period. Have I said anything wrong so far?

Mr. McElroy. Up to what time? 1965.

Mr. Lewis. What about up to 1978?

Mr. McElroy. I am sorry. In some cities, that is true. The 1978 amendments did change that, I am sorry. Go ahead. I just didn't hear the date.

Mr. Lewis. In 1978, the Highway Beautification Act was amended so that the States had to pay cash for the removal of non-conforming billboards. The States had to pay 25 percent of the cash compensation and the Federal Government has to pay 75 percent of the cash payment. Is that correct?

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Mr. McElroy. Yes.

Mr. Lewis. Since 1982, no Federal funds have been appropriated for the removal of non-conforming billboards. Is that correct?

Mr. McElroy. The 1965 Act required the States to pay for billboards. You could not have amortization on FAPs on interstates following enactment of the 1965 Act.

Mr. Lewis. What happened in the 1978 amendments? It is my understanding that——

Mr. McElroy. This is an important issue. And I would like to have it explained carefully, fully, and accurately to the members of the committee. If it is all right with the Chairman, I would like to ask Mr. George McInturff, who was there at the enactment, to give us his understanding of the Act as signed into law at that time.

Mr. McInturff. In 1965, when the Act was passed, Congress stipulated that signs must be paid for if they were lawfully erected and they were required to be removed. This was verified by an opinion of the Attorney General of the United States in about 1967.

In 1978, the requirement for compensation was clarified. What had happened, Mr. Lewis, was that some of the States had encouraged cities to take down signs with zoning laws, which should have been paid for under the Highway Beautification Act. So the Congress passed the 1978 amendment to stipulate that any sign controlled under the Highway Beautification Act and lawfully erected and lawfully maintained must be paid for if it is required to be removed by a State or a city, regardless of what reason the removal.

Mr. McElroy. Senator Randolph said at the time that the 1978 amendments reaffirmed congressional intent. A direct quote from his was, "it is a matter of equity."

Mr. Lewis. Was cash mentioned in the Act before 1978 amendments? I was not here.

Mr. McElroy. Absolutely. There wasn't any question whatsoever that cash was the means of compensation, just as provided in the Fifth Amendment to the Constitution.

Mr. Lewis. Mr. Chairman, if you will bear with me for another moment or two. Let's assume for a minute that it is a given when a billboard is removed, it is the United States Constitution that will require that the owner of the billboard receive just compensation?

Mr. McElroy. The Constitution does not specify the nature of the property, it simply says that when any Government entity decides to take private property for public use, it must pay just compensation. And the ruling over and over and over again, including in the most recent cases, has been that that means cash payment.

Mr. Lewis. But it is in the Constitution?

Mr. McElroy. Just compensation is clearly defined in the Constitution.

Mr. McInturff. The Fifth Amendment.

Mr. Lewis. Mr. Amos, do you feel like you are in a minority here? I notice you said your background is a planner, but I notice that the American Planning Association—I served on the Atlanta City Council as an at large member for almost five years—I notice that the National League of Cities, the U.S. Conference of Mayors, the Institute of Architects, almost all of the planners, the presidents of several of the leading banks in Atlanta and others are saying do something about controlling the proliferation of bill-

boards. I notice you make the point that the outdoor advertising industry is doing some good here and there. Could you respond?

Mr. AMOS. Yes, gladly. Let me say that the statement you made a little earlier about what you were attempting to do here in terms of changing this legislation, I think the mere fact that we from Buffalo have set a new ordinance that has been worked out, given the present laws, is an example that you do have enough regulation at this point.

To your question about being in a minority as an urban planner. No, because what I am discovering is that a lot of the comments and statements that are coming out of some of these agencies are coming from, in all deference, older representatives of these urban planning agencies and/or National League of Cities. What I am finding is the younger professionals are more mainstream and are taking a different look and approach at urban development and planning.

Mr. LEWIS. Well, the Mayor of Houston is a charming, very attractive, young woman, Kathy Whitmar, the head of the U.S. Conference of Mayors, and is supporting legislation to control billboards. We have hundreds of the young council people being elected all around the country, the National League of Cities, younger mayors. Are you saying it is a generation thing?

Mr. AMOS. I stick to my former statement. Let me just add that those younger officials or planners, who have no knowledge of this industry and what its about, once they take a closer look at it will walk away with a different opinion, we found that to be so in the City of Buffalo.

Mr. LEWIS. Do you have any concern about when little children in the heart of Buffalo, in the heart of Atlanta, or Harlem are walking through the streets each day on the way to school seeing billboard signs saying smoke up, drink up? Do you think they are at the right age to make an intelligent decision whether they should be influenced by that ad or not or that billboard?

Mr. AMOS. Your question is are they at the right age?

Mr. LEWIS. Yes. Elementary school children, six, seven, eight years old.

Mr. AMOS. Let me say the educational system plays a very important part in educating all of us; but I think even more important is the home. The values that you bring out of that environment are going to have a great influence on what you choose to do. I think regardless of what is in front of you, if that basic foundation is in place, you will not go off and do anything that you would not already do. That is my firm belief.

Mr. MCELROY. Congressman, these billboards that you refer to do not come under the jurisdiction of the Highway Beautification Act in most cases. And in most cases, they are each——

Mr. LEWIS. Well, Mr. McElroy, they may not, but it is one and the same, sir.

Mr. MCELROY. Well, I understand that and I share your concern over that. We don't want alcohol and tobacco messages on those billboards that are contiguous to schools and places of worship. We are working with local communities around the country to arrive at acceptable community standards. But I think it is important when you are talking about the entire billboard industry to under-

stand, as I said in the beginning, who we are and who we aren't. And the smaller ones that you are referring to in those inner city areas are the eight sheet billboards——

Mr. LEWIS. I live in the City of Atlanta and I have seen those six story boards.

Mr. MCELROY. That we don't represent.

Mr. LEWIS. Mr. Chairman, my last and final statement. I think this industry, if it is on some Federal supported highway or if it is in some inner city, you could take the initiative and start removing these boards or I think the American people will rise up—like they are doing in Harlem, in Dallas, in Detroit—the same way that we fought against segregation and racial discrimination, we will bring down those billboards.

Mr. MINETA. Thank you, Mr. Lewis.

Mr. Hancock.

Mr. HANCOCK. Thank you, Mr. Chairman. In the interest of time, I will try to ask only a couple of real brief questions. I think I already know the answer to one of them though.

Do any of you have any idea of how many small businesses there are that do billboard advertising? I am talking about the truly small business and we're not talking about big jumbo billboards, but we are talking about small businesses that can't afford radio or television, where they are solely dependent upon billboard advertising.

Mr. MCELROY. I think the answer to that question is that 60 percent of all the advertising that we have is from small businesses, local and retail advertisers around the country. Now of that number, the exact number that would say depend on billboards is one that we are working on. I don't want to give you a guess at this point, I would rather come up with something that is more precise because I think it is an important number. But there are a lot of businesses that depend solely on billboards. And I am thinking of an area like the Gary, Indiana area outside of Chicago. If you were to take the billboards down there, they would have to go to the Chicago media to advertise and for many, many businesses it would be simply prohibitive.

Mr. HANCOCK. So we are possibly talking about—on restriction of billboard advertising, we are talking about the loss of jobs, closings of businesses, and things more than possibly the aesthetic value of the scene that may or may not offend those people that are driving down the highway.

Mr. MCELROY. I can give you examples of businesses that have gone belly-up because they have lost their one or two signs which was the only form of advertising they had.

Mr. HANCOCK. One of the billboard type advertisements, for instance, the little hamburger stand, he can't advertise the "golden arches." You drive down the highway—and these aren't restricted, and yet they are a nationally known billboard basically. The small private individual is trying to compete in that area.

Mr. MCELROY. A logo sign is good for those who have well-known logos, but not for mom and pop operations.

Mr. HANCOCK. That's the point that I think needs to be made.

Mr. Amos, you mentioned the controls, the regulations of the number of billboards that are put up in Buffalo. How many billboard companies are operating in Buffalo at the present time?

Mr. AMOS. Presently, two.

Mr. HANCOCK. Just two companies?

Mr. AMOS. Yes, prior to Penn Advertising coming into the area, we had I think about four, and Penn came in and bought out all of those.

Mr. HANCOCK. Doesn't this basically end up with a monopolistic type of situation where Government is basically going to franchise a billboard operator? In your particular situation, wouldn't you end up at that point?

Mr. AMOS. Would we end up franchising?

Mr. HANCOCK. Well, in effect, aren't you now?

Mr. AMOS. No. I think we are benefitting from their existence.

Mr. HANCOCK. Yes, I am sure of that. But what I am saying aren't we talking a little bit here about possibly an infringement of the First Amendment, even to say that an individual can't put up a sign?

Mr. AMOS. Well, I don't think so. I think the Highway Beautification Act as it exists provided us with all the things we needed in order to develop the type of legislation we were looking for.

Mr. HANCOCK. I am aware of that, but it would just appear to me—and I am not talking about billboard companies, I am talking about an individual—the only way that he can put up a sign is to go through a billboard company, is that correct?

Mr. AMOS. Or an ad agency who would contract with a billboard company, yes.

Mr. HANCOCK. Okay, so we are talking about a little bit of an infringement here on that individual's rights. You can see where I am coming from, is the infringement of the marketplace. One of the things that we are concerned about is economic development, increasing the private sector activity, which, in turn, will increase the revenues of Governments. I notice up here pretty regularly that it seems like some of us up here in the Congress don't recognize that that's where all those tax dollars come from. So, I would just like to go on record as saying that I support, and I think the constituents in my district support, anything that we can do to promote the private sector rather than to restrict the private sector in producing those revenues, ultimately revenues for Governments.

That's all I have to say, Mr. Chairman. Thank you.

Mr. LEWIS [assuming chair]. Thank you, Mr. Hancock.

Mr. Rahall.

Mr. RAHALL. Thank you, Mr. Chairman. Mr. Chairman, I just want to go back very quickly and briefly to the very important line of questioning that the gentleman from Georgia was asking a moment ago. You, Mr. McElroy, had indicated the significance of the questioning. I just want to make sure I fully understand the entire situation.

I believe you said there are 138,000 non-conforming billboards that are still standing along our Federal Aid Highways?

Mr. MCELROY. There are 99,919, according to FHWA.

Mr. RAHALL. Okay. On Federal Aid Highways.

Mr. McElroy. Those are the figures they have supplied us and we think that number may be inflated.

Mr. Rahall. Under current law, the Federal Government now—as you were responding earlier—is to pay for 75 percent of the removal of such signs. Also under current law, non-conforming signs do not have to be removed unless the Federal funds are available for compensation, is that correct?

Mr. McElroy. That's right.

Mr. Rahall. Okay. Then I believe this is where I lost track. It is not true that Federal funds have not been available since 1984 for such compensation?

Mr. McElroy. That is my understanding.

Mr. McInturff. That is 1982.

Mr. McElroy. All right. For some time they have not been available.

Mr. Rahall. Okay. So if those Federal funds aren't available, then there is no compensation and no removal of non-conforming billboards, is that accurate?

Mr. McElroy. Well, I think a more complete answer is that of course the States could use their own funds if they elected to do so. The principle is the same regardless of whether the States use their funds or whether they wait until such time as the Congress appropriates the funds—the compensation must be paid for the removal of the non-conforming signs. Last year, 385 non-conforming signs were brought down and were paid for. An interesting statistic with that, however, is that another 4,000 signs—approximately 4,000, I don't want to be held to that—non-conforming signs came down last year through attrition and changes in land uses and through other means. So the number of non-conforming signs is continuing to drop on a regular basis even without the appropriation of new funds to pay for that.

Mr. Rahall. That's what I wanted to get at. If the Federal funds are not available, then there is really no just reason for us to expect non-conforming billboards to come down, yet there are still efforts being made to bring those non-conforming billboards down.

Mr. McElroy. By States and localities, yes.

Mr. Rahall. Okay. Just a last question, Mr. Chairman. This has been touched upon earlier, that is, the importance of billboards to small businesses and how to many struggling mom and pop operations. To them, the use of billboards is the most cost-effective means through which their product can be conveyed to the world. In many Appalachian regions of this country, such as I represent, where these small operations may be off the beaten path, it is most difficult for them to be able to be seen from the main highway. I guess this is more of a statement, but I think it is vital that many of these types of operations have available to them this kind of advertising medium, especially when they are not able to be seen from our highways. Would that not be an accurate description of the importance of billboards to them?

Mr. McElroy. Absolutely. No question about it.

Mr. Rahall. And I might add another point here. In my home State of West Virginia, a State severely financially strapped at the current time, we do have a nationwide advertising campaign underway to advertise the beauty of our State and the tourism poten-

tial that we have therein. We do not have the funds to put into an advertising budget that many States do have. We have financial constraints that prevent the State from doing this type of advertising. So billboards do fill a role as being cost-effective, and readily available to the States. I think it is important to submit for the record, that the billboard industry is of great assistance to my home State in making West Virginia America's best kept secret known to the world for our tourism potential, our snow skiing, our whitewater rafting etc.

So I just want to say that I understand the gentleman from Georgia's concerns and concerns that you share likewise about putting a message out there for our children at a very impressionable age. It is not something that we want to see done with the billboard industry. Rather, we want to see the useful and productive purposes which billboards serve continue while we try to seek a way to curb those instances where the message sent may do harm to our society. I think it is a goal that we all share on this committee.

Mr. McElroy. Thank you. I agree with you.

Mr. Rahall. Thank you, Mr. Chairman.

Mr. Lewis. I thank the gentleman from West Virginia, Mr. Rahall.

Thank you, Mr. McElroy, Ms. George, Councilman Amos. Thank you all for your testimony.

[Mr. McElroy's prepared statement appears on page 1843.]

[Mr. George's prepared statement appears on page 1749.]

Mr. Lewis. Our next panel is comprised of Mr. Louis G. Nappi, Chairman of the National Truck Weight Advisory Council; and Mr. Robert Eisenbud, Managing Director of the National Solid Waste Management Association.

Mr. Nappi, we have your testimony and it will be made a part of the record. You may summarize your statement. Thank you for staying here and being so patient during this hearing.

TESTIMONY OF LOUIS G. NAPPI, CHAIRMAN, NATIONAL TRUCK WEIGHT ADVISORY COUNCIL

Mr. Nappi. Before I begin my testimony, Mr. Chairman, and members of the committee, if it is applicable, as Chairman of the Construction Industry Council of New York, Westchester, and the Lower Hudson Valley, we wish to endorse the statement of Franklin White, Commissioner in the State of New York, Department of Transportation, and acknowledge our support for his statement.

Mr. Chairman, members of the committee, my names is Louis Nappi. I am the Chairman of the National Truck Weight Advisory Council. I am also a member of the National Academy of Science Transportation Research Board Truck Weight Study Committee, and a member of the New York State Permanent Advisory Committee on Truck Weights. I am accompanied by Larry S. Snowhite, of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, who is counsel to our organization, NTWAC. Also accompanying me from the National Solid Waste Management Association is Robert Eisenbud and Jack Legler. We have prepared statements and supplementary materials that we ask to be included for the record. In addition,

members of our organization will be submitting statements that we ask be included as part of the NTWAC testimony.

Mr. LEWIS. Without objection, it will be included.

Mr. NAPPI. In deference to the time, the lateness of the day, we have chopped off about 50 percent of our presentation.

Mr. LEWIS. We appreciate it.

Mr. NAPPI. Hopefully, we can get our message across with the limited amount of time that we have left to us.

Our message is that specialize hauling vehicles, called SHVs, have unique problems in complying with Federal weight laws, particularly the bridge formula, without sacrificing safety and productivity.

States should be allowed to adopt voluntarily a special permit program for SHVs that would enable them to operate productively within the safety and maintenance design specification of the Interstate Highway System, in lieu of compliance with the current Federal truck weight requirements. Current Federal law limits the weights and axle spacing of trucks operating on the Interstate Highway System unless a State qualifies for an exemption under the grandfather clause. Each State has the authority to set size and weight standards for all other highways within its jurisdiction. Trucks are, in effect, rewarded under current law with additional allowable weight for increased number and spacing of axles.

Application of this policy to trucks that are specialized hauling vehicles, however, is counterproductive because of the unique design and operating characteristics of the SHV.

It is important to keep in mind that all trucks are not the same. Specialized hauling vehicles are different from 18-wheel tractor-trailers and longer combination vehicles. SHVs are trucks used for hauling heavy bulk materials; typically, they are garbage trucks, concrete mixers, dump trucks, roll-off container trailer combinations. They carry such dense heavy materials as solid wastes; scrap and recyclable materials; ready-mix concrete; and sand, gravel, and crushed stone. Nation-wide, the number of trucks that could be considered to be SHVs is at most about 250,000 or about 14 percent of the largest weight classes (Classes 6, 7, and 8); the number of trucks for which permits would be issued would be far fewer than that.

SHVs share certain common characteristics. SHVs have heavy tare, or empty, weights, attributable to structural design or specialized equipment installed on the vehicle for handling the heavy load. For example, when empty, a three-axle ready-mix concrete truck weighs approximately 35,000 pounds. The materials hauled generally cannot be diverted to rail or other transport. SHVs generally operate for short distances and are empty for one direction in a round trip.

SHVs require short wheelbases in order to maneuver safely at construction sites, on city streets and alleys, at facilities with limited clearance, and at off-road locations. Because of their short wheelbase, the maximum legal weight for SHVs is usually determined by the Federal bridge formula rather than by gross weight limits.

Taking together the heavy tare weight and short wheelbase, both of which are necessary to do the job that these trucks are built to

do, the result is that SHVs cannot meet Federal truck weight standards, particularly the bridge formula, without sacrificing safety and/or productivity. One consequence of complying with the bridge formula by operating at lower payloads is that a typical three-axle SHV, with a wheelbase of 16.6 feet, which when empty weighs 30,000–35,000 pounds; when carrying a payload can weigh a total of 48,000 pounds when operating on the Interstate System which is the only System to which the bridge formula applies as a matter of Federal law. Thus, SHVs can carry only 13,000 pounds of payload, even though the manufacturer has built this truck to be able to safely carry loads substantially greater than currently allowed.

Current Federal law in effect lessens the productivity of SHVs by virtue of their being what they are.

What are the practical consequences of these restrictions on SHVs? It means that it takes three or four trucks to carry the same payload that could be carried safely in only one truck if it were not subject to the bridge formula. It means that there are three or four trucks, each weighing 35,000 pounds, returning empty after delivering its load, compared to one truck weighing 35,000 pounds that could be used for the same job. It means that there are more trucks consuming more gasoline, causing more congestion, contributing more air pollution, and increasing the risks of accidents, than is necessary. It means that requiring SHVs to operate within Federal limits on the Interstate System forces SHVs to bypass the Interstate System, travelling instead over State and local roads and bridges that are built to lower standards than those for the Interstate System. It means that manufacturers have to build many different types of trucks with many different options to enable an SHV to be operated productively while beating the bridge formula. All this increases the cost of manufacturing, purchasing, and operating an SHV. That means increased costs of transporting waste for recycling and resource recovery and Superfund type clean-ups. And it means increased costs of building roads and bridges because the cost of transporting the building materials is increased by unproductive weight limitations.

It makes no sense to limit the design of tomorrow's trucks to the road and bridge designs standards of over a half a century ago. If we were to compare our truck weight policy with that for planes, if we were to design today's planes by the runway design standards of the 1940s and 1950s, we would not have 747 or DC–10s. All planes would be the size of a DC–3. We would need six DC–3s to carry the same number of passengers as one 747; or else we would be requiring jumbo jets to have so many landing gears that they would weigh as much as the plane, as illustrated on page six of our testimony.

Is there a better way that will meet our industry's need for greater productivity that will also ensure that roads and bridges and the public safety is protected? As an alternative to requiring SHVs to comply with current Federal weight limitations, NTWAC is proposing that States should be authorized to be able to adopt—voluntarily—a permit program for specialized hauling vehicles that would be in lieu of current Federal requirements and without regard to grandfather clause status. It would allow SHVs to oper-

ate productively on the Interstate Highway System and most of the rest of the Federal Aid Highway System within the safety and maintenance design specification of these highways. The NTWAC proposal incorporates a standard now used by several States in issuing permits. It is consistent with the AASHTO-specified basis for issuing permits to heavier-than-normal vehicles, and with the FHWA's basis for reporting structural deficiencies of bridges. As the Nation appears ready to resume the task of rebuilding our infrastructure for the future, that task will be helped by a reasonable truck weight regulatory system for the trucks that will be used to build that infrastructure. I will add more to this.

[The following was subsequently received from Mr. Nappi:]

Specifically, NTWAC proposes that SHVs would be authorized under Section 127 to operate on the Interstate Highway System under a state-issued permit that complied with the following basic elements:

(1) Specialized Hauling Vehicles (SHVs) are defined to include single or combination ready-mix concrete mixer trucks, solid waste compactor trucks, and dump, lugger, and roll-off trucks when used for the transportation of construction materials, solid waste or hazardous waste, or scrap metal and other recyclable scrap materials.

(2) allow the operation of SHVs at gross and axle weights that do not exceed the lesser of (a) the manufacturer's certified gross vehicle rating or (b) 75 percent of the yield stress, i.e., the operating rating, calculated on an HS 20 bridge (if the SHV does not exceed 55 percent of the yield stress, i.e., the design rating, of an HS 20 bridge, no permit would be needed).

(3) restrict the routes over which permit vehicles may operate safely;

(4) post and/or limit the operation over bridges which cannot safely accommodate permit vehicles;

(5) establish a fee structure for permits that will be adequate to cover increases in highway agency costs and any administrative and enforcement costs resulting from permit vehicles; and

(6) establish an effective enforcement program which should include measures to assure safe operation and compliance with permit provisions.

Mr. NAPPI. Permit programs consistent with NTWAC's proposal are being reviewed in several states (in accordance with their grandfather clause authority), for example, New York State has adopted a successful permit program initiated in 1986, which was endorsed by the Department of Transportation and industry and approved by the FHWA. Industry compliance has resulted in releasing enforcement authorities to concentrate on safety issues, drug abuses, and other important issues.

NTWAC has made what we believe to be a very constructive and responsible proposal that would apply to a very small and limited class of vehicles in lieu of the current Federal truck weight requirements. NTWAC requests that Congress authorize any State to be able to adopt the permit program for specialized hauling vehicles regardless of grandfather clause status, so long as it meets minimum Federal standards to assure protection of pavements and bridges, safety, and enforcement. The permit program proposed by the National Truck Weight Advisory Council meets this criteria and should serve as a foundation for Congress' effort.

I would like to take this opportunity to thank the committee for the opportunity to express our views, and to say to you that we will continue to offer our views and assist and cooperate to the fullest extent in the program.

Mr. LEWIS. Thank you, Mr. Nappi.

Mr. Eisenbud, you may proceed.

TESTIMONY OF ROBERT EISENBUD, MANAGING DIRECTOR, NATIONAL SOLID WASTES MANAGEMENT ASSOCIATION, ACCOMPANIED BY JOHN A. LEGLER, DEPUTY DIRECTOR, EQUIPMENT/RISK MANAGEMENT

Mr. EISENBUD. Thank you, Mr. Chairman. In a similar effort, I will abbreviate my prepared statement considerably in the interest of time. I would like to say that Mr. Allen Moore, President of National Solid Wastes Management Association, who had been invited to testify, was unable to do so. He asked me to convey his regret and apologies, and I am very grateful for the opportunity to present his testimony in his stead. I have with me Mr. Jack Legler, who is the Deputy Director of Equipment and Risk Management for the Association.

The National Solid Wastes Management Association is a trade group which represents approximately 2,500 private waste service companies. Of the approximately 250,000 vehicles involved in his SHV category, it is probably the case that some 140,000 are involved in waste services—that is, the collection and transportation of waste. This issue is of particular concern to us for that reason.

I would like to use the brief time that I am going to take for purposes of pointing to a particular example of the SHV problem. I have provided some photographs to you that illustrate this problem vividly. Those photos show a commercial front-load truck. They also illustrate the kind of challenges drivers face many times a day. If you look at those photos and imagine that you are a driver, you can probably appreciate how impossible it would be to get in and out of that situation in the tight quarters that are depicted if the truck were, let us say, five or six feet longer. You will also be able to note that there is really no place to put another axle that would not interfere with the hydraulic lifting or the body dumping equipment that is necessary for those vehicles to operate effectively.

The truck in that example pictured there has a gross vehicle weight rating of 64,000 pounds, and an empty weight of 34,000 pounds. The payload which that truck is designed to carry is 30,000 pounds. All of those figures are in full compliance with Federal safety rules and regulations. Under the Federal bridge formula, it can only operate at 49,000 pounds and be legal on Interstate Highways. That means that it can really only operate at 50 percent of its payload capacity, because its full payload capacity would be 34,000 empty weight plus 30,000, and it can only carry 15,000, half of its capacity.

That truck has an impact on a standard HS-20 bridge of 50 percent of that bridge's rating capacity. In other words, both from the payload standpoint and from the standpoint of the bridge, operating the truck under the bridge formula is a totally inefficient operation.

We support the NTWAC proposal that was outlined by Mr. Nappi. We have been pleased to participate in that effort for more than ten years. We think that it doesn't make sense to run a vehicle inefficiently with adverse impacts on safety, on air pollution, and on the overall effectiveness of the waste services operations.

We are not asking to violate any design criteria or safety considerations. What we are asking for is relief from a really archaic and unworkable formula, which is really a Federal barrier formula rather than a bridge formula. It no longer reflects the concerns for assuring no damage to bridges. It really serves only as a barrier to the effective movement of waste and other things that really constitute another part of the infrastructure, just as much as the highways are a part of the infrastructure.

Mr. Chairman, I won't take any more time. If you have questions, we would be pleased to try to answer them.

Thank you, Mr. Chairman.

Mr. LEWIS. Thank you very much, Mr. Eisenbud.

Let me just ask one or two questions. Vehicle weight limitation on the Interstate System applies to all segments of the trucking industry. Would an exemption to the Federal weight limit for specialized hauling vehicles provide a competitive advantage to only a certain segment of the trucking industry?

Mr. NAPPI. No. The materials carried generally must be hauled in a SHV. The type of vehicle that you are going to use, for which we are asking for these permits, are specialized pieces of equipment, so they would not compete with the other trucks in other phases of the trucking industry, or with railroads.

Mr. LEWIS. The existing bridge formula is calculated to protect bridge structures. Does the trucking manufacturer industry have capability to manufacture a vehicle that will comply with the bridge formula and have a lower tare weight for specialized hauling vehicles?

Mr. NAPPI. Mr. Chairman, one of the things that we are very much concerned about is the Rube Goldberg type of truck that can be manufactured in order to circumvent the weight laws, the Rube Goldberg type of vehicle that is modified so that it has unnecessary axles, which contribute to concerns over safety and additional wear of the roads and bridges. We don't propose to endorse those types of vehicles. We find that the safety of the public is of uppermost concern in our consideration of the truck weight laws.

We have also hired independent engineering firms to calculate for us that the weights that we want to carry on these SHVs do not violate the standards to safely carry these loads over these bridges. We have hired Seely, Stevenson, Value and Knecht, an engineering firm, that analyzed our SHV proposal based on the live load moment standard, and concluded it safely allows us to carry loads between the 55 percent and 75 percent of yield stress that a bridge is designed to carry. I want to point out that some trucks can comply with the bridge formula while exceeding the allowable live load stress. So we are not looking to violate safety or protective standards or carry any more on our trucks than the bridge is designed to carry. And we are not looking to create—as you have seen in the example, if you have had an opportunity to look at it—a caterpillar type of truck with a myriad of axles to beat the weight laws. We consider these counterproductive to the safety of the public and also counterproductive considering the added costs that would be required of the manufacturers in order to build a truck of that sort. Lighter trucks, with lower tare weights, cannot

safely and practically carry the heavy materials required to be hauled in an SHV.

I hope that answers your question.

Mr. LEWIS. I appreciate it. Mr. Nappi, could you explain to the committee, at least to me, the impact that this specialized hauling vehicle would have on the pavement if it is exempted from the bridge formula.

Mr. NAPPI. The impact on the pavement, we have had considerable discussion about that also in the TRB study that we are just trying to conclude. With 16 prominent engineers and scientists who are members of this committee, we could not come up with a consensus of opinion on what the impact of the SHV was on pavement. The consideration there is that the ESALs, which are a determining factor as far as pavements are concerned, have various factors which contribute towards the wear and tear of the pavement—subbase, weather, conditions of that sort. There are too many factors involved. So the committee of learned people of 16 scientists couldn't come up with an equitable answer.

Answer. As we state in our prepared testimony, we believe the pavement impact model overstates damage. Further, what minimal damage that fairly may be allocable to SHVs is compensated for by the fewer trucks needed to carry the same payload and the greater productivity attributable to an SHV permit program, including lower construction costs that will make highway construction dollars go further.

Mr. LEGLER. Sir, I think one thing that is important to mention is the Cornell University study of the New York permit system. One of the scenarios that was looked at was what would happen should New York go back to the strict bridge formula compliance. It is principally a function of the heavy tare weight of the vehicle, which is something that is not really negotiable because it essentially is an engineering requirement that derives from the use of the vehicle and the environment it has to operate in. Believe me, people have tried over the years and not very successfully. One of the things that came out of that study, because you are running so many more trucks with such heavy tare weights empty, you end up at about a wash on net road impact in total ESALs. It was as I recall less than 1 percent difference between the two.

Mr. SNOWHITE. Mr. Chairman, it is also important to point out that the SHV permit program and weight limits that are being proposed is in place in many States now. More than one-half of the States allow weights off the Interstate that are higher than are allowed on the Interstate System and don't require compliance with the bridge formula. Many States have permit programs under which SHVs generally are allowed to operate at higher weights. New York has such a permit program. And the States that have these permit programs have been quite satisfied with them. They found that there are many, many benefits that far outweigh whatever adverse effects, which really have not been quantified.

I am sure in your experience you have been exposed to all the debates on the different causes of pavement deterioration. I don't think that anyone is ever going to finally resolve how much damage is done by what kind of vehicle. I think what we are trying to say is that SHVs are unique vehicles; they are limited by the bridge formula and Federal weight limits in a way that doesn't affect other trucks. The 18-wheeler, the LCVs generally are not

constrained by the bridge formula or weight limits because they cube out, their allowable volume is exceeded before they reach any weight limitations. So you are dealing with a very small number of trucks that because of their functionally-related unique characteristics have a problem practicably complying with current federal law.

To allow the States to provide relief for SHVs is not going to open the flood gates because there aren't that many vehicles that are going to need this relief. Secondly, through the permit program, there is a real cost that is associated with obtaining an SHV permit that acts as a further constraint. A permit won't be sought unless truly needed. For example, New York State's average fee is over $500 for a permit; New York State raised over $12 million in permit fees. There are conditions that have been imposed. New York State, again as an example, requires extra financial responsibility as a condition of getting a permit. Thus, there are safety benefits associated with a permit. It is a way for the State to say, all right, we are basically trying to create a "win-win" situation.

As far as the pavement impacts, using the conventional way of calculating pavement impacts, New York State found that they were minimal. There is also a benefit in road construction because the cost savings can be passed on through lowered concrete and road materials. The studies generally don't take into consideration, as has been pointed out, that we are substituting one or two trucks for four trucks. It is the empty weight, the 35,000 pound tare weight, that is the most significant factor. So you have one permit truck instead of four trucks, reducing permit-related impacts. Recently, to point out another environmental benefit, California was proposing limits on the hours of operation of trucks as an air pollution control measure. We NTWAC is proposing to decrease the number of trucks needed to carry the same payload, while will reduce emissions.

[Mr. Nappi's prepared statement appears on page 1864.]

[Mr. Eisenbud's prepared statement appears on page 1743.]

Mr. LEWIS. Thank you for your testimony and for your statements. And thank you again for being so patient.

If there are no other questions, the Surface Transportation Subcommittee will stand adjourned.

[Whereupon, at 6:38 p.m., the subcommittee was adjourned, to reconvene at the call of the Chair.]

PREPARED STATEMENTS OF WITNESSES

NATIONAL
ASSOCIATION
of
COUNTIES

440 First St. NW, Washington, DC 20001
202 393 6226

STATEMENT OF

THE HONORABLE BART BARKER

COUNTY COMMISSIONER

SALT LAKE COUNTY, UTAH

AND

CHAIRMAN OF THE TRANSPORTATION STEERING COMMITTEE

OF THE NATIONAL ASSOCIATION OF COUNTIES

ON

REAUTHORIZATION OF THE

FEDERAL-SURFACE TRANSPORTATION PROGRAM

BEFORE THE

SURFACE TRANSPORTATION SUBCOMMITTEE

OF THE

HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE

ON BEHALF OF

THE NATIONAL ASSOCIATION OF COUNTIES

TUESDAY, APRIL 24, 1990

WASHINGTON, DC

Mr. Chairman,

My name is Bart Barker. I am a County Commissioner in Salt Lake County, Utah, and chairman of the National Association of Counties Transportation Steering Committee. On behalf of the Association, I want to thank you for inviting me to appear today before the House Surface Transportation Subcommittee to discuss the reauthorization of the federal highway and mass transit programs.

For the last year and a half, members of the Transportation Steering Committee have been working on developing policy on the future of the surface transportation program. A policy statement and resolution were approved by the NACo Board of Directors on March 18, 1990, during our Legislative Conference. (see Attached)

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*The National Association of Counties is the only national organization representing county government in the United States. Through its membership, urban, suburban and rural counties join together to build effective, responsive county government. The goals of the organization are to: Improve county government; act as a liaison between the nation's counties and other levels of government; achieve public understanding of the role of counties in the federal system.

Completion of the Interstate system has driven national surface transportation policy for the past thirty years. The system is now essentially completed with the exception of a few gaps. The resources that have supported this massive public works undertaking may now be directed toward other national transportation priorities. Defining the appropriate Federal role in the "post-interstate" era will be a critical process. It will affect every citizen and every level of government, and will help to determine our nation's ability to compete in a global economy.

The new surface transportation program must make economic development of our urban, suburban, and rural areas the key factor in making transportation decisions. The economic health, vitality and competitiveness of our Nation is being threatened by increasing urban/suburban congestion and failure to meet the access needs of rural areas. Congestion adds billions of wasted dollars to cost of moving goods, services, and people in urban and suburban areas. In our rural communities, underinvestment in highways and bridges, and the resulting deterioration, make it more expensive to move commodities and discourages new economic activity. These are issues of national concern and we hope that Congress will view them as such when considering various proposals to establish a new surface transportation program.

INTERGOVERNMENTAL PARTNERSHIP

As this Subcommittee begins to consider what a new Federal-aid program might look like, NACO urges you to look closely at the intergovernmental aspects of the program. We believe it is time for this program to become a true Federal-State-Local program.

Local elected officials must have a stronger role in establishing transportation funding priorities and in selecting projects which meet both national and local goals. Local officials have been involved in such decisions under the federal transit program and the process has worked well. This has not been the case with the federal-aid highway program, where many states have been resistant to including local governments in highway decisions.

While the Interstate system is about to be completed, urban congestion problems worsen and rural areas see little if any improvement in the conditions of their roads and bridges. In order to remedy this situation, new legislation must include local government officials as equal partners in the federal-aid highway program. A mandatory and statutory process must be created to ensure that local elected officials are consulted and their views fully considered as planning, funding allocation,

and project selection decisions are made on the use of federal-aid highway funds. We would be happy to work with the Subcommittee and state officials to work out this new relationship. We know this will require a somewhat different perspective by federal and state highway officials, but it seems almost unthinkable to try to address our future national transportation priorities without requiring local input.

SURFACE TRANSPORTATION PROGRAMS

We believe that an urban-suburban mobility program must be created, replacing the FAUS program. It would be directed at solving congestion and mobility problems in urban and suburban areas and would receive substantially more funds that the FAUS program. These funds would be passed through to areas in excess of 200,000 population and, at the option of local officials, could be spend on mass transit. Counties are in an excellent position to understand and undertake surface transportation projects aimed at addressing the mobility needs of their residents. The larger counties have both the planning and engineering expertise to carry out these projects without direct state highway department involvement.

Salt Lake County is facing serious congestion problems. More that $1.1 billion worth of transportation needs confront my county in the next five years. The $2.9 million we receive from the Federal-aid Urban program just doesn't go very far in addressing our current and future needs. In addition, as the major urban county in a rural state, our staff is more than qualified to be able to handle additional federal highway funds that might come through a new urban-suburban mobility program. In fact,we are probably more qualified that the State DOT to understand the needs and perform the work.

A rural access program must be created, which would fund the secondary road program (FAS) at a higher level. Good secondary roads that provide access to Interstates and primary roads are key factors to the revitalization of America's rural areas and to the agriculture, logging, mining and tourism industries. However, our nation's rural secondary highways have for the past thirty years received the least attention from the federal government of any system and their condition reflects this low investment level. Roads designed to immediate post-World War II standards are carrying vehicles with gross weights in excess of 100,000 pounds. Railroad abandonment has moved goods off the railroads onto trucks.

This program would continue to be administered by the states, with guarantees of strong local government input in the allocation, planning and project selection process. Another option would be for a consortium of rural counties to enter into an agreement that would allow them to receive funds directly from the federal government.

The condition of bridges in general, and of county bridges in particular, should be a national concern. The statistics are well known to Subcommittee members. With 165,000 county bridges in substandard condition, one can understand NACO's strong feelings about this program. We recommend strongly that the bridge program (HBRRP) retain its separate identity. The rehabilitation of our nation's bridges is too high a priority item to be folded into a block grant or a so-called flexible program. Additionally, it should be funded at a higher level and a greater percentage of the funds dedicated to off-system bridges.

NACo supports the creation of a unified 4R/primary program, which would provide federal funds to maintain and upgrade the Interstate and primary systems. After investing billions of dollars in the Interstate and primary program and with the completion of the Interstate system, we believe it makes sense to

protect our investment. We do, however, believe that emphasis should be placed on those sections of the Interstate and primary systems where expansion and rehabilitation also address the congestion problem.

The mass transit program would retain its separate identity. However, more flexibility should be given to the recipients of transit funding in regard to how they would spend their allocations---we should not force systems to use capital money to make investments they do not need when these systems would be better served using federal money for operating expenses such as maintenance. NACO also believes that most if not all of the transit program ought be to funded with a dedicated source of revenue. The battles of the last seven years over the level of general fund financing have distorted transit funding decisions.

FINANCING A NEW SURFACE TRANSPORTATION PROGRAM

Financing the new surface transportation program is central to its formulation. NACO supports the following guidelines or principles: First, the federal surface transportation program should be user-fee-based to the extent possible. Second, all

levels of government should increase funding for surface transportation programs. Third, there is a substantial balance in the highway and mass transit trust funds and this issue must be addressed in reauthorization legislation. This balance of almost $18 billion should be spent down and in the future all trust fund revenues and accrued interest should be allocated in a manner the reflects the spirit and intent that accompanied the establishment of the trust funds.

Now comes the key question of assigning funding levels to the separate highway programs. NACo believes it has come up with a very fair and equitable approach. In the new highway program, the baseline for all current Federal-aid highway programs, with the exception of the Interstate construction program, which is eliminated, should be no less than currently authorized under existing law. The bridge program would receive $1.6 billion, the urban/suburban mobility program $750, rural access program $650 million, and the Interstate 4-R/primary $5.1 billion.

The $3.0 billion presently being used for Interstate construction should be reallocated in the reauthorization legislation. No less than 50 per cent, or $1.5 billion, should be allocated to the urban/suburban mobility, rural access and bridge programs. The new Interstate 4-R/primary program would receive the remaining funds. This process or formula would guarantee additional federal funds for local government highway

and bridge projects, while ensuring that there are adequate funds to rehabilitate and upgrade the interstate and primary systems. In addition, any new funds that become available to the highway program, such as new gas tax authority would be allocated according to the following formula: 1/3 to the Interstate 4-R/primary program and 2/3 to the urban/suburban mobility, rural access, and bridge programs.

As stated earlier, transit should continue to receive 1 cent from the gasoline tax. In addition, an increase in the gasoline tax should be sought to replace the general fund allocations in order to ensure a dependable source of revenue.

Finally, in the area of finance, let me comment on the proposals to increase the match requirements. Local governments cannot be expected to increase their commitment to the federal program without a commensurate increase in the federal commitment. Counties already fund over fifty per cent of their highway budget with property taxes and other local, non-user-fee money. Only local government has made such a general fund commitment. Local governments already match every federal dollar with three local tax dollars. It must be also recognized that financial resources of many county governments are limited by both by the absence of a tax base and by state imposed limits on their ability to raise and/or impose additional taxes.

I would be remiss if I did not comment on two areas where our members believe there is an appropriate federal role. First, the federal government has taken, and should continue to take, a lead role in highway safety. Second, there is an appropriate role for the federal government in research and development/technology transfer for both the highway and transit programs. The evolution of the T-2 program during the last ten years has proven to be an excellent mechanism for transmitting rapidly expanding technological information to local government agencies.

Mr. Chairman, this completes my testimony. I would be glad to answer any questions from members of the Subcommittee. Once again, thank you for inviting NACO to testify.

NATIONAL
ASSOCIATION
of
COUNTIES

440 First St. N.W. Washington, D.C. 20001
202/393-6226

Statement of the National Association of Counties

on the

Future of the Surface Transportation Program

Approved by Board of Directors

March 18, 1990

This statement was originally prepared by a Post-Interstate Task Force appointed by the chair of NACo's Transportation Steering Committee. It was approved as an interim statement by the Steering Committee in July, 1988. In December, 1989 the leadership of the Steering Committee met to put this statement into final form and to draft the accompanying resolution. Both were presented to the Steering Committee at the Legislative Conference for consideration and were approved on March 17, 1990. The NACo Board of Directors gave their approval on March 18, 1990.

The National Association of Counties (NACo) views the process of developing a comprehensive national program for the future of our transportation system as an important task. Secretary of Transportation Skinner recently issued the National Transportation Policy which we expect will create a national debate on the issue. Counties own and maintain 1.7 million miles of roads or 43 percent of the total mileage in the United States; 208,000 bridges over 20 feet or 51 per cent of the bridges on the National Bridge Inventory; and own or contribute funding to 25 percent of the public transit systems. The role of the federal government in this post-Interstate era will be a crucial one as those decisions made at the federal level will most certainly impact the mobility and funding questions county officials must address at the local level. While the focus will be on surface transportation because of the reauthorization process in the highway and mass transit program, aviation and railroad issues are important to counties and are addressed in other NACo documents.

Basic Premise

The 43,000 mile Interstate system will be completed in 1991. County officials have supported the construction and completion of this system which has been done almost entirely with federal funds. They supported the Interstate program and investment in the primary system because it was necessary to link the various regions of the country. However, it is now time to change the emphasis of the surface transportation program and to treat local governments as equal partners. While NACo supports continued involvement by the federal government in funding some rehabilitation of the Interstate system, it is now time to allocate a greater portion of there sources of the federal highway trust fund to other systems.

Economic development needs to be a key factor in making transportation decisions in the future. The national and regional implications of such actions must be studied closely. Rather than simply measuring traffic or ridership, we must make decisions based on strengthening our economy and making our goods and services competitive on an international as well as national level. The competitiveness of American goods is undermined by not investing in highways, bridge and public transit--bad roads add

costs to American products. The choke points of our economy are in our suburban and rural areas. In suburbia, congestion adds billions of wasted dollars to the cost of moving goods, services, and people. In our rural areas under investment in highways and accelerated deterioration of these same roads make it more expensive to move commodities and discourages new economic activity. Consideration also needs to be given to the implications of transportation related decisions that may result in the development of one area at the expense of another.

Urban/Suburban Congestion

The movement of people and goods and services in urban and suburban areas is reaching a crisis stage. While it is a problem having national implications, congestion is a local concern whether it occurs on county or state roads or on an Interstate highway servicing an urban or suburban area. The Interstates, though constructed to link the nation with a good highway system, have become part of the local road network in many areas with 70 per cent of Interstate traffic now being local in nature. To the highway user it makes little difference who has responsibility for a highway system if that system is congested and not serving the needs of the local public and business community. A revised surface transportation program must consider the new development patterns in suburban counties and the implications of that growth on the ability of citizens to move around with as few constraints as reasonably possible. Such a program must also address the needs of the older urbanized areas which have suffered population decline and may have less ability to pay for improved roads and transit services, while at the same time having areas within them which are experiencing revitalization and growth and thereby generating severe traffic congestion. Both highways and transit need to be considered as solutions.

There is no question that land use planning must be given a high priority as we devise new solutions and develop new programs to solve our growing congestion problem. We must also acknowledge that congestion contributes to a decline in air quality due to auto emissions and the deterioration of road surfaces and that the protection of our environment is an issue which is linked to future surface transportation policies.

Rural Access

Good secondary roads and bridges in rural areas that provide access to Interstates and primary roads are key factors to the revitalization of America's rural counties and to the agricultural, logging, mining and tourism industries. However, our nation's rural secondary highways have for the last thirty years received the least attention from the federal government of any system and their condition reflects this low investment level. Additionally, a substantial number of rural bridges are considered deficient and may represent a danger to public safety. This is ironic for it was the rural farm-to-market system which was the initial reason for the federal government involvement in a national highway program.

While basic maintenance has and should continue to be the responsibility of county government, federal funding for construction and rehabilitation of highways and bridges must grow substantially. The design and capacity of many rural highways and bridges are based on traffic needs of the immediate post-World War II period. The number of trucks and other heavy equipment using these roads has been expanding and more important the weights of such vehicles has increased considerably. It is not uncommon to find trucks with a gross weight in excess of 100,000 pounds using rural roads. This increases the rate of deterioration and requires a substantially heavier investment in reconstruction to adequate standards. Railroad abandonment, which must be reversed, has moved goods off the railroads onto trucks. In 1947 there were 214,000 miles of rail roadway which then dropped to 196,000 by 1971 and to 140,000 in 1986.

A New Surface Transportation Program

The following is a list of categories which would be eligible for funding under the new highway and mass transit program.

4-R/Primary Program

--This program would provide federal funds to maintain and upgrade the Interstate and primary systems. However, emphasis should be placed on those sections of the Interstate and primary systems where expansion (extra lanes, for example) and rehabilitation will lead to addressing the congestion problem in urban and suburban areas.

Urban/Suburban Mobility Program

--Funding for the urban system program should be increased substantially and be directed at solving congestion and mobility problems particularly in the larger urban areas and high growth suburban areas. This program should be used to upgrade existing county highways and where appropriate, state highways, in order to relieve traffic on the Interstate system. This program could also be used for building new routes to carry increasing traffic. At the option of local government officials, these funds could be spent on public transit.

States would administer the program in consultation with local government and/or metropolitan planning agencies where appropriate for urbanized areas between 5,000-200,000, while the funds would be passed-through to counties and other local governments in area above 200,000 population. NACo considers this pass through to be a key component of the future transportation program. Counties are in an excellent position to understand and undertake surface transportation projects aimed at addressing the mobility concerns of their residents. Larger counties have both the planning and engineering expertise to carry out these projects without direct state highway department involvement. In states where local government has little or no transportation responsibility, funds would be spent by the state with consultation required with local government officials on project selection.

Rural Access Program

--This program would be directed toward the upgrading, through the substantial increase in funding, of what is now known as the secondary road program. It is essential that rural roads be improved so that they can carry the much heavier loads of today's vehicles and so that they can serve as a link to the Interstate system and to various markets for the agricultural, logging, mining, manufacturing, and tourism industries. The high operating costs to these industries associated with poor roads and in turn the cost to the economy as a whole makes the condition of rural roads a national responsibility. Economic development in the future will be accelerated or restricted depending on how aggressively our nation upgrades the secondary road system.

This program could continue to be administered by the states with guarantees of strong county input in the allocation, planning, and project selection process. Another option would be for a consortium of rural counties to enter into an agreement which would allow them to receive funds directly from the federal government.

On roads assisted through this program, state design, environmental, and other regulatory standards would be applied. It is an inefficient use of federal funds to apply federal standards to rural roads.

Small bus and van transit systems are being used increasingly in rural areas, especially by special need groups like senior citizens. Such programs should also be maintained and expanded.

Bridge Program

--The highway bridge replacement and rehabilitation program would remain a separate program. The large backlog of substandard bridges remains at a critical level and a large capital investment is required to rehabilitate and replace these bridges. Counties are responsible for a substantial percentage of both the nations' bridges and those which are classified as either structurally deficient or functionally obsolete. It is important that the percentage of the program dedicated to off-system bridges be increased.

Public Transit

--It is the intent of NACo that the transit program retain its separate identity. Transit will not succeed without a significantly increased federal subsidy, in some cases to initiate a local program and in some cases to operate it. Like the automobile owner, the transit user is entitled to a reasonable subsidy.

More flexibility should be given to recipients of federal transit funds in regard to how they can spend such funds---we should not force systems to use capital money to make investments they do not need when they would prefer to use federal money for operating expenses such as maintenance. We would also like to see transit with a dedicated source of funding such as the federal gas tax. The battles of the last seven years over the level of general fund financing have distorted the funding decisions of that industry.

Financing a New Surface Transportation Program

Financing the new highway and transit program is central to its formulation. NACo supports the following guidelines or principles.

User fees

--The federal surface transportation program should be user fee based to the extent possible. The source of these user fees should continue to be the gasoline and diesel fuel taxes and the various other vehicle related taxes. All funds generated by these user fees should be dedicated to transportation and not used for deficit reduction. There should not be a turn back to the states of any of the federal gas tax authority.

Increased investment

--All levels of government should increase funding for surface transportation programs with an emphasis on dedicated sources of revenue.

Trust funds

--There is a substantial balance in the trust funds---this balance should be spent down and in the future all trust fund revenues and accrued interest should be allocated in a manner that reflects the spirit and original Congressional intent that accompanied the establishment of the trust funds. The spend down for the highway and transit trust funds should proceed along the following schedule:

HIGHWAY ACCOUNT	TRANSIT ACCOUNT
FY 1991 - $2.7 billion	FY 1991 - $2.5 billion
FY 1992 - $2.5 billion	FY 1992 - $2.5 billion
FY 1993 - $2.5 billion	FY 1993 - $2.0 billion
FY 1994 - $3.0 billion	

Highway program

--In the new highway program, with the exception of Interstate construction which is eliminated, the baseline for all programs should be no less than currently authorized under the existing highway program:

Bridge - $1.6 billion
Urban/ Suburban Mobility - $750 million
Rural Access - $650 million
Interstate 4-R/Primary - $5.1 billion

The $3.0 billion presently being used for Interstate construction should be reallocated. No less than 50% or $1.5 billion should be allocated to the urban/suburban mobility, rural access, and bridge programs. The new Interstate 4-R/primary program would receive the remaining funds. This process will ensure additional federal funds for local governments.

Any new funds which become available to the highway program, i.e. funds from a trust fund spend down or from new gas tax authority, must be allocated on the following formula: 1/3 to the Interstate 4-R/primary program and 2/3 to the urban/suburban mobility, rural access, and bridge programs.

Public transit

--The national public transit program should no longer be funded from the federal general fund. The current one cent from the federal motor vehicle fuel tax now allocated to the Transit Account in the Highway Trust Fund should be augmented, without adversely affecting current and future highway funds, by a share of a new motor vehicle fuel tax to: 1) replace the current federal general fund assistance, and 2) add funding to assist local governments in the completion, upgrade and operation of our national public transit systems.

Match requirements

--Local governments cannot be expected to increase their commitment to the federal program without a commensurate increase in the federal commitment. Local governments already match every federal dollar with three local tax dollars. It must be also recognized that financial resources of many county governments are limited by both absence of a tax base and by state imposed limits on their ability to raise and/or impose additional taxes.

Bond financing

--Tax exempt bond funding should be available for highway and mass transit projects with a minimum number of restrictions.

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Planning/Decisionmaking Process

County support for continuing and increased federal funding in surface transportation depends on a strengthening of the federal-state-local relationship. This is true particularly for the federal-aid highway program which has not had adequate local government input. The vast amount of travel in this country is local in nature and the concerns which NACo believe need to be addressed in the post-Interstate era, i.e., congestion, rural access, and economic development, require solutions which must involve local governments.

The states have traditionally been the focal point for most federal highway funds. It can be stated fairly that fifty different systems of funding and planning exist in terms of what approach states use in the allocation of federal highway funds. New legislation should include local officials as equal partners with state officials in the decisionmaking process. The future federal transportation program should not impose a uniform decisionmaking process on all states. It should, however, recognize the degree to which county road needs exist and that these needs must be addressed in an equitable manner. A process must be created by any new surface transportation legislation to ensure that local government officials are consulted and views considered fully as funding and project selection priorities are established within a state.

Other Issues

Mandates, safety and research and development/training are other subjects which must seriously be considered in the development of a new surface transportation program.

Mandates

--While certain federal requirements may be appropriate, others simply impose undue burdens on local governments and waste finite resources. There needs to be a differentiation made in imposing design standards at least on lower volume roads, as well as a review of those non-transportation goals which are included in federal surface transportation programs. Federal requirements attached to highway and transit funding should be reviewed and reduced.

Safety

--This concern needs to be factored into a future highway program. Clearly, deteriorating roads, deficient bridges, poor roadway design, and alcohol abuse create a safety problem on the nation's highway system. Another aspect of safety which should be addressed is to what extent the federal government will require local governments to allow large vehicles access to all roads.

Research and Development/Training

--There is an appropriate role for the federal government in this area. The federal government needs to be involved in developing new technologies for both highways and mass transit systems. With no manufacturers of rail cars left in the U.S. and the emergence of new transit technology such as magnetic levitation and linear propulsion systems, it is incumbent on the federal government to take a leading role in research and development in this field. In addition, the federal government should take a leadership role in providing up to date information on new technologies, management approaches, etc. to local government. The T-2 program is a good prototype for such a program.

TRANSPORTATION STEERING COMMITTEE RESOLUTION ON THE FUTURE OF THE FEDERAL SURFACE TRANSPORTATION PROGRAM

WHEREAS, the federal surface transportation program will expire on September 30, 1991; and

WHEREAS, the Interstate highway system is scheduled to be completed in 1991 thereby freeing up a substantial amount of funds; and

WHEREAS, counties own and maintain 1.7 million miles of roads or 43 percent of the total roads in the United States and 208,000 bridges or 51 percent of the bridges in the United States; and

WHEREAS, counties own or contribute to the funding of 25 percent of the public transit systems; and

WHEREAS, the movement of people, goods and services in urban, suburban and rural areas is vital to the nation's economy and its international competitiveness; and

WHEREAS, traffic congestion in suburban and urban areas is reaching a crisis stage; and

WHEREAS, smooth flowing, well integrated highways and expanded public transit are the best methods for meeting clean air standards; and

WHEREAS, county government will be playing a greatly expanded role in transportation in suburban and urban areas over the next several decades; and

WHEREAS, the nation's system of rural roads and bridges, a key factor to the economic vitality of rural areas, is deteriorating at an accelerated rate due to their age, the increasing weights of trucks and farm equipment, and expanding use due to railroad abandonment:

THEREFORE, BE IT RESOLVED that the new Surface Transportation Act contain substantially increased funding for programs which provide assistance to county governments that build, own, operate, maintain, fund, or otherwise have responsibilities for highways, bridges and transit systems and a greater role in the decision making/planning function in regard to these funds;

BE IT FURTHER RESOLVED that the National Association of Counties endorses the following provisions for inclusion in the new legislation:

1. The highway program should be user fee based.
2. The federal subsidy for public transit should come from the transportation fuel tax.
3. The balance in the trust funds should be spent down quickly.
4. The federal-state-local relationship needs to be strengthened. Counties and cities should be considered as equal partners in the new surface transportation program. Many of the problems which need to be addressed in the future are local in nature. Therefore, a process must be established which ensures that county governments are consulted and treated as equal partners in the planning, funding allocation, and other decision making processes.
5. A program continued to provide federal funds to maintain and upgrade the Interstate and primary systems.
6. A suburban mobility program should be created, replacing the FAUS program, which would be directed at solving congestion and mobility problems in urban and high growth suburban areas. These funds should be passed through to areas in excess of 200,000 population and, at option of local officials, could be spent on mass transit.
7. A rural access program be created which would fund the secondary road system (FAS) at a substantially higher level.
8. The bridge program (HBRRP) retain its separate identity with greater funding and a higher percentage of funds dedicated to off-system bridges.
9. The mass transit program would retain its separate identity, with a dedicated source of revenue.
10. Funding for mass transit should be increased and more flexibility should be given to the recipients of transit funding as to whether funds are spent for operating or capital expenses
11. The funding baseline for all programs, except Interstate construction (which is eliminated) should be no less than currently authorized under the existing highway program.
12. The $3 billion presently going to the Interstate construction program should be reallocated with no less than 50% to the urban/suburban mobility, rural access, and bridge programs and the remainder to the Interstate 4R/primary program.
13. Any new funds for the highway program, whether from a trust fund spend down or new gasoline tax authority, must be allocated 1/3 to the Interstate 4R/primary and 2/3 to urban/suburban mobility, rural access, and bridge programs.

14. Federal mandates attached to highway and transit funding should be reviewed. Those which impose undue burdens on county government and waste finite resources should be eliminated.
15. Safety concerns need to be factored into a future surface transportation program.
16. The federal government should take a more aggressive role in research and development/training.

Adopted by the Transportation Steering Committee
(unanimous)
March 17, 1990

Adopted by the NACo Board of Directors
March 18, 1990

Travel and Tourism
Government Affairs
Council

Two Lafayette Centre
1133 21st Street, NW
Washington, DC 20036
202-293-5407
Fax 202-293-3155

Air Transport Association
American Automobile Association
American Bus Association
American Car Rental Association
American Council of Highway Advertisers
American Hotel and Motel Association
American Recreation Coalition
American Sightseeing International
American Ski Federation
American Society of Travel Agents
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An Affiliate of
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Statement on the Reauthorization of the Federal Highway Program

Committee on Public Works and Transportation

Subcommittee on Surface Transportation

April 24, 1990

Presented By:

Edward R. Book

Vice Chairman
The Travel and Tourism Government Affairs Council, and

President
Travel Industry Association

Mr. Chairman, Members of the Committee, thank you for this opportunity to present the views of the travel and tourism industry on the reauthorization of the Federal highway program.

My name is Edward R. Book and I am President of the Travel Industry Association of America (TIA), the national trade association which represents the whole of the nation's travel industry. I also serve as Vice Chairman of the Travel and Tourism Government Affairs Council, an affiliate of TIA, which is a permanent coalition of 33 national organizations from every segment of the travel and tourism industry, including accommodations, food service, air and surface transportation, recreation facilities, travel agents, tour operators, attractions, and state and local travel and tourism officials. It is on behalf of the Government Affairs Council that I appear before you today.

The deliberations of this Subcommittee and the decisions it reaches concerning the future of the Federal highway program will have a profound impact on the travel and tourism industry. This is virtually self-evident because of the obvious linkage between travel and tourism and our nation's transportation system. What may not be so self-evident are the economic dimensions of travel and tourism. Yet it is demonstrably one of the country's largest and most diverse and dynamic industries -- and one with great potential for future growth that will provide rich benefits to more and more Americans and their communities. I would like first to call to your attention some of the more salient facts and data that illustrate what travel and tourism means to the United States. (All economic data are from the U.S. Travel Data Center.)

The Travel and Tourism Industry

In brief, travel and tourism is our nation's third largest retail industry (after auto dealers and food stores), generating more than $350 billion in gross receipts in 1989. With approximately 5.8 million Americans directly employed in travel and tourism, it is our second largest employer (after only health care), with another 2.5 million employed indirectly in providing goods and services to the industry. Travel and tourism is also vital to America's international balance of trade. In 1989, the $43 billion our country earned from a record 38 million international visitors made travel and tourism our largest export, ranking it ahead of agricultural goods, chemicals, motor vehicles, and all other products and services.

Following are some additional key points about this industry:

- Travel and tourism accounts for 6.7% of the GNP and 13% of the services sector.

- Over the past decade, travel industry employment has grown 43%, more than twice the growth rate for all U.S. industries. The 2.9 million new jobs created by the industry since 1979 accounted for 15.4% of the national increase in employment.

- Travel and tourism is one of the principal sources of jobs for women, minorities and the disadvantaged. In 1987, it employed 4.6 million women (52.9% of total travel industry employment as compared to 44.8% women in the national work force), 970,000 blacks (11.2% compared to 10.1% nationally), and 765,000 Hispanic Americans (8.8% compared to 6.9% nationwide).

- In 37 of the 50 states, travel and tourism is either the first, second or third largest employer.

- Travel and tourism creates jobs even during recessions. Employment in this industry has risen every year since 1958 despite five recessions during that period.

- Approximately 98% of the travel and tourism industry is comprised of small businesses.

- The travel and tourism industry payroll of $73.5 billion in 1989 surpassed the combined payrolls of the nation"s steel and motor vehicle manufacturing industries.

- Travel and tourism generated $42.8 billion tax revenues in 1989. Approximately $23 billion was paid to the Federal government and $19.8 billion to state and local governments.

- A growing number of regions and communities throughout the nation are realizing and experiencing the significant contribution that travel and tourism can make to their economic development programs. As a comprehensive study recently sent to Congress by the U.S. Travel and Tourism Administration found, travel and tourism can play an especially important role in the economic revitalization of rural America.

The slogan of National Tourism Week aptly suggests the enormous contribution of this industry to our national economy: "Tourism Works for America."

Travel and Tourism and the Highways

The integral connection between the American road and the American traveler is shown by the fact that an estimated 80% of all vacation "person-trips" (one person on a trip to a destination 100 miles or more away from home) are by auto, bus or recreation vehicle. Americans took 831 million of these vacation person trips in 1988 (396 million vacation trips with an average of 2.1 persons on each trip).

As a consequence, Americans traveled more than 321 billion miles on U.S. highways on vacation trips in 1988, spending nearly $225 billion along the way. And vacation travel in 1988 rose more than twice as fast as overall travel away from home.

The open road is appealing not only to Americans. Approximately 50% of foreign visitors to the United States use a car at least part of the time during their visit.

The impact of additional visitors on a the average U.S. community can be dramatic. Just 100 additional visitors a day will generate directly:

- $1.3 million in retail and service industry sales
- $280,000 in wages and salaries
- 29 new travel industry jobs
- $95,000 in state and local tax revenue
- 2 or more retail or service establishments

The indirect economic impact will typically double these figures.

It can be seen that a safe and efficient highway system promotes the distribution of vacation travel spending all across the United States. Traveler spending on vacations can be expected to increase almost 50% faster than annual inflation rates as long as highway travel is relatively hassle-free and convenient. Recognition of the economic importance and potential of travel and tourism should be incorporated into the shaping of the Federal highway program as we move toward the 21st century.

A Troubled Outlook

Unfortunately, the trends of recent years have not been positive for our national highway system. Gridlock and congestion have become too common, too often discouraging those contemplating a

trip across the country or just a long weekend away from home. Our highways, as well as the other vital components of our overall transportation infrastructure, must regain the priority attention of the Federal government.

We realize that we are "preaching to the choir" on this point. This Subcommittee is well aware of this need and has long led the fight in Congress to build and maintain our national highway system to meet the highest standards. Its members from both sides of the aisle are to be applauded for their commitment and their vision. We hope that the following observations and recommendations are helpful as the Subcommittee proceeds with this vital reauthorization process.

Examples and illustrations of the problems facing us are readily available:

- Afternoon rush hour across San Francisco's Bay Bridge extends five hours, from 2 p.m. to 7 p.m.

- That same extended rush hour in Southern California means that the two and a half hours normally required for the 117 mile drive from Los Angeles to San Diego increases to four to five hours.

- The twenty mile corridor along U.S. Route 1 from Trenton, New Jersey, to New Brunswick will become so choked with cars in the next 15 years that it might take five and a half hours to drive it.

- Here in Washington, the Capital Beltway carries 160,000 vehicles daily, with an average of six serious accidents a day that invariably tie up traffic for hours.

The U.S. Department of Transportation estimates that highway travel delays just in urban areas now total more than two billion hours annually, costing untold billions of dollars in lost working hours and economic productivity.

Along with the tangible cost in dollars and delay, there is also an insidious effect on the public. The American Automobile Association has begun surveying public attitudes to see what effect perceptions of traffic congestion may have on vacation or pleasure travel plans. Last year, a startling 92% of those surveyed said traffic congestion in their local area is either worse or had not improved in the previous twelve months. In 1989, 9% decided not to take a vacation or pleasure trip because of traffic congestion, and 4% changed their destination because of congestion. In the long run, of course, such decisions will mean travel and tourism dollars not spent and jobs not created in hundreds of communities.

Recommendations from the Travel and Tourism Industry

To enable the travel and tourism industry to continue to serve as a powerful engine of economic development and jobs creation, and as an indispensable contributor to a positive international balance of trade, our national highway system must have the infrastructure capacity to handle the escalating volume of traffic, while striving to be as "user friendly" as possible for the traveler. It should also be recognized that roads can be more than simply strips of pavement connecting two locations as efficiently as possible; some roads can be attractions in and of themselves as they provide picturesque access to areas of great natural or cultural beauty for the 40% of Americans whose favorite avocation is pleasure driving.

The following recommendations are made with these objectives in mind.

(1) <u>The travel and tourism industry supports continuation and expansion of the existing Federal surface transportation program, including highways, bridges and public transit.</u>

Completion of the Interstate Highway System should be fully funded. Maintenance of the physical and operational standards of that system at the highest levels should continue to receive great priority. At the same time, Federal leadership and financial support should be directed towards enhancing the capacity and safety of the other roads and highways which are of national or interregional significance. Metropolitan area mobility should receive particular attention, with bypasses, outer beltways and improved public transit utilized. It should be possible to increase the level of Federal support for these initiatives without increasing Federal highway user taxes for at least the first several years by spending down the balance in the Highway Trust Fund, including the interest earnings of the Trust Fund.

(2) <u>There should be more timely and fuller expenditure of user tax revenues collected for the Highway Trust Fund.</u>

The Federal Highway Trust Fund receives each year approximately $15 billion in tax revenues and interest income. In recent years the Trust Fund has spent annually only about $13 billion on roads and another billion on transit. This year the Administration has proposed $12 billion to be spent on roads and another billion on transit. This practice of withholding funds has resulted in an overall surplus of approximately $18 billion, including both highway and transit accounts, which has served to help mask the size of the Federal budget deficit. As the nation is confronted with a decaying transportation infrastructure and growing congestion on our roads, it is surely time to use these funds fully for the purposes for which they have been collected.

(3) Federal gas tax revenue should continue to be dedicated exclusively to the highway program.

Nothing would be more damaging to the prospects for achieving the surface transportation improvements so badly needed by our nation than to undermine the integrity of this historically proven revenue source. Yet it is distressing to see a few national leaders continue to advocate a gas tax increase to reduce the Federal deficit, or improve the environment, or increase oil conservation or to advance some other worthy goal. The Public Works Committee and this Subcommittee are to be highly commended for realizing the threat such proposals pose, and for leading the opposition to them in Congress. You are absolutely right on this issue and we can only offer our continued help and support.

(4) The travel and tourism industry supports increased capital investment in measures to enhance highway safety.

As this Subcommittee knows, according to the Federal Highway Administration, 23% of the 575,000 bridges in the United States are structurally deficient and another 19% are functionally obsolete. We concur with the Highway Users Federation proposal of a state-managed bridge program which would use Federal-aid funds to ensure the safety of all highway bridges, including inspection, maintenance, rehabilitation or replacement if necessary.

Additional Federal attention and support should also be given to safer highway design, including elimination of roadside hazards, and improved signs, signals and markings.

(5) The travel and tourism industry supports increased Federal research, development and training efforts to enable maximum use of the best available technology to improve the efficiency of surface transportation.

Perhaps the most promising long term prospect for relieving urban congestion and improving safety is the development of a program for putting "smart cars on smart roads." Joint public-private collaboration has already started to use existing technology to bring this concept to reality. We commend Transportation Secretary Skinner for his initiative in this regard and we urge careful consideration of the recently launched pilot project in Florida, and the Pathfinder Project in California.

(6) The travel and tourism industry supports the development of a national scenic byways program, including its incorporation into the 1991 Highway Act.

Such famous routes as the Blue Ridge Parkway, the Great River Road, and California Highway 1 have long demonstrated their value in preserving and promoting historic corridors, producing significant economic gains for many small near-by communities and rural areas, and providing enriching and inspiring experiences

for millions of American drivers and their families. Scenic byways even benefit users of the interstates and other major highways by attracting millions of recreational and pleasure drivers from those already congested thoroughfares. They also play a role in attracting international visitors to our shores, as evidenced by the fact that these visitors are the fastest growing segment of the recreation vehicle rental market, and that their visits to our national parks have increased by more than 50% during the past five years.

The Federal Highway Administration is now conducting an extensive twelve month study of the scenic byways already in use around the country, including an assessment of their economic impact. This study will be completed this fall and should provide valuable data and recommendations for the consideration of the Subcommittee during this reauthorization process. Among the possible policies with regard to scenic byways which should receive serious consideration are the creation of a national scenic byways program, with the byways designated and maintained by the states, but eligible for appropriate Federal highway assistance. Scenic byways under the control of Federal agencies such as the Forest Service, the Bureau of Land Management and the National Park Service should be eligible for Federal highway funds for construction and maintenance purposes. An Office of Scenic Byways in the Federal Highway Administration could serve as an information clearinghouse and source of technical advice and assistance for state programs, help coordinate the scenic byways activities of other Federal agencies and assist in marketing and promoting the nation's scenic byways to the public.

(7) <u>The travel and tourism industry supports improved transportation information systems to facilitate convenient, efficient and safe travel.</u>

The information needs of the traveling public should be carefully integrated into highway system design. This will become increasingly important as more and more travelers are older or less likely to have English as their native language.

The interstate highway system has made great strides in providing standardized signage, but refinement and improvement should still be sought, particularly with regard to its usefulness to international visitors. Highway research and development programs should include public information needs on their agenda.

We also believe the Federal government should again provide support for the construction and maintenance of "information" or "welcome" centers along not only the interstates, but also on other key primary roads. Not only would this assist the weary and perhaps confused traveler, but it would also benefit nearby communities and tourist facilities and attractions.

A valuable public informational role is also performed by the private outdoor advertising industry, and although a dilemma may

sometimes be perceived between informational value and scenic quality, we believe current Federal law strikes an appropriate balance. As a result, we would oppose efforts to alter or amend current law in any manner that would restrict the access to, or use of privately owned outdoor advertising by the travel and tourism industry.

Summary

This Subcommittee has a most formidable task ahead of it. Few, if any, matters on the Congressional agenda will have a more significant impact on the economic vitality and the international competitiveness of our nation than the future of our surface transportation system. And few, if any, industries will be more directly affected by the outcome of this reauthorization process than travel and tourism.

The travel and tourism industry has proven its economic strength and its potential for future growth. As a major component of GNP, a generator of new jobs, an earner of foreign exchange and a key contributor to local economic development, travel and tourism has few peers. With an adequate transportation infrastructure, it will continue to play a leading role in our nation's economy.

Travel and tourism joins many other industries in urging a continuation and expansion of the existing Federal surface transportation system. We believe that the necessary additional expenditures will not require additional Federal taxes for at least the next two or three years, provided the surplus in the Highway Trust Fund is fully expended in a timely manner and the integrity of its user fee funding through the dedicated gas tax is maintained. We also support additional Federal commitments to increased capital investments for improved highway safety, as well as to increased research, development and training efforts. A modest Federal commitment to a national scenic byways program would provide rich benefits not only to millions of Americans who enjoy pleasure and recreational driving, but also to many near-by communities. And finally, we urge that the information needs of travelers and tourists be given high priority in the future highway program.

The travel and tourism industry stands ready to provide whatever support and assistance this Subcommittee may think appropriate in the months ahead.

National League of Cities

1301 Pennsylvania Avenue NW
Washington, D.C.
20004
(202) 626-3000
Fax: (202) 626-3043

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STATEMENT OF

THE HONORABLE VERNA CLAYTON

MAYOR

BUFFALO GROVE, ILLINOIS

on behalf of

THE NATIONAL LEAGUE OF CITIES

on the

REAUTHORIZATION OF FEDERAL SURFACE TRANSPORTATION PROGRAMS

before the

SUBCOMMITTEE ON SURFACE TRANSPORTATION

PUBLIC WORKS AND TRANSPORTATION COMMITTEE

UNITED STATES HOUSE OF REPRESENTATIVES

April 24, 1990

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Mr. Chairman and members of the Committee, the National League of Cities is pleased to have this opportunity to testify today on reauthorization of federal highway and transit programs. I am Verna Clayton, Mayor of Buffalo Grove, Illinois, a Chicago suburb and chair of NLC's Transportation and Communications Policy Committee. I am also President of the Illinois Municipal League. Joining me this morning is Jim Beall, Councilmember from San Jose and Vice-Chair of our Committee.

I am testifying today on behalf of the 16,000 cities and towns represented by the League and our State Municipal Leagues. We appreciate your leadership in holding these hearings and this Committee's continued understanding of and support for the challenges faced by local officials in providing the best possible services for our citizens at the lowest possible cost.

Our interstate highway system began as a national security issue -- a defense highway network to assure our ability to move men and material in the event of a military emergency. While always available to serve that mission, the construction and completion of that system has created an entirely different effect. It created the first real "United States" by linking all of our great and diverse countryside and helping launch an extraordinary era of mobility and economic growth. The national investment in making that happen has been repaid many times over.

Now we are looking at our national transportation needs while also witnessing historic changes in the world around us. We hope for peace and talk of a "peace dividend," but we must also recognize that the stakes in global economic competition areas high, if not higher, than ever. The security of our nation depends upon our ability to compete effectively in the world marketplace, and a continuing national investment in our transportation system is and must be an essential priority.

We must be able to move our people to and from their workplace, we must be able to move products quickly and safely to their destinations, and we must do these things in ways that are compatible with our national goals of environmental quality and energy efficiency. We cannot do those things without a commitment of national resources to help carry out national policy. And this new investment, like the one that launched our interstate system, will also be repaid many times over.

Local officials face the enormity of our nation's public works needs every day. Congested and often inadequate roads, potholes and crumbling bridges are daily stories in our cities, suburbs and rural areas. That is why we were so pleased when Illinois' own

Secretary Samuel Skinner took charge of this issue and proceeded to draw up a comprehensive plan for our nation's infrastructure. Our high hopes were dashed, however, by the final plan which recognized the tremendous needs of our nation's transportation systems without the federal leadership to devote resources to solving the problems highlighted by the Secretary's report.

The good news in the plan was the attention it focused on our growing transportation and infrastructure needs. However, we believe the plan is shortsighted in its vision of state and local governments shouldering the majority of the infrastructure burden. Giving local governments greater flexibility to spend money raised locally is not our vision of a unified federal approach to solving our nation's infrastructure needs. Further, we were distressed by the plan's proposed designation of a system of highways of national significance. From our perspective and the perspective of our citizens that face massive congestion delays on roads choked with local and interstate traffic, we are concerned with the impression that roads not on a so-called system of national significance are to be considered insignificant.

Most distressing to local officials was the Secretary's message that local governments have to begin carrying their share of the responsibility and do more to build our nation's transportation system. The facts show that local governments have been raising and investing local dollars in transportation programs while the federal governments has been declining its responsibilities. The federal share has reached its lowest level in 27 years, while the local share has risen from 41 percent to 53 percent. Between 1984 and 1987, the federal share dropped from 31 percent to 23 percent, the state share from 29 percent to 24 percent.

We were also disappointed at what was left out of the report: a federal commitment to draw down the large balances in the aviation and highway trust funds, addressing congestion problems that threaten the economic growth of our communities and the need for greater equities in our tax code which currently favors fringe benefits for parking rather than our clean air goal of encouraging great use of mass transit through tax breaks for employer provided mass transit passes. We were encouraged by this Committee's reaction to the plan and hope that we can work together to develop a more realistic approach to our nation's needs.

In order to just maintain the physical characteristics of the nation's public sector surface transportation infrastructure at today's service levels through the year 2000, AASHTO estimates nearly $95 billion is required. Highway needs, they predict, are

$80 billion while transit requires an estimated $15 billion to meet future needs. AASHTO further projects that an additional $1 billion per year in constant dollars in highways and transit through 2020 would be required to adequately link surface transportation with airports, ports and waterways, and rail terminals. Constructing these intermodal connections will be critical if this nation is to compete in today's competitive global economy.

In response to these mounting public service costs, local governments have diversified and expanded local revenue sources, raising nonproperty taxes, including user fees. We can only do so much. Local income and sales taxes to a certain extent have proven to be successful revenue raisers; however, many communities are constrained by State-imposed property taxing caps. Today, 32 States have caps on local taxing and 46 States cap bonding which is especially troubling for smaller municipalities with limited tax bases.

Meeting the Challenges

Our nation's economy depends on an efficient surface transportation system to effectively move people and goods. Trends point to a declining system that is paralyzed by increasing traffic congestion impacting both our mobility and the environment.

Business travelers and every day users of our nation's transportation system face the growing epidemic of urban gridlock. This slow-motion sickness is costing the U.S. billions of dollars in lost productivity and wasted fuel. DOT calculates that in 1985 vehicles on U.S. freeways racked up 722 million hours in delays, a number that is expected to rise to 3.9 billion hours by the year 2005 if no improvements are made.

The California Chamber of Commerce estimates that traffic delays cost 300,000 hours-a-day in lost time and $135-a-year per motorist in urban areas such as Los Angeles. Urban congestion is costing California $2 million a day in lost productivity. Yet traffic delays on state highways are expected to increase 174 percent by 1995.

Recent studies of urban freeways by the Federal Highway Administration has found that in the brief three years between 1984 and 1987, travel escalated by 22 percent, and the amount of delay by over 60 percent. During peak hours in 1987, about two-thirds of all travel on interstate highways in urban areas occurred under congested conditions.

While the frustration level of our citizens grows with clogged highways and roads, increased national awareness and demands are being placed on transportation as a means of reducing harmful effects to the environment.

Transportation policy must be an integral part of the solution to a healthy environment. Nearly one-third of carbon dioxide emissions come from transportation sources. Moving traffic efficiently and increased availability and use of mass transit and other forms of high-occupancy, shared ride services represent a major objective that should guide development of future surface transportation policy.

NLC's Surface Transportation Initiative

Within the context of these problems, trends, barriers, and opportunities, a new federal surface transportation program must be forged. The National League of Cities has developed an initiative for the surface transportation program that calls for the federal government to redirect national transportation priorities to the urban and suburban areas of the country. The initiative is based on the following objectives:

- maintaining a healthier national economy by improving mobility in urban and suburban areas;
- promoting an improved quality of life for our country's citizens by improving traffic congestion and safety, air and visual quality, and energy conservation;
- meeting the mobility needs of the transportation dependent, such as the disabled and elderly, by providing a based level of transportation services;
- having the flexibility to invest in technologies to develop cost effective solutions to our nation's transportation problems;
- maintaining the past federal investments in transportation.

Long term federal, state and local partnerships meeting the demands of improved mobility require a strong commitment from all levels of government on a long-term basis. The current relationship should be strengthened into a long-lasting partnership with a common set of goals and priorities. This new partnership should include the following program structure elements:

o simplify and consolidate selected categorical programs into three highway programs:

1) a 4R and bridge program

The major focus of this program is the maintenance of the existing system. In addition, the federal program should allow the use of funds for local arterials complementary to the Interstate system as a way of relieving congestion.

2) an urban and suburban component;

This program recognizes the need for coordination in metropolitan regions. Federal funds would continue to be allocated by formula - FAUS for highways and Section 9 for transit. In addition, a flexible component of this program would allow for additional funds to supplement the formula programs to better meet highway and transit needs. Funding for this flexible component should be allocated to the states with a mandatory pass through to cities or metropolitan planning organization with populations above 200,000.

3) a rural program

The focus of this program is to maintain and improve rural access.

Further, increased funding for highway and transit should come from immediately drawing down the unspent balances of the Highway Trust Funds and reallocation of the $3 billion annually appropriated to the interstate construction program following its completion. We very much appreciate the Committee's leadership in this area.

Simple and flexible policies are required to fashion solutions unique to the changing demographics of our nation. We need to better coordinate across modal lines, across jurisdictional boundaries, and across the traditional separation of public and private responsibilities to maximize the network now in place.

Local governments have recognized this unique opportunity to evaluate the tremendous successes of our federal surface transportation system and plan for the future. Towards that goal, the organizations representing local governments have met to form a consensus on the outlines of a new surface transportation program that would best serve the needs of our citizens. Local officials representing NLC, the U.S. Conference of Mayors,

National Association of Counties, National Association of Regional Councils and American Public Transit Association met earlier this month and agreed on an approach that incorporates the need for local decision-making, increased flexibility in funding an consolidation of federal highway programs to make them more efficient. We believe it represents a step forward toward enhancing our nation's transportation needs.

We would like to share the local joint perspective with you, as soon as we have put the final touches on it. And we look forward to forward to working with you in putting together a surface transportation plan for the next century. Thank you.

Statement of the American Traffic Safety Services Association to the Subcommittee on Surface Transportation

Hearing on Highway Safety Issues

Presented by: Charles K. Dawson
President, American Traffic Safety Services Association

Accompanied by: Caroline Carver
Director, Government Relations
American Traffic Safety Services Association

101st Congress
April 24, 1990

Mr. Chairman and members of the Subcommittee, I am Charles Dawson, national president of the American Traffic Safety Services Association (ATSSA).

ATSSA is a national trade association in its 20th year representing over 700 companies and individuals in the traffic control industry. Most of the traffic safety equipment and services used on our highways are provided by ATSSA members. Our membership also includes public officials at all levels of government who are concerned with traffic control and the safety of the motoring public.

I am also a businessman and former president of Traffic Safety Supply Company in Portland, Oregon. As a member of the Board of Directors and consultant to that company, I am vitally concerned with the issues of highway safety, and I appreciate the opportunity to speak to this subcommittee today on this important subject.

In two major national consensus efforts, the Secretary of Transportation's National Transportation Policy, and the 2020 effort sponsored by AASHTO and the Highway Users Federation, enhanced transportation safety was mentioned as one of the top national priorities. Both reports call for renewed federal leadership. Today, with your permission, I would like to make some specific recommendations in areas of:

I. **Improved safety for aging drivers;**

II. **Improved work zone safety;**

III. **Uniformity of standards for traffic control devices**

IV. **Comprehensive safety management;**

V. **Reducing fatalities on rural interstate highways where speed limits have been increased to 65 mph; and**

VI. **Funding and the federal role.**

I. Improved Safety for Aging Drivers

We would like to commend the committee for mandating an older driver study as part of the 1987 Surface Transportation Act. Along with that study you authorized the states to carry out pilot programs of highway safety improvements to enhance the safety and mobility of older drivers. We have not seen an evaluation of these programs, but we are particularly interested in their effectiveness, and we look forward to reviewing the results.

We know intuitively that highway safety improvements reduce fatalities, but we don't often have figures that show so persuasively that well-spent dollars in safety improvements can dramatically save lives. In May of 1989, the New York State Thruway Authority announced that a safety program designed for older drivers would be undertaken on the entire the New York State Thruway--a cross-state superhighway. The Thruway Authority intended to become a leader in the country in meeting the needs of older drivers.

Here is what New York did: they increased pavement markings from four to six inches; they painted the markings twice a year; and they intend to upgrade over 15,000 signs and over 20,000 roadside delineators with brighter, state-of-the-art materials. In some cases they used larger lettering on signing with new, higher intensity sheeting. The Thruway Authority expected the visual impact of these improvements to be dramatic and the increased reflectivity to result directly in a safer road, not only for older drivers but for the general driving population as well. The figures indicate that is exactly what happened. In 1989 the fatality rate was .78 per 100,000,000 miles traveled -- 2/3 less than the national average of 2.2.

ATSSA recognizes the existing and growing problem of the aging driver. Currently, 12% of the U.S. population is 65 or over, and in the next 30 years, this number will more than double. It is clear that the present highway system was designed for an average driver that is far removed in age and ability from today's driver. With this in mind, ATSSA supports the findings of the National Academy of Sciences, reported through the Transportation Research Board in Special Report #218.

Specifically, we recommend:

A. Upgraded marking and signing standards and better maintained pavement markings and signs.

B. Improved positive guidance through the work zones.

A. Upgraded Marking and Signing Standards and Better Maintained Pavement Markings and Signs

In order to upgrade marking and signing standards to levels sufficient for older drivers:

(1) All roadways should be marked with center and edge lines and maintained at performance levels sufficient to meet the needs of the older driver.

(2) Sign legibility should be improved by requiring larger and brighter signs. (Current design standards are 50 ft. per one inch of letter height; the recommended standard from the National Research Council is 40 ft. per one inch of letter height.)

(3) Sign luminance and contrast standards should be increased where needed.

(4) Minimum required visibility distances should be increased through improved sign placement, multiple signing, and symbol messages where needed. ATSSA recommends:

To ensure that signs and marking standards accommodate the older driver, Congress should direct the Secretary to propose rulemaking that would establish revised and improved visibility and legibility standards for signs and markings to accommodate all drivers including the elderly and those with diminished visual capabilities.

B. Improved Positive Guidance Through the Work Zone

For the aging driver the added distractions of a work zone can impair the decision-making ability affecting perception and reaction time. Because aging drivers have more difficulty seeing, responding to, and interpreting changes in roadside conditions, all traffic control devices should be uniform in appearance, brightness, and placement so they will have consistent meaning from one worksite to another. Our specific recommendations regarding improving work zone safety are covered below.

II. Improved Work Zone Safety

Last year when we addressed this committee, we reported that work zone fatalities had shown a 40% increase from 1982-1985. This year we are saddened to report an 8% increase in work zone fatalities in 1988 -- 756 deaths and an estimated 28,000 disabling injuries in one year alone. These disturbing figures explain why one of our primary objectives is to improve the level of safety in construction work zones. This continued rise in fatalities shows how badly we need a work zone safety program in the 1991 Highway Act.

ATSSA endorses the recommendations of the Center for Auto Safety which call for a highway work zone safety program. This program would provide for improved work zone safety by enhancing the quality and effectiveness of traffic control devices, safety appurtenances, traffic control plans, and bidding practices for traffic control devices and services.

In order to address this critical issue of safety in work zones, ATSSA recommends that the new Highway Act include provisions for the following:

(1) Education and training of persons responsible for work zone traffic control are of utmost importance for the members of our association. In 1977, ATSSA initiated a certified Worksite Traffic Supervisor (WTS) Program. Developed as a joint effort with the Institute of Transportation Engineers (ITE) and the Federal Highway Administration (FHWA), the WTS program sets industry standards that have resulted in an upgrading of the quality of work zone traffic control. Eight states now require some degree of certification of worksite traffic supervisors, but all states should require this. Legislation should require that:

Each state highway department designate, and require the contractor to designate, for each project, a person trained and certified who will have the responsibility and authority of assuring that the provisions of the Traffic Control Plan (TCP) and other safety aspects of the work zone are effectively administered.

Legislative history should assert that these standards be formulated and adopted with due regard to the current training and certification program of ATSSA and should be equivalent or superior to this program.

(2) It has been shown that the use of individual bid items for traffic control devices provides a fairer method of paying for the devices, encourages the contractor to provide better maintenance of devices, and provides a better means of enforcing the provisions of the TCP. FHWA has recommended the use of individual bid items for a number of years, and yet many states still use lump-sum bidding or a combination of unit price and lump sum for traffic control in work zones. This practice often underfunds adequate traffic control and the contractor has an incentive to reduce to a minimum his cost for temporary traffic control. Legislation should require that:

Each state highway department use individual bid items for providing, installing, moving, replacing, and maintaining traffic control devices and safety systems.

(3) Many states do not collect work zone accident data, or if they do, it is collected inconsistently. We know how many fatalities occur in work zones, but beyond that, we know very little. There is no requirement for collecting work zone accident data. In fact, in December the FHWA eliminated the state and division narrative reports and requested that the states stop sending work zone accident data to FHWA headquarters, so it appears they will discontinue collecting work zone accident data altogether.

Each state highway department should be required to collect uniform data on all work zone accidents. Such data should include the type, design, and operational characteristics of work zones in which accidents have occurred; the type of roadway; traffic volume; the nature of the accident; and the extent of the damage, injuries, or fatalities sustained. Each state highway department should also analyze and use this information to correct deficiencies and to improve future traffic control plans.

(4) FHWA should perform effective oversight of work zone safety practices in the states and report on the progress of the states to Congress.

The Secretary should be directed to conduct annual reviews of work zone safety practices and policies, both state-by-state and on a national level in order to determine the effectiveness of each state's work zone safety practices. The results of such inspections, reviews, and assessments shall be annually reported to Congress.

(2) It has been shown that the use of individual bid items for traffic control devices provides a fairer method of paying for the devices, encourages the contractor to provide better maintenance of devices, and provides a better means of enforcing the provisions of the TCP. FHWA has recommended the use of individual bid items for a number of years, and yet many states still use lump-sum bidding or a combination of unit price and lump sum for traffic control in work zones. This practice often underfunds adequate traffic control and the contractor has an incentive to reduce to a minimum his cost for temporary traffic control. Legislation should require that:

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(5) In order to encourage states to utilize superior traffic control devices and procedures and reduce serious losses now occuring in work zones, 100% federal funds should be made available for work zone traffic control.

23 U.S.C. Section 120(d) should be amended by adding between "... traffic signs" and "highway lights..." the phrase "or for temporary traffic control devices, markings, and safety appurtenances for guiding, warning, and protecting traffic, workers, and pedestrians in highway work zones."

III. Uniformity of Traffic Control Standards

Consistent, uniform standards for traffic control devices should apply to all classifications of roadways regardless of jurisdiction or user agency. Unfortunately, this is not the case. The Manual on Uniform Traffic Control Devices (MUTCD) for streets and highways presents a national standard governing the design and use of all traffic control devices. However, it is not uniformly enforced, particularly off the federal-aid highway system. Indeed, since the Secretary of Transportation is not legislatively required to promulgate the standards, there is a question as to whether the Department of Transportation even has the authority to enforce the provisions of the MUTCD.

To clarify this situation and provide for uniformity and strict enforcement of the provisions of the MUTCD, ATSSA recommends:

- ***The Secretary of Transportation be specifically required to promulgate standards and practices for the design and use of traffic control devices.***

- ***The location and design of all traffic control devices shall conform to nationally uniform standards and practices as promulgated by the Secretary and periodically revised to accommodate the state-of-the-art.***

It is not recommended that the MUTCD specifically be mandated but that the Secretary be required to create the appropriate uniform standards as a continuing federal responsibility, to amend them in a timely manner, and to ensure that they apply to all streets and highways. The MUTCD would likely continue to be the vehicle through which the FHWA would generate, amend, and enforce such standards, but the Secretary would be authorized to produce and enforce other traffic control standards outside the MUTCD.

IV. Comprehensive Safety Management

Unfortunately, state and local jurisdictions do not have adequate funding to upgrade signs or pavement markings, even though the Federal Highway Administration's Report on Highway Safety shows that in these areas alone we receive the maximum benefits in terms of lives saved and injuries prevented for every safety dollar spent. The annual Report on Highway Safety Improvement Programs, from the Office of Highway Safety, FHWA, states that the number one improvement which has most effectively reduced fatal and injury accidents at the lowest costs are traffic signs at a benefit/cost ratio of 20.9 to one.

We find categorical safety programs, while helpful in calling attention to vital safety problems and challenging state and local governments to provide for lifesaving safety improvements, have fallen short because they are underfunded and underrated. Oftentimes, these programs are not coordinated with the regular construction programs. Safety work should by done as part of 3R work, not as an afterthought or, worse, overlooked altogether. Because safety has been categorized into narrow and low-funded programs, it is often the last thing to be considered.

If safety is truly a top priority item, then it must be funded accordingly. ATSSA recommends the federal government provide leadership in the way of increased funding and specific legislative guidelines on how that money must be spent.

The next Highway Act should mandate that the states engage in safety construction work as part of their project requirements in performing 3R work.

Each state should be required to have a highway safety management program, approved by the Secretary which would include the following requirements:

- Standardization of forms and adequate record keeping for investigation of accidents, injuries, and deaths on all federal-aid highways.
- Design and traffic control standards that ensure the highest feasible levels of operating safety.
- Provisions for work zone safety.
- A system for evaluating the safety cost-effectiveness of projects completed with funding under this section, including work zone accidents.
- Other principles and requirements for areas of management, design, and operation as the Secretary shall deem necessary.

V. Reducing Fatalities on Rural Interstates and Other Expressways Where Speed Limits Have Been Raised to 65 MPH

According to the latest federal data, there has been an estimated 31% increase in fatalities on rural freeways over a two-year period where speed limits were increased to 65 mph. This means that there were 600 more deaths on rural interstates that might be directly linked to higher speeds. These new speed limits have created additional ramifications in workzones where speed enforcement is a critical problem.

Enforcement of speed is a major concern in highway work zones. These work areas are inherently dangerous, even under the best of conditions. Increased speed on our highways will increase the risk not only for the motorist but also for the highway worker. The fatality rate on interstate highways for work zone personnel accounts for 30% of all work zone deaths. By comparison, other interstate fatalities accounted for less than 10% of all highway deaths.

It is imperative that we have diligent law enforcement and assistance in work zones. The state of Pennsylvania recently passed legislation that doubled the fines for speeding through work zones. The publicity surrounding this as well as increased enforcement and the threat of double fines seems to have helped somewhat.

It appears that there is little chance of reducing the 65 mph speed limit. If speeds remain unchanged, then reasonable countermeasures need to be implemented on highways that have raised their speed limits to 65 mph.

> ***ATSSA supports the Center for Auto Safety and its recommendations that each state raising its speed limit to 65 mph be required to improve the highway to the highest levels for design and traffic control, including larger and brighter signs, improved pavement markings, and the use of other state-of-the-art traffic control devices.***

VI. Funding and the Federal Role

More that 45,000 people are killed and 3 million injured in traffic accidents each year. If vehicle miles traveled doubles by the year 2020 as expected, fatalities could increase to 90,000. This is horrifying. Safety considerations must be an integral part of every aspect of the new federal highway program.

During the last several years, ATSSA has served as a member of the Advisory Committee on Highway Policy. We support the policy recommendations of this group that the federal government must provide increased funds from a permanent and reliable source that will correct existing deficiencies and meet future needs. We also support their second principle which is that the highest priority of the national surface transportation program must be to preserve the physical integrity, enhance safety, and increase the effectiveness of existing highways, roads, bridges, and public transportation systems.

In order to carry out this mandate, we feel that there must be an increase in the authorization levels of all highway safety programs.

Specifically, we request:

1. *A significant increase in the FHWA-administered portion of 402 funds. This investment would result in the reduction of lost lives, property damage, and liability costs each year.*

2. *Separate federal funding categories for the training of personnel in work zone traffic control.*

3. *Requirements that products and services that enhance safety and improve traffic operations be included criteria for all federal "3-R" and "4-R" programs.*

4. *The Federal Highway Trust Fund should be made permanent. Remove it from the unified budget, and release it from obligation limitations. All interest earned (more than $1 billion annually), should be released to the states and local governments, and the balance of the Trust Fund should be drawn down to a reasonable level of $2 to $3 billion.*

NSWMA

National Solid Wastes Management Association

PRESENTED BY ROBERT EISENBUD

Statement of

Allen Moore

President

National Solid Wastes Management Association

before the

U.S. House of Representatives

Committee on Public Works and Transportation

Subcommittee on Surface Transportation

Washington, DC

April 24, 1990

38-253 O—91——56

Mr. Chairman, I am Allen Moore, President of the National Solid Wastes Management Association (NSWMA). NSWMA is a trade group representing over 2,500 private waste service companies in the U.S. and Canada. Included in our membership are refuse haulers, recyclers, landfill and resource recovery operators, hazardous and biomedical waste transportation, treatment, and disposal firms, manufacturers and distributors of waste equipment, and others. Private service companies now collect most of the country's residential and commercial refuse, operate about half its disposal capacity, and transport, treat and dispose of most of the nation's hazardous wastes. American manufacturers have long been considered the world leaders in technology for the efficient, safe, and environmentally responsible collection and transportation of wastes.

I am pleased to have this opportunity to testify before you today because of the unique opportunity that lies before you in the upcoming months as you consider legislation relating to the nation's highways. We are very hopeful that the Subcommittee will take advantage of this opportunity to correct an unworkable and largely unenforceable standard for many vocational trucking applications -- the federal bridge formula.

The bridge formula is set forth at section 127 of title 23, of the United States Code. Originally enacted in 1958, the section has been amended several times. The April 1987 amendments directed the Secretary of Transportation to make arrangements with the Transportation Research Board of the National Academy of Sciences for the conduct of a study of bridge formula related issues. The Secretary was specifically directed to include in the

study a "recommendation of appropriate treatment for specialized hauling vehicles [SHVs] which do not comply with the existing Federal bridge formula". A report on the results of that study is due soon. Unfortunately, it is expected to acknowledge the problems posed by the bridge formula but to refrain from any specific recommendations to resolve them.

NSWMA recommends that the Subcommittee craft legislation to remedy the serious problems posed for SHVs by the bridge formula. We suggest an amendment that would give states the flexibility to implement permit programs for SHVs, regardless of existing grandfather rights, on the Interstate Highway System and other federally funded roads. Having participated for more than 10 years in efforts of the National Truck Weight Advisory Council (NTWAC), we have become convinced that such a system would provide the necessary balance among elements relating to safety, environmental protection, wear and tear to the infrastructure, highway congestion, consumer benefit, and productivity. We support the proposal developed by NTWAC members in cooperation with the Federal Highway Administration for this purpose.

If such an SHV permit system were implemented uniformly for the private and public sectors, with no exceptions, it would create a level playing field where incentives to find "loophole" truck configurations that are detrimental to safety would be eliminated through stiff penalties and tough enforcement. Engineering skills and manufacturing capability could be better directed toward designs that provide the optimum in safety and minimum in highway impact. Permit fees could be set to offset the marginal increases in road wear that are legitimately attributable to SHVs. These funds could be used

for safety enforcement and upgrading of substandard infrastructure. A combination of performance-based criteria and a realistic fee structure could ensure that those who could exercise other design options would have an incentive to do so. The SHV program could be, in practice, reserved for those industry segments, and even operations within segments, whose operational requirements truly mandate the use of the short wheelbase heavy truck.

I would like to use the remaining time available to cite a particular example of an SHV, a highly job-driven design used in our industry with which many people are not at all familiar -- the commercial front-load truck. This vehicle type is used in the wee hours of the night and early morning to collect, compact, and transport refuse from restaurants, office buildings, and industrial facilities. This state-of-the-art machine requires just one operator to lift containers filled with up to several thousand pounds of solid wastes, remove and replace these bins in tight areas, maneuver around parked cars and trucks, and move into and out of loading dock areas up to 150 times on a shift. Maneuvering room is frequently limited to not much more than the length of the truck itself.

I have included a series of four photographs of a typical pickup situation for such a commercial front-loader. These should give you an idea of not only what the vehicles look like, but the challenges that drivers face many times a day. The photographs depict typical circumstances encountered on a route; they were taken on a real route, and they were not staged in any way. As you look at them, you might imagine that you are a driver and appreciate how impossible it would be to get in and out of this situation if the truck

were five or six feet longer. Please note as well that there is no place to put another axle that would not interfere with hydraulic lifting or body dumping equipment.

These trucks must carry with them the heavy-duty hydraulic equipment that enables them to do their job, and they must have a very short turning radius for maneuvering. They must also be able to maintain balanced chassis loadings through the range of incremental loading. These trucks must be capable of entering the primary highway system, mixing with general vehicle traffic, then performing in an off-road environment at the disposal site, frequently the unimproved roads of a landfill. The cargo body must withstand the pressures of up to 100,000 pounds in compaction force, and the chassis must be strong enough to endure the strains of lifting and off-road torsional forces.

The truck in this example has a Gross Vehicle Weight rating of 64,000 pounds, an empty weight of 34,000 pounds, and a payload of 30,000 pounds, all of this in full compliance with all federal motor vehicle safety regulations. Under the Federal Bridge Formula, it can operate at 49,000 pounds, or only 50 percent of its payload capacity (34,000 empty weight and 15,000 rather than 30,000 pound payload). Depending upon a state's grandfather rights, it can operate at weights anywhere in between these two figures under the hodgepodge of existing weight regulations on highways that were theoretically built to the same standards. This single truck impacts an HS-20 bridge at around 50 percent of its rated capacity, not even at the 55 percent inventory stress level that the structure is designed to withstand, day in and day out. In an

application where more than 50 percent of the mileage is run in an empty condition and a good portion of the remainder is run less than half full, doesn't it make sense to run one vehicle at its maximum capability, rather than running two trucks to cover the same route and doubling the transportation costs, doubling the likelihood of an accident, and doubling the air pollution?

In conclusion, Mr. Chairman, I urge the Subcommittee to take the lead in resolving the problems that the Federal Bridge Formula creates for SHVs. Safety, environmental quality, highway infrastructure, and essential services can all be served by doing so. I will submit a more detailed supporting statement for the record with your permission, Mr. Chairman, and I look forward to the opportunity to work with the Subcommittee on this important issue.

Comments By

Sherri George

Prepared for the

Subcommittee on Surface Transportation

United States House of Representatives

April 24, 1990

Good morning Mr. Chairman and...

As the Director of Marketing for Hoss's Steak and Sea House, I would like to thank you for providing me with the opportunity to address our views on the issue of billboard status with the Congress sub.-committee. This is the first time I've had the pleasure of speaking before such a distinguished group, and so I thank you for the privilege.

Hoss's Steak and Sea House is a rapidly growing chain of 25 restaurants in central and western Pennsylvania. Our family-style restaurants feature "back-to-basics" quality entrees at an affordable price.

Each location provides employment for more than 60 people. With the addition of employees from other divisions of Hoss's and corporate level employees, in total, the company employs over 2,000 people.

Hoss's has a $50,000,000 investment in the restaurant chain. The restaurant sites are not considered to be "prime locations". Real estate costs prohibit a company of our size to engage in negotiations or compete for the best selections of property. For this reason, we rely heavily on outdoor advertising as our primary medium and source of advertising.

Hoss's has a media budget of $900,000. Twenty-seven percent of that budget, $20,000 a month, is allocated to be spent on outdoor advertising.The importance of this number is that the budget is inclusive of our second largest expenditure. The 4-H/FFA Baby Beef Sales on which we spent over $125,000 last year. Its easy to calculate the allocated dollars for the other mediums.

The billboards act as an affordable medium and provide us with the opportunity to maintain market presence. But most importantly, they serve as a directional map for the public, which is vital for the survival of the restaurants in the competitive marketplace. Seventy-five percent of our 200 billboards are posted strictly as directionals. The local municipalities have varying standards that apply to the regulation of signage - many of them

prohibit a marquee large enough for the average driver to even notice. In a recent project, we acquired one of our limited "prime locations". The local ordinances were such that our store sign was not of a size to be effective - actually to even create public awareness that we were open for business. It was almost six months before a billboard, and it was still ll miles away, became available. The billboard solved our problem by communicating to the guest the fact that we were at a particular location and open for business. The restaurant of mention was projected to be one of our prime locations, but only became such after six months of waiting to obtain an initial directional billboard for the store. It took another three months to obtain an additional board.

In a few instances, the billboards have been a direct influence as to whether or not a restaurant is a profit center rather than dangling at the break-even point. We've seen as much as a 20% increase in customer count when the key billboard locations were made available to us.

With the Hoss's locations as they are, billboards are again, an affordable medium for our company. They provide us with the opportunity to enforce the continuity of our message and our business across the state. The cost, with respect to market value, for one month *is less than* the cost of a 30 second television air time. With most restaurant locations, there are 15-30 TV channels. There is no other cost efficient way to maintain the same value in market presence that outdoor advertising provides for our company with any other medium. Even now, we continue to evaluate each billboard, their location, and what locations could be more benficial. The question of directionals or marketing is still analyzed. Communication with the billboard companies is continuous.

I spoke about market presence, continuity, service, and the economic impact of outdoor advertising. I have not addressed the educational, safety or the other issues directly related to outdoor advertising..As an example I refer to the public service campaigns such as "Buckle up America". But in regards to those points, we're positive that others will address those subjects..... .....

Environmentally, billboards cause no harm. Aesthetically, they are

questioned, but should be accepted as a traditional form of information for the American public. There needs to be an evenly weighed scale on the balance between economics, information, and aesthetic interests.

Speaking for a company who derives growth based on success, profits, and customer satisfaction, none can be accomplished without the right combination of marketing. Perhaps the solution between economics and aesthetic values can be neutralized by energy spent on creative solutions and laws that would regulate maintenance and the overall quality of the existing outdoor medium industry. We even have a few... Again thank you for your time.

TESTIMONY

THE HONORABLE W. WILSON GOODE

MAYOR, CITY OF PHILADELPHIA

on behalf of

THE UNITED STATES CONFERENCE OF MAYORS

before the

SUBCOMMITTEE ON SURFACE TRANSPORTATION
HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

April 24, 1990

Mr. Chairman, Members of the Subcommittee, on behalf of the U.S. Conference of Mayors, I thank you for the opportunity to testify here today. As you know, the Conference represents the more than 800 mayors in this country serving cities with populations exceeding 30,000 residents. In broad and general terms, the constituency of the Conference is often referred to as urban America.

I am extremely pleased to share today's panel with my colleagues

from the National League of Cities. Between the two organizations, you have before you representatives of 16,000 cities and towns across this country.

Let me begin by telling you something we all know too well. Urban and suburban America are gridlocked by cars, trucks and other vehicles on our roads. That gridlock has had an enormous impact on the viability and longevity of our nation's highways, roads, streets, bridges, rail and mass transit infrastructure. The stories of crumbling infrastructure have become all too familiar. The question remains: how do we meet the national need for safe and efficient movement of people and goods? Mayors hope a large part of the answer to that question will come from this committee's reauthorization of surface transportation act.

Mayors seek your help in meeting the needs that we face on a daily basis at the local level. With the completion of the Interstate Highway System, a great opportunity is presented to reassess and redirect federal surface transportation policy. We believe this policy must be devoted to eliminating gridlock, relieving congestion and its adverse environmental consequences, enhancing public transportation, maintaining our national investment in roads, streets and bridges and making technological advances to enhance efficient and safe travel.

At our 57th annual meeting last June in Charleston, South Carolina, the Conference adopted a policy for the "Post

Interstate Era". A copy of our policy resolution is attached to my testimony.

The Conference of Mayors' national transportation policy addresses the goal of improving mobility in American society. Specifically, it addresses the following needs:

* Continued dedicated transportation funding and spending down the surplus in the Highway Trust Fund;

* Maintenance of the interstate and primary highway systems;

* Greater attention to the value of mass transit in congested areas and a level playing field in the tax treatment of employer-provided mass transit benefits versus the tax-free treatment of parking benefits;

* Enhanced flexibility in federal funding options;

* A separate and enhanced bridge program; and

* Greater emphasis on the consistency of environmental and transportation planning and goals.

Mr. Chairman, I believe that much of what the U.S. Conference of Mayors is seeking in a national transportation policy is comparable in large part to the goals announced earlier this year

by U.S. Secretary of Transportation, Samuel Skinner. We want to work with Secretary Skinner to fashion a national transportation policy which will meet the needs of America's cities today and into the future.

When I saw the national transportation policy, I asked the question every child asks himself when a new toy arrives at Christmas: Are the batteries included? Is there any juice in the new policy?

The Conference of Mayors has joined with state and local elected officials to form "Project 15". This project is seeking a $15 billion appropriation in Fiscal 1991 from the Highway Trust Fund. The $15 billion figure is a "pay as you go" expectation of what the Highway Trust Fund will take in during the year in gas tax revenue and accrued interest. Project 15 is devoted to putting the "trust" back into the Highway Trust Fund.

As Mayor of Philadelphia, I am proud to embrace the policy initiatives of the U.S. Conference of Mayors. They are high on my city's agenda. I would however like to take a moment to highlight some specific items of interest to my city.

There is one aspect of Secretary Skinner's policy that I heartily applaud - the use of federal transportation assistance to leverage greater participation by state governments in providing mass transit assistance. 70% of the 285,000 Center City

Philadelphia employees depend on public transportation to get to work. 38% of Philadelphia households do not even own an automobile. Philadelphia has the fourth largest public transportation system in the nation. Yet, there is no dedicated source of revenue authorized by the Commonwealth of Pennsylvania to support this transportation system which is vital to our city's economy and environment. This situation must change and if it takes federal leverage to change then so be it.

Mr. Chairman, reauthorization of the surface transportation act will follow close on the heals of a newly reauthorized Clean Air Act. There are elements of the Clean Air Act legislation making its way to passage in the House and Senate which are of vital importance to urban America. No longer can we afford to run environmental and transportation policy planning on separate tracks. Clean air and mobility are both vital to urban economic growth and stability. Environmental and transportation goals need not be incompatible; and therefore, planning to achieve those goals must be compatible and coordinated.

We cannot, Mr. Chairman, rely solely on auto emissions reductions to achieve clean air. Expected increases in the number of vehicles on our roads will inevitably erode the gains made through tighter emissions standards. Provisions contained in the Clean Air Act designed to reduce vehicle miles travelled - under review by the Public Works and Transportation Committee - are deserving of consideration and support.

Finally, Mr. Chairman, I applaud the efforts of this Committee to make full accessibility to public transportation a reality for all Americans by insuring access for the disabled. I would urge the Committee to insure that adequate resources are available to public transit providers so that they can meet this mandate while maintaining affordable service to the many Americans who rely on public transportation.

The reauthorization of federal surface transportation programs will be high on the agenda of the 58th annual meeting of the Conference of Mayors which will convene in Chicago June 15-20. We look forward to that meeting and to working with this Subcommittee as it creates a new policy for a new era in federal surface transportation assistance.

THE POST INTERSTATE ERA OF SURFACE TRANSPORTATION

OFFICIAL POLICY RESOLUTIONS

ADOPTED AT THE 57TH ANNUAL CONFERENCE OF MAYORS

CHARLESTON, SOUTH CAROLINA

JUNE 16 - 21, 1989

The United States Conference of Mayors
1620 Eye Street, NW
Washington, DC 20006
(202) 293 - 7330

THE POST INTERSTATE ERA OF SURFACE TRANSPORTATION

WHEREAS, the safe, efficient and environmentally sound transport of passengers and goods is of crucial importance to the future economic growth and development of urban America; and

WHEREAS, the completion of the Interstate Construction program in 1991 provides the nation with an excellent opportunity to examine the respective surface transportation responsibilities of federal, state and local government, as well as the private sector with respect to surface transportation; and

WHEREAS, The United States Conference of Mayors has long viewed the issue of surface transportation as one of mobility provided by roads, bridges, mass transit, bicycle paths and pedestrian ways,

NOW, THEREFORE, BE IT RESOLVED that the Congress and the Administration be guided in their deliberations over the structure of the post interstate era of the federally aided surface transportation system with generally the goal of enhancing mobilty for the national population, and specifically as follows:

Funding

- The revenues currently earmarked for the Gas Tax Trust Fund and any increases in such revenues, should continue to be solely allocated to surface transportation needs and not diverted for deficit reduction.

- Revenues generated by the gas tax should be expended at the level annually collected and the current surplus in the Gas Tax Trust Fund should be drawn down as expeditiously as possible.

- The Gas Tax Trust Fund should be removed from the Federal Unified Budget so that its user fee revenues are not used to disguise budget deficits on paper. Further, The United States Conference of Mayors opposes any turnback to the states of the federal gas tax.

- State and local governments must be permitted to implement innovative techniques to generate the local share for federally aided projects including administration costs, right-of-way donations or acquisitions, toll facilities or real estate impact fees.

- The fiscal impact of policies to promote alternative fuels on the federal gas tax trust fund should be revenue neutral.

Program Structure

Interstate and Primary Systems

- The Conference supports allocation of resources to state governments for implementation of responsibilities which are impractical to be performed by individual units of local government, such as maintenance of the interstate and primary systems. Current funding formulae, however, are improperly weighted against metropolitan areas. These formulae must be changed to recognize the vital needs on these systems that are found in urban America and amended accordingly. Formulae to states should not be based on lane miles but more importantly on passenger miles travelled, including transit passenger miles travelled. Also substate formulae should be crafted to match and foster programs designed to relieve congestion.

- Interstate and Principal Arterials must be maintained and funding for maintenance on these systems should be held harmless with respect to increased system development. The emphasis of increased lane mileage should be replaced with capacity management goals or increasing the number of passengers not vehicles travelled on all federally aided systems. Such increased management techniques include emphasis on car and van pools, HOV lanes, mass transit and flex time hours.

- Eligible products in the Interstate program for capacity expansion, the 4th R of the I4R, must include the examination of various options to assist the capacity on the Interstate, such as HOVs and transportation management systems. Interstate funding would be available for projects even if the alternative is not on the Interstate system so long as the proposed project would aid capacity movement on the Interstate system.

Interstate Transfer

- The Interstate transfer program was a program breakthrough in the federal system of surface transportation assistance in that it permitted localities to decide what mode of transportation, whether highway, mass transit or a combination thereof,

best addressed their congestion problems. The federal government must honor and fulfill its commitment made in prior years in this program and institutionalize this system of local option as more fully explained below.

Urban/Metropolitan System

- The lack of Federal emphasis and funding for urban America's roads and transit systems is inconsistent with the stated goal of a federal surface transportation program of alleviating congestion where found. It is the belief of The United States Conference of Mayors that improved mobility in urban America may only come about as a result of our maintaining our current infrastructure, enhancing capacity to increase passenger miles traveled and demand management techniques and permitting the application of flexible and innovative responses adapted to local needs. Such a program must include at a minimum:

  - dedication of interstate and primary funding in urbanized areas;

  - strengthening of the funding levels for the federal aid urban system and formulae mass transit grants and permitting the current fungibility of a certain portion of these funds;

  - creation of a strategic metropolitan grant program with additional new funding which may be used at the discretion of the metropolitan area to meet either transit, road or nonmechanized transportation needs;

  - the eligibility for projects under this additional program would be unrestricted for road projects and available for capital and operating mass transits projects.

Bridges

- The special nature of and vital role of bridges in the national surface transportation program warrants the existence of a separate category in federal aid system. All bridges, regardless of their characteristics as a roadway or railway bridge, must be made eligible for the off-system bridge program and preventive maintenance projects, must be included as eligible for funding.

Safety

- Safety must always be a top priority of a surface transportation program. Further, safety grants should be directed in substantial portion to urban areas as it is in urban areas that the greatest number of people would benefit from such grants.

Matching Funds

- The level of required state/local matching funds should not be the deciding factor in what project a state DOT chooses to proceed with. Therefore, The United States Conference of Mayors would support a level or consistent match grant ratio across all programs. An 85/15 match is not unacceptable.

Clean Air

- In all cases, federal transportation policy should be cognizant of the need to direct resources to clean air.

- The Federal Tax Code should be amended so as to equalize the transportation fringe benefits that an employer may provide an employee.

INTERSTATE 66 PROJECT, INC.

NATIONAL HEADQUARTERS
City Hall • 455 N. Main St.
Wichita, KS 67202
Glen Dockery, Executive Director
(316) 268-4632

BRANCH OFFICE
1021 Kingsway • Suite #8
Cape Girardeau, MO 63701
Walter Wildman, Associate Director
(314) 334-4142

April 24, 1990

TESTIMONY FROM THE I-66 STEERING COMMITTEE
BEFORE THE HOUSE SUBCOMMITTEE ON SURFACE TRANSPORTATION

This testimony is being offered for the I-66 Steering Committee and its Chairman, Mayor Bob Knight, of Wichita, Kansas. This testimony is being offered by the staff of the Steering Committee to include one or all of the following:

Dr. Lonnie E. Haefner, Director of Governmental Affairs
Glen Dockery, Executive Director
Walter Wildman, Associate Director

Testimony by Walter Wildman, Associate Director

On behalf of the I-66 Steering Committee, I want to thank this Subcommittee and its Chairman for the opportunity to speak to you today.

It was a little over a year ago, on April 13, 1989, that an organizational meeting was held in St. Louis, Missouri. At which time, the I-66 Steering Committee was formed. The Highway and Transportation Committee, of the Cape Girardeau Regional Commerce and Growth Association, presented the concept of a coast-to-coast super highway to seventy enthusiastic city and state officials, congressional leaders and industrial managers. The plans for the proposed highway would require much work and dedication on the part of those who were captivated by the potential gain from such a project.

After consulting with Congressman Bill Emerson, of Missouri's 8th District, the Committee learned of the need for a feasibility study. After collecting an initial amount of funds, staff was appointed to carry out the required steps to obtain the feasibility study. The staff consists of a Director of Governmental Affairs, Dr. Lonnie Haefner, and Executive Director, Glen Dockery, of Wichita, Kansas, and an Associate Director, Walter Wildman, of Cape Girardeau, Missouri. This staff was charged with the responsibility, by the Steering Committee, of gathering support from cities, counties and states, as well as the Federal Government.

Dr. Haefner was given the specific task of developing a pre-application or working paper. This task was completed in December of 1989. That same month, a presentation was made to the Federal Highway Administration. The pre-application in subsequent months has been used as a centerpiece by the staff in presentation made to cities, states and congressional staff.

In March of 1990, the headquarters of the project was established in Wichita, Kansas, the largest city along the proposed route. Wichita Mayor, Bob Knight, was chosen as Chairman of the Steering Committee. The composition of the Committee reflected the diversity of the corridor, three State Senators, Helen Garrett of Kentucky, Rose Ann Vuich of California and Jim Rea of Illinois; as well as Representative Rex Smith of Kentucky. City officials were represented by three Mayors, Bob Knight of Wichita, George Rhodes of Cape Girardeau, Missouri and Carlton Meyer of Jackson, Missouri, and City Manager Bob Cumbley of Springfield, Missouri.

The process of collecting endorsements and funds from cities and states along the proposed corridor is an ongoing process. To this time, the staff has collected support from over twenty cities and counties. Financial obligations have been sought this spring and efforts will continue through the summer.

The Director of Governmental Affairs, Dr. Lonnie Haefner, will now give you a more detailed analysis of this project. It is with great pride that we all have worked on a project that has such a potential for greatness for our nation. I believe it was Robert Frost who said, and I paraphrase, "You have the courage to take the road less traveled, and that will make all the difference."

We appreciate the opportunity to offer testimony on the I-66 Corridor Project. The past two years have been a serious examination of the need for a new national statement of surface transportation policy. Several stimuli have spurred professional and trade association groups to undertake such a review and document their findings. The most relevant issues appear to be:

The doubling of surface travel demand by the year 2020.
Continued urban congestion and gridlock.
A fifty percent decrease in American productivity over the last decade, tied to lagging infrastructure investment.
Direct negative impacts of the above on our international trade processes.
The closing of Interstate Authorization in 1992.
Related needs to identify new highway corridors which serve post-interstate demographic and economic growth patterns and serve rural America's accessibility needs.
The need for increased highway funding to accomodate the above travel demand growth, improve our domestic productivity and effectiveness in international trade.

In light of the above, this testimonial document is a proposal to request funding for a feasibility study of a 2,400 mile corridor stretching east to west across America. Termed the I-66 Corridor, it will yield significant national increase in accessibility, tourism, economic impact and intermodal avenues for international trade. The rationale for the presence of the corridor is the fact that only two major east-west flows exist to process travel across the U.S. - that of Highway 40 and Highway 70. Separated by up to 350 miles, the result is a lack of direct travel capabilities through America's heartland, linking major rural producing areas with major urban and rural centers.

Further, as the interstate authorizations draw to a close in 1992, it is appropriate to yield opportunity for a new review of America's corridor patterns. The post-interstate age must address several germane questions - How have population and activity centers shifted in the U.S. in the last decade of Interstate Construction? - What are the opportunities for growth in the future of the U.S.? - How can major highway corridors help such growth be achieved?

The transcontinental Interstate 66 Project, as conceived and presently proposed, would traverse the United States along an east-west alignment generally midway between I-40 to the south and I-70 to the north. The initial proposed 50 mile wide corridor would cross all or parts of the following states:

1. California
2. Nevada
3. Arizona/Utah
5. Kansas/Oklahoma
6. Missouri
7. Illinois/Kentucky
8. West Virginia/Ohio
9. Virginia/Maryland

The approximately 2,400 mile long route is expected to originate in the vicinity of existing I-5, which is located east of the California Coastal Ranges and in the Fresno-Bakersfield Valley, and thence run eastward through the Sierra Nevada Mountains, generally across the states noted above, with an eastern terminus in Washington, D.C., termed the northern option, or Norfolk, Virginia, termed the southern option.

The western two-thirds of the corridor is located across areas that are not adequately served by the present Interstate highway system and which need improved transportation facilities to make a significant area of the nation's recreational and scenic resources available to the population and to encourage economic development.

The western one-third of the corridor will ultimately require extremely careful analysis for final route identification because of environmental considerations. The middle one-third of the corridor appears to present few issues, except possible local issues. The eastern one-third of the corridor may present areas with expanded state/local issues as it passes through areas with historic significance or generates environmental concerns.

Preliminary cost analysis has been performed, resulting in an initial cost range of 17-17.5 billion dollars for the route. This will be further refined with the use of detailed cost modelling by the engineering team over the next few months. As noted in a previous paragraph, significant environmental issues may arise during future detailed studies.

The engineering cross-section associated with the alignment is that of high-type, Interstate design standards which include a 200-350 foot right-of-way, and local service frontage roads. The design speed is conceived at 70 mph, with grades and curves within acceptable Interstate standards. Originally conceived as two 12 foot lanes in each direction, it may be developed as three lanes in each direction, with one lane dedicated as exclusive truck lane. Subgrade, subbase, pavements and related geometrics would be of design and depth to accomodate heavy weight trucks sanctioned in the 1982 Surface Transportation Assistance Act (STAA). The economic benefits of such operation have been thoroughly documented in Transportation Research Board Special Report 223.

In addition, in keeping with the potential for increased performance from our highways, the above cross-section may be increased to 350-400 feet, and three lanes @ 14 feet per lane, with an exclusive truck lane, and design speeds in the 80-100 mile mph range. This is possible, though costly, to yield an "autobahn" performance level on our nation's highways. No cost figures have been run on this at the moment, but they will be significantly higher that those above. Much will depend on design standards foreseen by FHWA for post-interstate systems conceived to have major impacts on national economic development.

As stated earlier, a doubling of national travel demand is expected by year 2020. The presence of I-66 will reduce traffic on I-40 and I-70 by approximately one-third, and yield a longer life of useful traffic flow for those facilities. In addition, as the truck percentages in each system are expected to be in the 20-35% range, the removal of truck traffic from the stream can be expected to reduce accident rates on facilities by about 20%. This is a significant reduction. Interviews with truckers have indicated that the presence of the I-66 corridor will yield a route travel time reduction of up to 400 miles, essentially one-half day of travel, or an equivalent of up to 2-3 days/month. This is truly significant, yielding increased productivity of the trucking system, shorter shipper delivery times and resultant fuel savings of $40-$80/run, resulting in an annual savings per truck-tractor unit of $7,000/year.

In addition, this route allows a direct linkage of west-east deep water ports to midwest railroads, and travel from the west coast to the gulf coast and east coast ports within 1½ to 3 days from the west coast. Thus, containerized cargo and perishables can be moved intermodally by rail-water-truck or truck-rail or water-truck in a national "land bridge system" which connects the major internal and export-import break-bulk points of the nation with world markets. This movement is significantly faster than by any one mode in isolation, or deep water traverse through the Panama Canal. Such related moves have become a conventional opportunity, as Asian freight is brought to U.S. west coast ports, trucked to the midwest or east, then airlifted, barged and/or deep-sea exported from the U.S. to Europe. This represents very significant opportunities for the U.S. to become a major intermodal cargo clearinghouse for world trade movements, in addition to enhancing its own export-import flow patterns. The presence of the I-66 corridor would greatly improve tonnage across the ports of San Francisco, Oakland and Long Beach, California and enhance the above clearinghouse effect in the midwest and at east coast and gulf ports.

There is a major set of population, although not metropolitan, which represents a series of significant population centers in rural America which can be linked together both economically and physically along the proposed I-66 route. Total 1986 population of the northern route option, terminating in Washington, D.C., based on Bureau of the Census reports, was approximately 12.4 million. Total 1986 population of the southern route option, terminating in Norfolk, Virginia, was approximately 10.3 million. For the northern route option, total 1986 income was estimated at $148.0 billion with an estimated average household income of $33,228. For the southern route option, total 1986 income is estimated at $99.0 billion with an estimated average household income of $27,274.

Finally, simple model analysis of the impact on the corridor of the proposed I-66 facility is underway through the development of multipliers. The economic impact of highway investment is the change in economic activity resulting from highway expenditures. Impact occurs because of shifts in economic activity among regions and because of increases in total economic activity in all regions. Specifically, the multipliers exhibit the amount of dollars generated per dollar of revenue in the basic industry. A multiplier takes into account the fact that various segments of the economy are interdependent and that not all dollars spent have ultimately the same impact on growth and change in the economy. Multipliers are being developed for business activity, household income, travel expenditures, and government revenues. It is planned that future work will also include employment, property value losses and gains, and export multipliers.

Use of the above of multipliers indicate the impacts that can be experienced during and after construction of the proposed I-66 facility on counties within a 50-mile corridor. Based on preliminary analysis, the northern route option of proposed I-66 is anticipated to experience an economic impact in excess of 303.7 billion and a construction impact of 62.7 billion. The southern route option would experience an economic impact in excess of 281.5 billion and a construction impact of 64.5 billion. This is truly a significant gain, and illustrates the benefit of adequate highway corridors to GNP.

It is likely the requested feasibility study can be performed over a 12-month period, with a total cost estimated at 2 million dollars. Each particular state department of transportation in the corridor will be requested to supply a matching $50,000 - $75,000 towards the feasibility study effort. The amount of federal funds requested is $1,500,000. Design effort subsequent to the above will take some continual five years, with complete construction of the facility taking another fifteen years. The above timetable is ambitious, but reflects the urgency of provision of an infrastructure facility which has major positive national accessibility and economic impacts.

TESTIMONY TO THE UNITED STATES HOUSE OF REPRESENTATIVES

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
Surface Transportation Subcommittee

TRAFFIC SAFETY
AND
SPEED LIMIT COMPLIANCE REQUIREMENTS
April 24, 1990

Presented by
M. J. Hannigan, Commissioner
California Highway Patrol

TESTIMONY TO THE UNITED STATES HOUSE OF REPRESENTATIVES

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
SURFACE TRANSPORTATION SUBCOMMITTEE

APRIL 24, 1990

GOOD MORNING, MR. CHAIRMAN AND COMMITTEE MEMBERS. I AM MAURICE J. HANNIGAN, COMMISSIONER OF THE CALIFORNIA HIGHWAY PATROL, AND I AM HERE REPRESENTING THE STATE OF CALIFORNIA. MY TESTIMONY WILL FOCUS ON THE IMPORTANCE OF TRAFFIC SAFETY; PRINCIPLES TO CONSIDER DURING THE REAUTHORIZATION OF TRAFFIC SAFETY PROGRAMS; AND FINALLY, SOME SPECIFIC COMMENTS ABOUT THE LONG-STANDING ISSUE OF SPEED LIMIT COMPLIANCE REQUIREMENTS. WE APPRECIATE THE OPPORTUNITY TO SPEAK BEFORE YOUR DISTINGUISHED COMMITTEE.

IMPORTANCE OF SAFETY

FIRST, AND MOST IMPORTANT, TRAFFIC SAFETY IS A CRITICAL LOCAL, STATE AND NATIONAL PROBLEM. YOU'VE HEARD FATALITY COUNTS AND INJURY ESTIMATES FROM THE U.S. DEPARTMENT OF TRANSPORTATION, AND STATISTICAL FORECASTS OF ACCIDENT TRENDS IN THE RECENT GENERAL ACCOUNTING OFFICE REPORT THAT YOU COMMISSIONED. MY AGENCY AND I HAVE TO DEAL WITH THE REALITY OF THOSE STATISTICS, NOT JUST NUMBERS AND TABLES AND CHARTS, BUT LIFE AND DEATH ON OUR HIGHWAYS.

THIS IS A SAD MONTH. SAD BECAUSE IT IS LIABLE TO BE A TYPICAL APRIL, A SPRING MONTH WHERE NEARLY FOUR THOUSAND AMERICANS WILL DIE ON OUR NATION'S HIGHWAYS. THE REALITY OF THIS STRIKES EVEN CLOSER TO HOME THAN USUAL BECAUSE TWO OF THESE FATALITIES WERE FAMILY MEMBERS OF CHP EMPLOYEES -- EJECTED FROM THEIR VEHICLE DURING A TRAFFIC ACCIDENT. NO SEATBELTS -- JUST TWO SEPARATE, SENSELESS ROUTINE TRAGEDIES ON OUR HIGHWAYS. THESE TWO TRAGEDIES TOUCHED US PERSONALLY, BUT THINK OF ALL THE OTHER FAMILIES AND FRIENDS WHOSE LIVES ARE IN DISARRAY AFTER A LOVED ONE HAS DIED IN A TRAFFIC ACCIDENT.

THIS UNDERLIES MY PERSONAL COMMITMENT TO PUBLIC SAFETY AND SERVICE, AND UNDERSCORES THE NEED TO USE LIMITED RESOURCES IN THE MOST EFFECTIVE MANNER POSSIBLE.

AS SAD AND FRUSTRATING AS THIS ASPECT OF LAW ENFORCEMENT CAN BE, THERE IS REASON FOR ENCOURAGEMENT. AS YOU KNOW, THE NATIONAL MILEAGE DEATH RATE HAS BEEN GRADUALLY IMPROVING. IN CALIFORNIA, PRELIMINARY ESTIMATES SHOW A 13 PERCENT REDUCTION IN FATALITIES (160 LIVES) THIS YEAR. THIS IMPROVEMENT IN HIGHWAY SAFETY IS DUE TO A WIDE RANGE OF PROGRAMS IN HIGHWAY ENGINEERING, ENFORCEMENT, AND PUBLIC EDUCATION. IT'S ALSO DUE TO CHANGES IN LEGISLATION, REGULATION, AND JUDICIAL PROCEDURES. THE POINT IS, THAT MANY FACTORS CONTRIBUTE TO SAFETY IMPROVEMENTS, AND A GOOD TRAFFIC SAFETY PROGRAM MUST REFLECT A BALANCED APPROACH.

IN CALIFORNIA, OUR MILEAGE DEATH RATE IS LOWER THAN IT EVER HAS BEEN AND I THINK THE STATE'S COMPREHENSIVE APPROACH TO SAFETY WILL CAUSE THIS TREND TO CONTINUE. WE HAVE IMPLEMENTED ONE OF THE TOUGHEST DUI LAWS IN THE COUNTRY WITH A .08 PER SE BLOOD ALCOHOL LIMIT. WE STARTED A SOBRIETY CHECKPOINT PROGRAM SEVERAL YEARS AGO AND JUST RECENTLY PURCHASED PRELIMINARY ALCOHOL SCREENING DEVICES TO INCREASE OUR EFFECTIVENESS IN REMOVING THE DRINKING DRIVER FROM THE HIGHWAY.

IN JULY, A SECOND VALUABLE TOOL WILL BE ADDED WHEN WE START ADMINISTRATIVELY SUSPENDING THE LICENSES OF DRIVERS UNDER THE INFLUENCE. DRIVING UNDER THE INFLUENCE OF ALCOHOL OR DRUGS IS THE BIGGEST SAFETY PROBLEM FACING MOST IF NOT ALL STATES AND IT IS DESERVING OF CONSIDERABLE EMPHASIS.

SEATBELT USAGE IS ANOTHER IMPORTANT CONTRIBUTOR TO SAFETY. NOT ONLY DO WE HAVE A STRONG CHP SEATBELT ENFORCEMENT PROGRAM, BUT MY DEPARTMENT PLAYS A MAJOR ROLE WORKING WITH LOCAL LAW ENFORCEMENT TO INCREASE THEIR EMPHASIS ON SEATBELT VIOLATIONS THROUGHOUT THE STATE.

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IN LATE 1988, I ESTABLISHED THE CALIFORNIA SAFETY BELT TASK FORCE. THE PURPOSE OF THE TASK FORCE IS TO COORDINATE THE EFFORTS OF FEDERAL, STATE, AND LOCAL AGENCIES; NEWS MEDIA; SAFETY ORGANIZATIONS; AND OTHERS INTERESTED IN INCREASING THE USE OF OCCUPANT RESTRAINT SYSTEMS BY THE MOTORING PUBLIC. OUR GOAL WAS TO REACH A 70 PERCENT SAFETY BELT USE LEVEL BY THE END OF 1990.

I AM HAPPY TO REPORT THAT INITIAL SURVEYS INDICATE THAT WE HAVE ACHIEVED OUR GOAL. THE COMPLIANCE RATE IN CALIFORNIA HAS RISEN FROM AN ESTIMATED 25 PERCENT IN 1985, THE YEAR BEFORE OUR LAW BECAME EFFECTIVE, TO 70.3 PERCENT CURRENTLY. THIS SUBSTANTIALLY EXCEEDS THE 1989 NATIONAL RATE OF 46 PERCENT. ENFORCEMENT AND PUBLIC EDUCATION BOTH CONTRIBUTED TO THIS SUCCESS.

AS A PART OF OUR EDUCATIONAL EFFORTS, THE TASK FORCE CONTACTED ALL CALIFORNIA SCHOOLS (K THROUGH 12TH GRADE). MATERIALS WERE PROVIDED TO CARRY OUT SAFETY BELT EDUCATION ACTIVITIES DURING THE UPCOMING "BUCKLE-UP AMERICA" WEEK, MAY 21-28.

IN 1989, MY DEPARTMENT ISSUED 716,000 CITATIONS FOR SAFETY BELT VIOLATIONS. THIS WAS THE SECOND MOST COMMON CHP CITATION; SECOND ONLY TO SPEED.

SPEED ENFORCEMENT IS AN IMPORTANT AREA OF EMPHASIS FOR MY DEPARTMENT.

WITH ALL DUE RESPECT, MR. CHAIRMAN, WHEN I HAVE TESTIFIED BEFORE THIS COMMITTEE IN THE PAST, SOMETIMES THERE HAS BEEN AN UNDERCURRENT OF CONCERN REGARDING CALIFORNIA'S COMMITMENT TO ENFORCING SPEED LAWS.

I HOPE YOU WON'T BE SURPRISED TO HEAR THAT I THINK SPEED ENFORCEMENT IS VERY IMPORTANT. WE ISSUE MORE 55 MPH CITATIONS THAN ANY STATE IN THE NATION; OUR CITATIONS PER MILE OF ROADWAY ARE BETTER THAN THE NATIONAL AVERAGE; WE'VE BEEN CHARACTERIZED AS HAVING HIGH PENALTIES FOR SPEED VIOLATIONS; AND 85 PERCENT OF MY OFFICERS' TIME IS SPENT PATROLLING HIGHWAYS WITH MAXIMUM SPEED LIMITS.

SPEED ENFORCEMENT IS IMPORTANT. ABOUT ONE-THIRD OF ALL THE CITATIONS WE WRITE ARE FOR SPEED VIOLATIONS. AND WE CITE MORE SPEEDING VIOLATORS THAN ANY OTHER TYPE.

HOWEVER, I CANNOT LOOK AT THIS PROBLEM WITH BLINDERS. MY RESOURCES, LIKE YOURS, ARE LIMITED. I MUST SEARCH FOR THE MOST EFFECTIVE USE OF THOSE FUNDS. MY RESPONSIBILITY TO THE CITIZENS OF CALIFORNIA DICTATES THAT I ACHIEVE THE MAXIMUM IMPACT BY SETTING PRIORITIES. AND ALTHOUGH SPEED ENFORCEMENT IS IMPORTANT, IT IS NOT OUR ONLY PRIORITY. IT IS PART OF OUR BALANCED AND COMPREHENSIVE APPROACH TO TRAFFIC SAFETY.

A NEW DIMENSION TO THE SAFETY CHALLENGE RESULTS FROM THE GENERALLY INCREASING USE OF ILLEGAL DRUGS. WE HAVE BEEN VERY AGGRESSIVE IN MEETING THIS CHALLENGE. ABOUT 950 CHP OFFICERS HAVE COMPLETED SPECIAL TRAINING TO BECOME DRUG RECOGNITION EVALUATORS (DRE). THE TRAINING ENABLES THEM TO BETTER IDENTIFY MOTORISTS WHO ARE UNDER THE INFLUENCE OF DRUGS. BECAUSE OF THIS EXTENSIVE TRAINING PROGRAM, THE CHP EMPLOYS HALF OF ALL THE DRE'S IN THE NATION.

THERE ARE A NUMBER OF OTHER CHP PROGRAMS THAT CONTRIBUTE TO OUR IMPROVING MILEAGE DEATH RATE. THESE INCLUDE COMMERCIAL VEHICLE INSPECTION AND ENFORCEMENT, DRUG INTERDICTION, AND ETHNICALLY-BASED COMMUNITY EDUCATION PROGRAMS, TO NAME A FEW.

IN ADDITION, THERE IS A WHOLE RANGE OF PROGRAMS WITH SAFETY BENEFITS THAT ARE CARRIED OUT BY THE CALIFORNIA DEPARTMENT OF TRANSPORTATION. IN PARTICULAR, I WOULD LIKE TO POINT OUT THE TOP PRIORITY THEY HAVE GIVEN TO THE INSTALLATION OF CRASH CUSHIONS, MEDIAN BARRIERS, GUARDRAILS AND BREAK-AWAY SIGN POLES. ENGINEERING STRATEGIES ARE OF PARTICULAR IMPORTANCE IN REDUCING THE SEVERITY OF ACCIDENTS.

AS YOU CAN SURELY APPRECIATE, THERE ARE MANY ENFORCEMENT, ENGINEERING, AND EDUCATION STRATEGIES THAT ARE PART OF MEETING THE CHALLENGE OF TRAFFIC SAFETY. BASED ON OUR EXPERIENCE WITH THE MANY FACETS OF THIS PROBLEM, I WOULD LIKE TO RECOMMEND SOME GUIDING PRINCIPLES FOR THE DEVELOPMENT OF THE HIGHWAY REAUTHORIZATION BILL.

SUGGESTED REAUTHORIZATION PRINCIPLES - SAFETY

1. FEDERAL/STATE/LOCAL/PRIVATE PARTNERSHIPS -

   SECRETARY SAMUEL SKINNER CONVENED A TRAFFIC SAFETY SUMMIT EARLIER THIS MONTH TO DISCUSS A NUMBER OF IMPORTANT SAFETY TOPICS. IN TALKING WITH THE SECRETARY, HE MADE IT CLEAR PART OF THE PURPOSE FOR THE SUMMIT WAS TO LAY A FOUNDATION FOR A PARTNERSHIP BETWEEN STATES AND THE FEDERAL GOVERNMENT.

I COMMEND THIS ATTITUDE. CONCERTED, COORDINATED SAFETY EFFORTS ARE FAR MORE LIKELY TO BE EFFECTIVE THAN ADVERSARIAL OR DISJOINTED ACTIVITIES. FEDERAL, STATE, AND LOCAL GOVERNMENT, ALONG WITH THE PRIVATE SECTOR -- ALL HAVE AREAS OF EXPERTISE AND CAN PROVIDE LEADERSHIP TO ADDRESS THE MANY AND VARIED TRAFFIC SAFETY PROBLEMS THROUGH COOPERATIVE PROGRAMS.

2. COMPREHENSIVE AND FLEXIBLE PROGRAMS -

MANY TRAFFIC SAFETY PROBLEMS, SUCH AS DUI, ARE NATIONAL IN SCOPE, BUT THERE IS A DIVERSE RANGE OF SPECIFIC LOCAL NEEDS AND CONDITIONS. TO BE EFFECTIVE, FEDERAL SAFETY PROGRAMS SHOULD BE FLEXIBLE ENOUGH TO RESPOND TO DIFFERING LOCAL CONDITIONS AS WELL AS TO TAKE ADVANTAGE OF OPPORTUNITIES AFFORDED BY STRONG LOCAL SAFETY LAWS AND PROGRAMS.

THE MULTI-DIMENSIONAL NATURE OF SAFETY PROBLEMS IS ANOTHER IMPORTANT REASON FOR PROGRAM FLEXIBILITY. TO IMPROVE A STATE'S MILEAGE DEATH RATE, COMPREHENSIVE PROGRAMS ARE NEEDED THAT PERMIT A STATE TO CUSTOMIZE THE APPROPRIATE MIX OF DUI, SPEED, SEAT BELT, COMMERCIAL AND OTHER TYPES OF ENFORCEMENT AND EDUCATION. WE DO NOT THINK COMPLIANCE REQUIREMENTS AND THE DISTRIBUTION OF FEDERAL RESOURCES SHOULD BE EXCESSIVELY FOCUSED ON ANY ONE PROGRAM AREA, SUCH AS SPEED.

3. OVERALL FUNDING LEVEL -

WITH REGARD TO NEEDED RESOURCES, WE AGREE WITH OTHER HIGHWAY SAFETY ADVOCATES THAT ADDITIONAL FUNDS WILL BE REQUIRED TO MAINTAIN THE DOWNWARD TREND IN THE MILEAGE DEATH RATE. THE STATE OF CALIFORNIA HOPES TO MEET SOME OF OUR NEEDS WITH A SPECIAL TRANSPORTATION FUNDING INITIATIVE. WE HOPE THAT THE FEDERAL GOVERNMENT CAN AFFORD TO INCREASE ITS COMMITMENT AS WELL.

4. INCENTIVES VS. SANCTIONS -

55 NMSL SANCTIONS ARE A POTENTIAL FISCAL HARDSHIP FOR AN INCREASING NUMBER OF STATES. UNFORTUNATELY, THIS TYPE OF STATE/FEDERAL ADVERSARIAL RELATIONSHIP SEEMS TO BE INCREASING.

IF SOME KIND OF DIRECT FEDERAL OVERSIGHT IS REQUIRED, WE BELIEVE INCENTIVES ARE MORE EFFECTIVE IN BOTH THE SHORT AND LONG RUN. IN THE LONG RUN, GREATER FEDERAL/STATE COOPERATION IS ENCOURAGED. IN THE SHORT RUN, INCENTIVES AVOID THE COUNTERPRODUCTIVE LOSS OF NEEDED SAFETY FUNDS.

THIS IS THE PERVERSE SITUATION FACING CALIFORNIA WHERE IN THE NAME OF SAFETY, AS MUCH AS $28 MILLION IN NEEDED FEDERAL HIGHWAY FUNDS COULD BE SANCTIONED. LOSS OF FEDERAL REVENUE WILL HURT CALIFORNIA'S TRAFFIC SAFETY PROGRAMS.

5. "REAL" SAFETY IMPROVEMENTS -

THE COUNTERPRODUCTIVE NATURE OF SANCTIONS ALSO ILLUSTRATES OUR FINAL PRINCIPLE. WE BELIEVE THAT SAFETY PROPOSALS SHOULD BE JUDGED BY THE EXTENT TO WHICH THEY ACTUALLY REDUCE ACCIDENTS AND INJURIES. HYPOTHETICAL OR "HOPED-FOR" PROGRAM RESULTS DO NOT REDUCE SOCIETY'S PAIN AND SUFFERING. WE'RE INTERESTED IN DUI, SEATBELT, SPEED, AND OTHER PROGRAMS THAT ACTUALLY SAVE LIVES AND REDUCE INJURIES AND PREVENT PROPERTY DAMAGE. IN OTHER WORDS, WE WANT PRACTICAL, FLEXIBLE PROGRAMS THAT REALLY WORK; PROGRAMS THAT RECOGNIZE THE LIMITATIONS AND OPPORTUNITIES OF THE REAL WORLD.

NATIONAL MAXIMUM SPEED LIMIT
COMPLIANCE REQUIREMENTS

AS YOU KNOW, THERE IS A STATUTORY REQUIREMENT FOR MONITORING THE PERCENT OF TRAFFIC EXCEEDING 55 MPH, AND CONSEQUENT FISCAL SANCTIONS FOR NONCOMPLIANCE.

WE DO NOT BELIEVE THIS MONITORING AND SANCTION PROCESS PRODUCES REAL SAFETY BENEFITS.

IN LIGHT OF CRITIQUES BY THE TRANSPORTATION RESEARCH BOARD, THE GENERAL ACCOUNTING OFFICE, AND OTHERS, THERE IS WIDESPREAD AGREEMENT THAT THESE STATUTES SHOULD BE CHANGED. AND FROM THE VIEWPOINT OF MANY STATES, THERE IS WIDESPREAD AGREEMENT ON HOW TO CHANGE.

TO NAME A FEW, THE NATIONAL GOVERNORS ASSOCIATION (NGA), MY COLLEAGUE FROM THE NATIONAL ASSOCIATION OF GOVERNORS HIGHWAY SAFETY REPRESENTATIVES (NAGHSR), THE AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS (AASHTO), AND THE INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE (IACP) ARE ALL ON RECORD OPPOSING THE USE OF A SANCTION PROCESS FOR SPEED LIMIT COMPLIANCE.

THE IACP HAS GONE ONE STEP FURTHER AND AS COLONEL TIPPET ABLY DESCRIBED AT YOUR MARCH 22ND HEARING, IACP ADVOCATES THE REPEAL OF THE "FEDERAL REQUIREMENTS RELATING TO MONITORING AND SANCTION PROVISIONS OF THE NATIONAL MAXIMUM SPEED LIMITS."

WE AGREE WITH THE IACP POSITION. CALIFORNIA ALSO HAS A PRACTICAL PROBLEM THAT I MENTIONED EARLIER. BECAUSE WE'RE IN VIOLATION OF THE SPEED LIMIT REQUIREMENT THAT MANY BELIEVE SHOULD BE CHANGED, AS MUCH AS $28 MILLION OF OUR FEDERAL HIGHWAY FUNDS ARE IN JEOPARDY. UNLESS THERE IS CONGRESSIONAL ACTION, WE WILL LOSE THOSE APPORTIONMENTS ON OCTOBER 1ST OF THIS YEAR.

IF THERE IS NO AGREEMENT BY OCTOBER ON A SUBSTANTIVE REVISION TO THE COMPLIANCE REQUIREMENT, WE RESPECTFULLY REQUEST THAT A MORATORIUM BE IMPOSED TO SUSPEND SANCTIONS FOR FISCAL YEAR 1989 AND 1990 SPEEDS. THIS WOULD ALLOW THE COMPLIANCE REQUIREMENT TO BE RESOLVED WITHIN THE CONTEXT OF THE REAUTHORIZATION BILL.

CONCLUSION

IN SUMMARY, I THINK THERE IS WIDE AGREEMENT THAT TRAFFIC SAFETY IS AN IMPORTANT ISSUE NOW, AND IT WILL BE AN EVEN MORE IMPORTANT ISSUE WITH THE PROJECTED INCREASES IN DRIVERS, VEHICLES AND TRAVEL. CALIFORNIA ALSO BELIEVES THAT THE FEDERAL GOVERNMENT SHOULD HAVE A SIGNIFICANT ROLE IN TRAFFIC SAFETY IN THE POST-INTERSTATE ERA.

WE BELIEVE THIS FEDERAL ROLE SHOULD BE BASED ON THE IDEAS OF EQUAL PARTNERSHIP, MUTUAL COOPERATION, COMPREHENSIVE AND FLEXIBLE FEDERAL PROGRAMS, ADEQUATE FUNDING, RELIANCE ON INCENTIVES, AND A STRONG FOCUS ON PROGRAMS WITH PRACTICAL SAFETY BENEFITS THAT ARE TAILORED TO THE SPECIFIC NEEDS OF THE STATES. UNTIL SUCH A PROGRAM IS IN PLACE, WE DO NEED YOUR ASSISTANCE IN PREVENTING A LOSS OF FUNDS FROM SANCTIONS.

CALIFORNIA CURRENTLY HAS A COMPREHENSIVE HIGHWAY SAFETY PROGRAM, AND WITH THE SUPPORT OF MANY FEDERAL PROGRAMS, HAS ACHIEVED A MILEAGE DEATH RATE UNDER 2.1 IN 1989. ALTHOUGH THIS IS BETTER THAN THE NATIONAL AVERAGE, WE ARE NOT SATISFIED AND WILL CONTINUE TO DEVELOP DUI, SEATBELT, SPEED, COMMERCIAL VEHICLE AND OTHER PROGRAMS TO SAVE MORE LIVES AND REDUCE THIS MILEAGE DEATH RATE EVEN FURTHER.

I COMMEND YOU FOR YOUR INTEREST IN TRAFFIC SAFETY. THANK YOU FOR THE OPPORTUNITY TO SPEAK, AND I WILL BE HAPPY TO RESPOND TO ANY QUESTIONS THAT YOU MAY HAVE.

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REV. 4/20/90

TESTIMONY OF PHILIP W. HASELTINE
EXECUTIVE DIRECTOR
AMERICAN COALITION FOR TRAFFIC SAFETY, INC.
BEFORE THE SURFACE TRANSPORTATION SUBCOMMITTEE
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
U.S. HOUSE OF REPRESENTATIVES
APRIL 24, 1990

Mr. Chairman and members of the subcommittee, I am Phil Haseltine, executive director of the American Coalition for Traffic Safety (ACTS). I appreciate very much the opportunity to testify at this important hearing on the future of safety programs which are components of the highway reauthorization legislation. ACTS is a nonprofit safety organization which devotes most of its resources to educating the American driving public about motor vehicle occupant protection. Because of ACTS' role in highway safety, we are most interested in ensuring that many of the NHTSA programs included in this reauthorization be continued or expanded.

The nation realized great progress in highway safety during the 1980's. A substantial portion of the credit for that progress goes to this committee and the leadership you have so often demonstrated. During the 1980's the highway fatality rate fell from 3.3 deaths per 100 million vehicle miles traveled to a record low of 2.2 last year. The 45,500 people killed in traffic crashes during 1989 marked the fifth time during the decade that fatalities declined over the previous year.

This story of achievement is far different from the gloomy predictions at the start of the decade. NHTSA was then predicting 70,000 highway deaths a year by 1990 and a fatality rate of 3.55. As the data, which can been seen on the graph attached to my statement show, the results were far different from the predictions.

Why were the pundits so wrong? Because they failed to comprehend that working together; government, industry, traffic safety groups, the medical community and concerned citizens could make significant progress in a relatively short period of time. Here's what happened:

- Prior to 1980, only one state had a child safety seat law. By 1985, all 50 states had such laws.

- Prior to 1984, no state had enacted a safety-belt-use law. Today 34 states and the District of Columbia have belt-use laws and belt use has increased from 13 percent to 46 percent. More than 15,500 lives have been saved as a result of increased safety-belt use during the decade, 10,500 of which are directly attributable to belt-use laws.

- Prior to 1980, thirteen states had 21 year minimum drinking age laws. By 1988, all 50 states had such laws.

- Drunk driving was largely ignored in 1980. Comedians made jokes about drunk driving on prime time television and NHTSA's position was that not much could be done about the problem. Organizations like Mothers Against Drunk Driving (MADD) recruited millions of volunteers and drunk driving is no longer socially accepted behavior in this country. Alcohol-related fatalities have declined as a result.

- State and community highway safety programs (the 402 program) were revitalized. At the end of the Carter and beginning of the Reagan administrations, funds authorized by this committee were not expended due to obligation limitations. Later in the decade, this important funding stabilized, permitting the continuation of the state-federal partnership you envisioned with the enactment of the Highway Safety Act of 1966. You wisely provided incentives for states with good safety belt, child safety and drunk driving programs. And, you legislated penalties for states not having 21 a year old minimum drinking age and those not enforcing the National Maximum Speed Limit.

But, despite the progress during the 1980's, we need to do more. This nation should establish a national objective of fewer than 40,000 annual traffic fatalities by the year 2000. Notwithstanding the predictions of the naysayers a decade ago and the suggestion in the current administration's National Transportation Policy that we may see 60,000 highway deaths a year by the turn of the century, an objective of 40,000 annual fatalities is both realistic and obtainable. It will, however, require the utmost in planning, coordination and utilization of available resources to reduce fatalities in the face of increased travel. If a national objective of fewer than 40,000 annual highway fatalities is to be achieved, the following elements must be present:

- Sixteen states still do not have safety-belt-use laws and many existing laws would be more effective if they were strengthened to provide for primary enforcement and stiffer penalties. Effective belt-use laws in all states along with expanded safety belt education will be necessary if the goal of seventy percent belt use by 1992 is to be achieved. **Congress should consider incentive legislation to encourage states to enact belt-use laws, to strengthen existing laws and to promote compliance with child safety seat laws.**

- The failure to wear motorcycle helmets results in approximately 1,000 needless fatalities each year along with $300 million annually in medical expenses, lost productivity and other injury-related expenses. **Congress should seriously consider enacting legislation along the lines of that proposed by Representative Cooper to provide states with incentives to enact motorcycle helmet laws.**

- Motor vehicles are becoming safer. Many of the improvements are incremental in nature, small engineering changes that result from a better understanding of crash dynamics, innovation and improved technology. Rear seat lap-shoulder belts are now standard on all passenger cars and many light trucks and vans. They will soon be standard on all these vehicles as well. Other vehicle safety features, such as anti-lock brakes and the extension of certain passenger car safety standards to light trucks and vans are going to save additional lives.

  A year ago fewer than a million cars were equipped with supplemental air bags. This model year, close to three million cars will be sold with air bags and that number will triple over the next three or four years. Our challenge is to ensure that the motoring public understands the continuing need to wear safety belts in air bag-equipped vehicles. If motorists use air bags and safety belts in combination, thousands of additional lives will be saved.

- Despite the progress in reducing drunk driving, thousands of Americans still die because of drivers who are under the influence of alcohol or other drugs. **Congress should continue programs to provide incentives to states having comprehensive DWI and drugged driving programs.**

- **Congress should provide modest funding increases for the 402 program and should provide additional resources for NHTSA's occupant protection and alcohol countermeasures programs.**

- Evidence is accumulating that fatalities are increasing substantially in some states which have raised maximum speeds on rural Interstates. **Congress should consider enacting legislation which would provide incentives for increased speed enforcement, particularly on roads posted at 65 mph. One concept developed by this committee during the debate over the National Maximum Speed Limit would have permitted states to raise speeds on selected roads if other stringent traffic safety countermeasures (such as specified safety-belt-use levels) were in place. The time may be right to re-examine that proposal or something similar to it.**

Mr. Chairman, we have a real opportunity to expand on the progress of the last decade and further reduce the number of Americans who die or are seriously injured on our highways each year. With your continued leadership and the help that will be forthcoming from the traffic safety community, motor vehicle manufacturers, federal, state and local government, and from concerned citizens, we can reduce traffic fatalities to 40,000 - or lower- by the beginning of the next century. Thank you for the opportunity to appear before you today.

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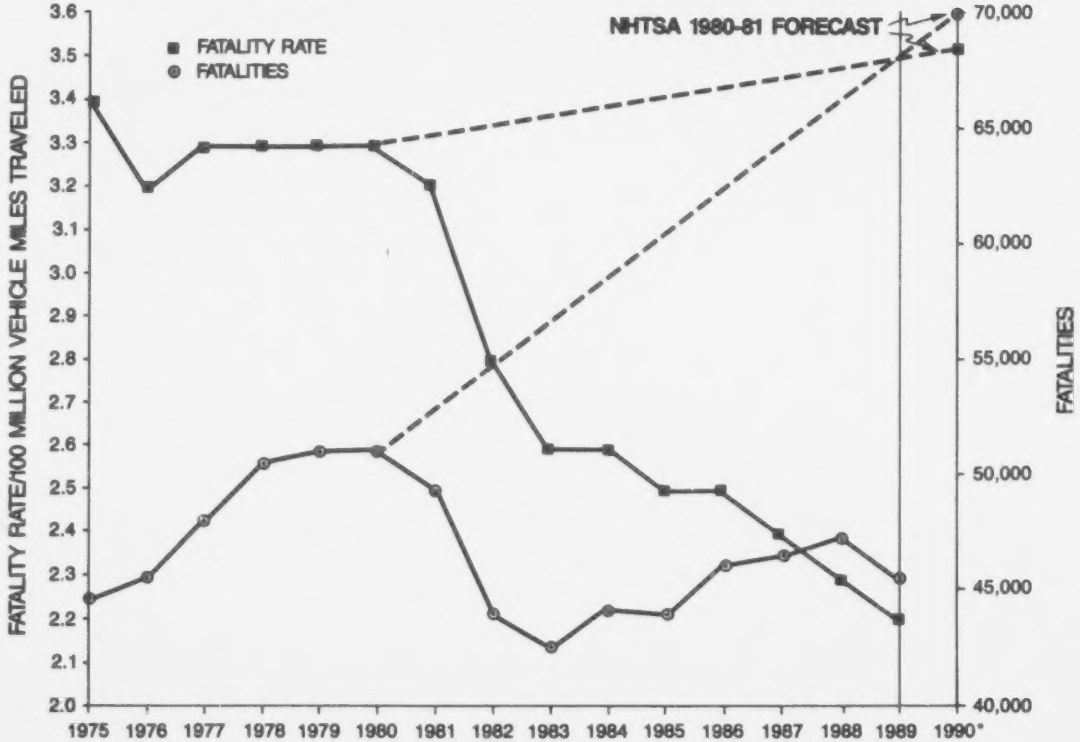
HIGHWAY FATALITIES AND RATES



*1990 ESTIMATES ARE NHTSA PROJECTIONS MADE IN 1980-81

United States General Accounting Office

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PRESERVING THE INTERSTATE SYSTEM

Statement of
John W. Hill, Jr.
Associate Director, Transportation Issues
Resources, Community, and Economic
Development Division

Before the Subcommittee on Surface
Transportation
Committee on Public Works and
Transportation
United States House of Representatives

GAO/T-RCED-90-68

GAO Form 100 (13/87)

Mr. Chairman and Members of the Subcommittee:

I appreciate the opportunity to be here today to testify on our on-going work on federal and state efforts to preserve the Interstate Highway System. Although the Interstate system represents only 1 percent of all roads, Interstate routes carry 21 percent of the nations's vehicle traffic. Because the system has assumed a dominant and vital role in the nation's transportation network, preservation of the over $100 billion federal investment in Interstate construction must be ensured.

As requested by the committee, we reviewed the Interstate Resurfacing, Restoration, Rehabilitation, and Reconstruction (4R) program and the adequacy of Interstate maintenance efforts to slow pavement deterioration. In summary, we found the following:

-- In 1988, the Department of Transportation (DOT) classified 57 percent of the nation's Interstate pavement in good condition. The remaining 43 percent is classified as fair or poor which means that the ride on a significant percentage of the nation's premier highway system may be barely tolerable or worse.

-- Progress in adequately maintaining the Interstate system, a state-financed responsibility, has been mixed, in part because some states have not adequately funded Interstate

maintenance. In two of three states we visited, needed maintenance was not performed, since the resources devoted to maintenance were insufficient. Although Federal Highway Administration (FHWA) engineers identified maintenance problems, they did not always follow up to ensure that the state corrected maintenance deficiencies, even when some were safety-related.

-- In 1981, the scope of the Interstate 4R program was significantly broadened to allow funding for reconstruction, including lane widening. Although major lane widening was not initially expected to be a major component of the 4R program, states have increasingly used 4R funds to widen the Interstate in response to worsening congestion. If this trend continues, the 4R program will change from primarily a pavement preservation program to one that includes a large widening element. DOT estimates $4.7 billion to $6.1 billion will be needed annually in federal and state funds, of which about 50 percent will be used for Interstate widening. The other half would go primarily to preserve existing Interstate pavement.

Given the overall condition of the Interstate and increased funding needs, we are presenting some options that the Congress may wish to consider for re-aligning federal responsibilities and

funding the program to better ensure that the nation's investment in the Interstate System is adequately protected.

EVOLUTION OF THE 4R PROGRAM

Responding to a need to preserve the Interstate system, the Federal-Aid Highway Act of 1976 established the Interstate Resurfacing, Restoration, and Rehabilitation (3R) program. This program provided federal funds to states for capital improvements that would generally extend the life of the pavement. The Federal-Aid Highway Act of 1981 added a fourth "R", reconstruction, as an eligible type of work. Reconstruction includes, but is not limited to, the addition of travel lanes (widening), and the construction and reconstruction of interchanges and overcrossings along existing Interstate routes. In addition, other types of projects became eligible in 1981, including repairing or replacing bridges and constructing bicycle, pedestrian, and equestrian trails, as well as fringe parking lots, sound barriers, and landscape plantings. All of these activities are eligible for 90 percent federal cost sharing. However, some projects have numerous beneficiaries, while others have a limited number of beneficiaries.

CONDITION OF THE INTERSTATE PAVEMENT

FHWA classifies pavement into three broad categories--good, fair, and poor--according to roughness.

-- Good pavement provides a smooth ride, with little or no signs of deterioration.

-- Fair pavement may provide a barely tolerable ride at high speeds and has a number of surface defects.

-- Poor pavement produces an uncomfortable ride which requires reduced driving speeds and has excessive bumps, depressions, or holes, and needs resurfacing and/or reconstruction.

The amount of good pavement has decreased (see attachment I) from 62 percent in 1981 to 57 percent in 1988, while the amount of fair pavement has increased from 25 to 31 percent. Poor pavement has remained at about 12 percent between 1981 and 1988. The bottom line is that the ride on 43 percent of the nation's premier highway system may be barely tolerable or worse. Moreover, the outlook for improvement beyond this level is not encouraging because DOT's estimate of future needs are based on recent pavement conditions. For example, the Department's estimate of future 4R needs through 2005 is based on maintaining 1985 conditions. In 1985, about 41 percent of the pavement was rated in fair or poor condition. DOT has not established goals to improve conditions beyond the 1985 level.

Although the percentage of poor pavement has stabilized nationally, the percentage of poor pavement varies among individual states. In 1988, the percentage of poor pavement ranged from less than 2 percent in 13 states to over 25 percent in ten states. This difference can be caused by a variety of factors including the adequacy of routine maintenance, age of the pavement, the amount of traffic and load carried, and environmental effects (temperature and rainfall). According to the American Association of State Highway and Transportation Officials (AASHTO), the separate or interacting effects of these components are not clearly defined at present.

Deteriorated pavement results in societal costs such as traffic delays, increased fuel costs, decreased productivity, and the potential for increased accidents, injuries, and vehicle damage. For example, a 1988 report[1] estimated that in Michigan, driving on substandard roads was costing drivers about $480 million or about 11 percent of their total driving costs.

MAINTENANCE OF THE INTERSTATE SYSTEM

Maintenance of the Interstate System is a state-financed responsibility. Some routine maintenance activities can slow deterioration. However, routine state maintenance can include many

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[1] An Analysis Of Current And Future Deterioration on Michigan's State, County And City Roads, The Road Information Program, Aug. 1988.

different activities, such as repairing crash barriers, fixing potholes, resealing pavement cracks, removing snow and ice, and painting bridges.

Maintenance activities that preserve pavement life, such as resealing joints, are cost-effective. However, these types of maintenance activities are not eligible for 4R funds. Yet if they were applied in a timely manner they could reduce or postpone the need for 4R funds. For example, a 1985 DOT-Office of the Inspector General report concluded that had routine maintenance been performed when needed in three states, planned 4R project costs of $88.3 million may have been reduced or deferred.

FHWA developed its Interstate Maintenance Guidelines in 1977 because of congressional concerns that portions of the Interstate System were prematurely aging due to inadequate and untimely maintenance. In 1987, FHWA revised its maintenance guidance to respond to concerns over unresolved maintenance deficiencies, insufficient follow-up inspections by FHWA field engineers, and FHWA's not requiring the states to take corrective action.

We judgmentally selected three states--California, Louisiana, and Michigan--to review the adequacy of state maintenance efforts. Two of the three states we reviewed were experiencing problems in adequately funding needed maintenance activities. FHWA frequently identified safety hazards as a common maintenance problem. At

least twenty-five percent of all deficiencies, including safety hazards, had not been resolved as called for by FHWA procedures.

Needed Maintenance Not Performed

Both Louisiana and Michigan did not perform all needed maintenance work, and thereby affected the structural integrity of the roadway. In Louisiana, state transportation officials told us that all needed maintenance had not been performed because of lack of funds. FHWA was aware of the problem as its Fiscal Year 1986 inspection reports revealed serious maintenance deficiencies. Their summary of Interstate maintenance inspections showed 39 different types of maintenance deficiencies including pavement blow-outs[2], poor skid-resistant surfaces, unsealed joints, ruts, and damaged guardrails, which potentially affect the structural integrity of the road and user safety. In addition, FHWA's analysis of state budget information showed that funding for maintenance supplies had declined by 34 percent over the past 3 years and the number of maintenance employees had been reduced by 23 percent in the past 18 months.

In 1987, FHWA concluded that Louisiana had not adequately maintained its Interstate highways. Consequently, FHWA suspended

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[2] Pavement blowouts are defined as the crushing and upward movement of concrete pavement at the joint area that causes the adjoining slabs to raise up, or in many cases shatter, becoming a safety hazard needing immediate attention.

approvals of certain agreements and authorizations, such as the approval of a consultant agreement for preliminary engineering and/or right-of-way authorizations. Responding to the threatened cutoff of future federal funds in 1987, the state channeled about $10 million to Interstate maintenance and over $11 million to provide needed maintenance on other Federal-aid highways. The state also began efforts to earmark revenues from the state gas tax towards highway maintenance. These state actions resulted in FHWA lifting the federal funding restriction. But, the earmarked revenue envisioned in 1987 did not materialize, and Louisiana proposed substantial reductions in its maintenance work. FHWA again responded by denying approval of certain authorizations. In June 1989, the passage of a gas tax amendment offered hope that the state would be better able to meet its maintenance needs. As a result, the federal funding restriction has been lifted.

In Michigan, the state did not perform all needed routine maintenance in the following areas: sealing pavement cracks and joints, painting bridges, and replacing or repairing damaged guardrails and right-of-way fences. A Michigan transportation official told us that not all needed maintenance work had been performed, much of which was related to the structural integrity of the roadway. FHWA was also aware of this needed work through inspections, but concluded that the overall maintenance effort was acceptable. State and FHWA officials also told us steps had been taken to partially correct the deficiencies. For instance, at

FHWA's request, Michigan has begun to do more bridge painting to prevent premature deterioration. However, a state official stated that maintenance funding is not expected to be sufficient to eliminate the maintenance backlog. In addition, this official told us that an increase in the state gas tax of about 2 cents per gallon for three years, for a total of 6 cents, would be needed to reduce the maintenance backlog. He did not expect an increase to be considered during this legislative session.

Deferral of needed maintenance work was not evident in California. A California state transportation official said that they were able to keep up with maintenance needs, and FHWA concurred. However, he cautioned that because of rising maintenance costs, the state may be hard-pressed to meet future maintenance needs. California is also trying to increase its gas tax.

Inadequate follow-up

FHWA documentation indicated no evidence of follow-up action for at least 25 percent of the deficiencies identified in Interstate maintenance inspection reports by staff engineers in Michigan and California during fiscal year 1989. Some of the deficiencies were safety related such as missing signs and signals, damaged guardrails, and illegal median crossings. In discussing the issue of follow-up, FHWA field managers indicated that they

were unaware of the insufficient follow-up. They stated that management review procedures would be implemented to assure that follow-up would be improved so that all deficiencies are resolved in a timely manner. For example, FHWA California division officials plan to utilize a computerized summary to identify unresolved deficiencies and determine the adequacy of follow-up action at monthly management meetings.

LANE WIDENING ESTIMATED TO ACCOUNT FOR A LARGER SHARE OF FUTURE 4R FUNDS

According to DOT's biennial report to the Congress, funding requirements for the 4R program significantly exceed the current funding level of $2.8 billion a year. The Department estimates the program will need federal and state funds totaling $4.7 billion to $6.1 billion annually through the year 2005. If the federal cost-share remains at 90 percent, the required federal investment will be between $4.2 billion and $5.5 billion annually.

Widening the existing Interstate system must be addressed along with the important need to arrest pavement deterioration of the existing system. Reviewing the Department of Transportation's estimate of 4R funding needs, we observed that the funding estimate projects that states will need to spend about 50 percent of the 4R funds for major widening and the rest primarily for improving existing pavement.

As congestion on the Interstate worsens, expansion needs on the Interstate are expected to grow tremendously in the next several years. The 4R program may increasingly be used to respond to these needs. Therefore, the potential increase in widening activities could change what has been basically a pavement preservation program into a program that will also include a significant lane widening element. Specifically, if about 50 percent of 4R funds are spent for major Interstate widening, this spending would represent a significant departure from historical spending trends. In 1981, less than 1 percent of 4R funds was spent on major widening. In fiscal year 1989, 13 percent was spent on this activity.

The Department's estimate of future annual funding needs far outstrips the current 4R funding level of $2.8 billion per year. Furthermore, the Department estimates that lane widening of 11,000 to 15,000 additional Interstate miles is needed, but is not included in the $4.7 billion to $6.1 billion estimate because of right-of-way constraints. The Department makes reference to other transportation strategies, such as transit, compensating for the expected lane widening shortfall of 11,000 to 15,000 lane miles. However, no information is provided on the extent to which such alternative strategies could respond to this lane widening shortfall and at what costs.

OPTIONS MERITING CONSIDERATION

Mr. Chairman, almost half of the Nation's premier road highway system may be in barely tolerable or worse condition. Further, due to funding difficulties, some states have not performed needed maintenance to slow pavement deterioration and reduce 4R costs. In light of the Department's estimate of the need for a significant increase over current 4R funding levels, which will only hold the line at 1985 pavement conditions, program modifications need to be considered to more effectively use the 4R dollar.

As your subcommittee deliberates the reauthorization of highway programs, you may wish to consider:

-- establishing national goals for the maximum acceptable levels of poor and fair pavement;

-- redefining the range of activities eligible for 4R funding to encourage states to give more attention to maintenance activities directed at preserving the Interstate pavement or resolving safety-related deficiencies;

-- emphasizing Interstate priorities through maintaining the 90 percent federal cost share on those projects that have numerous beneficiaries, and decreasing the

cost share on those projects that have a limited number of beneficiaries; and

-- requiring an assessment of the extent to which alternative transportation strategies are expected to alleviate the expected shortfall in Interstate lane widening and associated costs.

Mr. Chairman, this concludes my testimony. I will be happy to answer any questions.

TESTIMONY OF FRAYDUN MANOCHERIAN
President of
THE MANOCHERIAN-ROBBINS FOUNDATION, INC.
on
A POSITIVE APPROACH TO HIGHWAY SAFETY

Presented to the
Subcommittee on Roads
of the
Committee on Public Works
U.S. House of Representatives

Mr. Chairman:

The privilege today to speak before you is in itself a great reward for my efforts of almost twenty years toward reducing the tragedies and injustices occurring on the American highways. My name is Fraydun Manocherian. I am the author of the book FLESH, METAL & GLASS dealing with the problems on the road and suggesting solutions to alleviate them. This book is presently being distributed free by The Manocherian-Robbins Foundation, Inc., which was founded in 1962. The purpose of the above Foundation is highway safety.

As an immigrant from Iran, for the past twenty-four years I have enjoyed the great privileges of living in this country. The greatest of all attributes of this country, in my opinion, is its sense of justice and the fact that a man is innocent until proven guilty beyond a shadow of a doubt. This country is committed to protect the innocent from execution with unlimited funds. There is, however, one great mass injustice about which the country has been comparatively negligent. Among the 147 people killed and the

thirteen thousand six hundred people injured daily in automobile accidents, the majority are totally innocent. This in fact constitutes the greatest of all American tragedies and shows mass neglect on the part of this great country to do everything possible at any cost to save innocent lives. Chances are that in a two-car collision killing six people, only the driver of one car has been at fault and the other five people have died totally innocent of any wrong doing.

The major reason for such laxity on the part of the government is the lack of consciousness of the public, including many leaders of our country to the dangers of the four-wheel musical room that carries us so conveniently to our destinations. We seem to forget that its improper use takes us to our final destination, OUR GRAVE. To die on the road is the only type of death that has come to be taken for granted and, in many instances, the only type of murder that goes virtually unpunished.

With no warred intended, this country spends billions of dollars to help produce airplanes for faster than sound transportation to maintain air supremacy. Is it not an inequity in priorities that fifty-six thousand deaths suffered by Americans each year get comparatively little money and attention? The fact that a great many useful lives are snuffed out violently, and the fact that two and a half million of those injured each year suffer disabilities, in many cases changing what could have been a useful life to society to a life that has to be sustained and cared for by society, does not seem to be given the attention it merits.

Billions of dollars per month are spent by the United States to bring justice around the world. What about justice for law-abiding innocent Americans on our highways?

We believe that additional funds allocated to the major criteria affecting highway safety - Road, Car and Driver - will help reduce accidents. And yet, as an example, while modest funds were appropriated to carry through the sixteen Highway Safety Standards of the National Highway Safety Bureau, the activation of many of these standards are pending the funding of such appropriations. Aside from the inadequacies of the funds directed to the cause of highway safety, wrong priorities are given to the funds allocated to the three factors aforementioned. It is a known fact that the driver is ultimately the cause of about 90% of all automobile accidents. It is also known that education has reduced incidents of accidents substantially among the driver educated, yet the concentration of the Federal Government is on the car, which we believe should be made safer, and on the road, which we also believe is imperative for safety.

Our disagreement lies with the lack of attention given to the one hundred fifteen million drivers. Driver education courses are being taken by approximately 50% of our high school students. The great efforts of the National Safety Council in this direction has one million drivers enrolled in its Defensive Driving Course. However, the total number of people taught in this and all other ways comprises only a small portion of the total of one hundred fifteen million drivers and completely ignores our non-driving

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citizens and children who have not reached driving age. Pedestrian education could also prove effective in the reduction of approximately ten thousand pedestrian deaths yearly, most of whom are children and senior citizens who have never had a driving license. It must also be taken into consideration that the knowledge attained in this way does not remain with the individual indefinitely for the same reasons that we cannot remember all that we learned in school years ago. This, coupled with the fact that most of the people taking such voluntary courses are the ones who least need them, has led us to suggest the following course of action, not to supplant but to augment the present efforts toward safety on the road.

In 1969 alone, fourteen thousand more Americans died on our roads than have been killed in the Vietnam war since it since its inception. This is not to belittle the severity of the war in Vietnam but to bring to light the seriousness of our highway safety problem in comparison.

We respectfully propose that a national education campaign on television and all other mass media be waged by an agency of the Federal Government to combat this growing horror by reaching, educating and making the entire nation conscious of the problem on a continuous basis. Also, the proposed organization would have the continuous means to pass on to the public research and other findings helpful in driving safety. Written materials such as our book are available to people for the asking; but, unfortunately, the people that seek and read such materials are the people who

least need them. If any such material were to be offered to the person who is the menace on the road, such a person would be likely to be insulted by such an offer. The solution to this problem necessitates a captive audience to whom such materials of safety can be brought in small portions and on a continuous basis. The audience of the most popular shows at the most popular time of day would be an example of such captive audience who could be taught pointers on better driving or pertinent laws rather than be persuaded to purchase a particular product during the commercial break. The CBS Drivers Test of 1966, in which 40% of the national driving participants failed, is great proof that the majority of the public must improve the level of their driving safety. Our Foundation conducted a test among two hundred drivers with the only question being asked, "What would you do if the rear of your car skidded to the left?" We found that the majority of the two hundred admitted they did not know what to do or gave the wrong answer. Millions of drivers could be exposed in one minute to the answer to this critical question if a professionally produced package, through audio-visual means, presented the knowledge to a captive audience at such commercial time as aforementioned. The present efforts are taking matters of highway safety to Channel 32 at 7:00 a.m. and selling deodorant on Channel 4 at 9:00 p.m. Does this priority given to the product versus innocent lives seem to you to be correct?

The major reasons for accidents caused by the driver are:

1. Use of bad judgement

2. Incompetent driving

3. Disobedience of the law

4. Lack of knowledge of the law

Such national campaign could:

1. Dramatize the importance of the use of good judgment and show cases of bad judgment and its horrible results.

2. Teach good driving techniques and warn against prevalent driver actions causing accidents.

3. Convince the driver that it is in his best interest to abide by the law.

4. Teach and remind the driver of the laws and regulations.

By taking advantage of the audio and visual means of such a campaign and through repetition, the program should achieve what every major advertiser in this country achieves - SUCCESS.

We are aware that broadcasters are by law required to give some free time to matters of public safety and that they are more and more using this time for purposes of highway safety. While this action is most commendable, it is totally inadequate. The educational campaign necessary, if it is to be significantly effective, must sponsor prime time television shows and, using all other effective media, reach out to a cross section of the population using commercial time in the best interest of an for the safety of the public. Such a campaign would be expensive, and such expense must be continuous to be effective. To fund this program, we propose that legislation be passed to increase the Federal gasoline tax by one tenth of one cent per gallon. Such an increase

would impose a two cent tax increase on a 20 gallon gas purchase and would cost an average of 85 cents per car per year, while each person would pay according to the extent of his road usage.

Through such minimal taxation, and without touching present funds, the proposed organization would be empowered with eighty-five million dollars of trust fund annually for this purpose, increasing each year as the number of cars and the number of miles driven increases. This type of campaign, aside from its specific educational benefits, would make the public and our leaders more conscious and aware of the hazards on the road and emphasize the necessity for a more responsible attitude towards driving and highway safety. Such consciousness is a prerequisite to a great breakthrough toward better chances for survival on the road, and the consciousness of the leaders in all levels of government will make the passage of needed laws and the enforcement of laws pertinent to highway safety more certain.

A couple engaged to be married this June was driving to a party given in their honor. A drunken driver out of control veered from the opposite lane, killing both the bride and the groom-to-be. Tests on the drunk established a blood level of 14 points which, in that State, as well as 24 other States of the Union, is not considered drunk. At 10 points, the National Safety Council describes the average man in a state of confusion, staggering gait, and slurred speech. Yet the States that virtually give a license to the drunk drive by allowing a 15-point level are reluctant to reduce their standards immediately. The national education and

awareness program, we suggest, could help these leaders to take this and similar steps on their own initiative.

Contrary to most tax proposals, this proposal, if enacted, aside from its life and limb saving benefits, would save the public a minimum of sixty-five million dollars annually. While many tests, including one conducted in Illinois in 1963 involving five hundred thousand drivers, show improvements of up to 50% in reduction of accidents through driver education, our proposed type of education would be conducted more professionally and continuously with cumulative effect. For the sake of presenting what we believe is an unquestionable case, we will theoretically take not 30%, not 20%, not even 10%, but a minimum of 1% of general effectiveness, for an annual eighty-five million dollars of national educational and awareness program to prove our point. On that unrealistically conservative basis, we find that 1% of fifteen billion dollars, which was the cost of traffic accidents in 1969, is one hundred fifty million dollars. Therefore, the program, even with only a 1% overall effectiveness, would unequivocally save the American public lives, injuries and an absolute minimum of sixty-five million dollars and afford every citizen a better chance of reaching his destination on the highways and byways already built and yet to be built.

Together with this report, I submit to you a copy of the first edition of our book FLESH, METAL & GLASS and a copy of our advertisement as it appeared in The New York Times on May 20 and May 24 1970, offering our book free and asking for public support

of this program.

The response was beyond our most optimistic expectations. Among the tens of thousands of letters received to date from all over America, there has not been one single letter voicing objection to our proposal. We have been deeply moved by the many telegrams and letters of support received from Governors and legislators all over the country. That response has fueled our enthusiasm to dedicate a lifetime, if need be, to put into effect what we believe will inevitably reduce death and injuries on our highways.

Not long ago a man, his wife, his twelve-year-old son and nine-year-old daughter stopped on the Long Island Expressway when their car became disabled. Their car was struck from behind, setting it afire. They scrambled out of the car, that is, they, except the twelve-year-old boy who was pinned by the impact of the accident. Frantically his parents and his nine-year-old sister repeatedly surged into the flaming car to extricate the agonized young boy. Injured through many attempts, they were forced to watch as the fire consumed the child into ashes. Gentlemen, is it just possible that had it been emphasized to this driver to pull his disabled car off the road, that this tragedy would not have happened? That this boy, in the spring of his life, would not have died and that his family would not have to live a life of grief?

We are aware of the national and international problems of this country and your involvement in their solution. But the untimely sudden deaths of 147 Americans <u>daily</u> cannot await the

resolution of all other problems.

In this proposal we are not asking for any diversion of funds or, in the final analysis, any expenditure on the part of the public or the government. The question at hand is that, if we can save lives, reduce injuries, eliminate much grief and ultimately save billions of dollars, should we? If the answer is yes, we urge you to consider this proposal very carefully. Procrastination to take any step to reduce this great mass injustice taking an American life every nine minutes around the clock and around the calendar shows a lack of awareness of this carnage and the number one disabler of Americans of all ages.

For the sake of justice we have made this plea. For the sake of justice we ask you to act upon it. Thank you.

THE MANOCHERIAN FOUNDATION, INC.
475 PARK AVENUE SOUTH 212-683-9800 NEW YORK, NEW YORK 10016

The Manocherian Foundation

The Manocherian Foundation is a non-profit organization (Federal Tax-Exempt #13-6128274) dedicated to reducing accidents, death and disability on our highways by promoting safe driving habits through public awareness. The Manocherian Foundation was established in 1962 by Mr. Fraydun Manocherian, who as a high school student lost two friends to a drunk driver.

Traffic accidents are the #1 killer of Americans aged 1-34 and the #1 disabler of Americans of all ages. This year, over 48,000 Americans will die in car collisions -- more than we lost in all ten years of fighting in Viet Nam!

Recognizing that 90% of all car accidents are caused by the driver, the Foundation has produced over 30 driver safety messages for television and radio which emphasize safe decision-making. Messages currently airing on national television focus on seatbelt safety and drunk driving, including: "Seatbelt Safety" (winner of the 1990 American Film Association psa category), "Russian Roulette," "The Executive Drunk" and "Liquor 2". Future messages will address driver judgment involved in other causes of accidents, beginning with tailgating.

Current film projects include "The Aftermath," a 25-minute documentary about Bruce Kimball, the Olympic diver who drove drunk through a gathering of teenagers, killing two and injuring several others. "The Aftermath" will be distributed to all high school in the nation and is the newest component of Governor Cuomo's Athletes Against Drunk Driving Campaign, and is being adopted by law enforcement agencies, universities and substance abuse groups.

For thirty years Mr. Manocherian has worked with legislators, the National Highway Transportation Safety Administration and other groups to effect national standards in driving competence. Mr. Manocherian has testified before Congress several times advocating mass-media educational efforts to promote driver safety.

The Foundation provides the accredited driver safety manual, "Flesh Metal Glass," authored by Mr. Manocherian, free of charge to driver education classes, schools, institutions and individuals.

For his dedication and accomplishments in the field of auto safety Mr. Manocherian has received the "Man of the Year" award from the New York Council for Civic Affairs, an Honorary Doctorate of Humane Letters from St. 's University and a Masters of Arts degree from the International University of Communications in Washington, D.C.

The New York Times

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'The Aftermath': A Film's Real-Life Lesson on Drunken Driving

By ROBERTA HERSHENSON

FRAYDUN MANOCHERIAN cannot forget two of his White Plains High School classmates who were killed by a drunk driver nearly four decades ago. The driver received a mere "slap on the wrist" as punishment, said Mr. Manocherian, a real estate entrepreneur and the president and founder of the New York Health & Racquet Club of Manhattan.

The Scarsdale resident devotes much of his time and resources to the cause of highway safety. The Manocherian-Robbins Foundation he founded with the help of Leonard J. Robbins, a now-retired Manhattan lawyer, pursues its goal of reducing the rising death rate on the nation's roadways through public-service advertising and legislative lobbying.

Now a foundation-sponsored film that educators are calling "powerful" and "overwhelming" will spread the organization's message statewide and to other parts of the country.

Chosen for Statewide Release

The film, called "The Aftermath," has been adopted for use in Governor Mario M. Cuomo's statewide Athletes Against Drunk Driving program, in which prominent athletes serving as role models discuss drug- and alcohol-abuse issues with groups of young people.

In addition, the Ardsley-based Student Assistance Services, which sends counselors into junior and senior high schools throughout the county, is "about to adopt" the just-completed 23-minute videotape for use in its Reduce Our Adolescent Drinking/Drugging and Driving program, said Larry Posner, the driving program's director.

"The Aftermath" was produced and directed by Mark Sadan, an Ossining photographer and film maker, with Mr. Manocherian as executive producer. Larry Miller of Greenburgh edited the film, while Ray Seti, a Manhattan-based graphic artist and animator who also lives in Scarsdale, served as a video consultant.

No gore, no bitterness. Just pain on all sides.

Mr. Seti also created a 30-second animated public-service announcement advocating seatbelt use, one of four announcements sponsored by the foundation that have been adopted for broadcasting on CBS starting in May that can be seen now on several local stations.

Another who contributed to "The Aftermath" is Carly Simon, the popular singer who introduces the film; her song, "I Haven't Got Time for the Pain," is also heard on a sound track with other music by Frank Loch.

The film explores the consequences of a devastating and much-publicized automobile accident, caused by the Olympic diver Bruce Kimball on a summer night in 1988 in Brandon, Fla., which is near Tampa.

Mr. Kimball, who won the silver medal in the 1984 Olympics, drove his car into a group of suburban teenagers who were standing on the side of an unlighted section of roadway at a popular meeting spot. Two young people were killed and two others severely injured in the accident.

A 17-Year Sentence

The driver, whose blood alcohol level was found to be twice the legal limit, was convicted of driving while intoxicated and charged with two counts of manslaughter. He is now serving a 17-year sentence in a Florida prison.

Through interviews and news footage, the film concentrates on the physical and emotional pain suffered by the victims and their families, showing as well the apparent torment felt by Mr. Kimball and his family. There are no actors in the film, which was shot mostly in Brandon, except for teenagers who simulate the pre-crash gathering.

That segment, using Westchester teen-agers and shot in Ossining with the cooperation of the Briarcliff Manor and Ossining Police Departments, opens the film.

'Here One Second, Gone the Next'

A nurse who lives in Brandon and was the first to arrive at the scene quietly describes the "blood running down the gutters" after the accident. This is perhaps the most gory moment in a film that dwells less on carnage than on reflection.

"How could this happen?" asks the fiancee of a 19-year-old who was killed. "We were good kids. We had a lot of things in our lives." She fights tears and adds, "I couldn't understand how he could be here one second and gone the next."

Roberta Hershenson

Fraydun Manocherian helped found a foundation to promote the cause of highway safety.

Nor is bitterness or hatred shown toward Mr. Kimball. The judge who sentenced him calls him "a fine young man" who was "never convicted of any offense in his entire life." A sister of an injured boy says she hopes the driver can get his life "back together" and help other people.

The father of a man who died, however, makes the film's — and the foundation's — point. His son was dead, he said, "because someone chose to drink irresponsibly and went out and drove an automobile and killed our son just as though they had shot him."

The film — without the introduction by Ms. Simon or closing remarks by Mr. Manocherian, which had not yet been edited in — was shown several weeks ago at Pace University in White Plains in an Athletes Against Drunk Driving program. The event was co-sponsored by the school's Students Against Drunk Driving chapter.

Dave Jennings, a former New York Jet who is now a CBS radio sportscaster for the Jets, presented the film

'Aftermath': A Real-Life Lesson

Roberta Hershenson

Dave Jennings, a former New York Jet player and now a sportscaster, talking with viewers after a showing of the film "The Aftermath" at Pace University. At left is Mark Sadan, producer and director of the film.

and explained his own involvement in the program. "I lost a friend in the National Football League and also a few friends in college" to drunk-driving accidents, he told about 35 students.

"This is about as powerful a film as I've ever seen," Mr. Jennings added. "Athletes think they're superior, that this can't happen to them."

The film maker and editor were also present. "Making this film was like working with people who had been in a war — who had been bombed or hit by terrorists," Mr. Sadan told the group.

Joseph Sergi, a Pace sophomore who organized the campus's SADD chapter, said he "saw people crying" during the film. Bob E. Gerry, a junior, said he liked it because "it gave the perspective of the driver," while Katrina Segreto, another sophomore, said she believed the film would "absolutely be a deterrent to drinking and driving." It should be shown to student drivers "when they finally get to interact with traffic," she suggested.

Handling the Film's Impact

Adele V. MacDonald, director of the Manocherian-Robbins Foundation, noted that because of the film's emotional impact, some educators were wary of presenting it "cold" to students. Mr. Posner, of the Student Assistance Services Driving Program — which is financed by the Westchester County Stop-DWI Program — said that "we'd never show it during the last 23 minutes of class; it requires discussion."

The film "has to evoke lots of feelings for any child who has ever suffered a loss of any kind," Mr. Posner said.

At Brandon High School in Florida — the school the victims had attended — Ed Lucker, the school's drug coordinator, said he expected "The Aftermath" to be used not only in driver's education classes, but also in "law studies" courses, because of "the manslaughter and DWI issues" that are raised. He, too, advised leaving "time to get people's feelings out" after the film is shown.

Mr. Lucker also noted that groups at several Florida universities had asked to use the film, as had the Mendez Foundation of Tampa, an organization that combats drug abuse.

Mr. Manocherian, the author of the paperback book, "Flesh, Metal and Glass," published by his foundation and now in its fifth edition, is concerned with the whole spectrum of unsafe driving. In an interview at his home, he pointed out that drunk driving was involved in half of all fatal accidents. That leaves another half caused by such factors as tailgating, driver inattentiveness (lighting up a cigarette, searching for a radio station) and uncertainty about what to do when certain hazards arise.

Figures the foundation obtained from the National Highway Safety Administration show that the country's highway death rate rose to 47,093 in 1988, the latest year for which statistics are available, from 43,825 people killed in 1985. Mr. Manocherian said he hoped to reduce the numbers with a psychologically sophisticated education program presented through the media and aimed especially at drivers 18 through 34 years old, among whom automobile accidents are the most common cause of death.

The goal of the Manocherian-Robbins Foundation, he explained, is to establish a national program that would be supervised by the United States Department of Transportation and that would use "Madison Avenue techniques" to "educate the public in all matters of safety on a continuous basis."

'Making this film was like working with people who had been in a war.'

The foundation has prepared a position paper, to be presented to members of Congressional transportation committees, that proposes financing a $150 million media advertising campaign with a 1 percent allocation from the Federal Highway Trust Fund.

The Results Expected

The fund was created by Title 2 of the Highway Revenue Act of 1956 and is financed by the Federal gasoline tax and a variety of automobile, truck and trailer fees. The 1990 appropriation for the fund, which is administered by the Federal Highway Administration, a division of the Department of Transportation, is $15.9 billion.

"All the experts agree that this kind of education would bring a 5 percent reduction in the $70 billion in lost wages, insurance costs and related damages" suffered by Americans, in addition to the pain of injuries and the loss of loved ones, Mr. Manocherian said.

"Five percent of $70 billion is $3.5 billion in savings," he said. "Even if it were only 1 percent effective, the saving would be $700 million."

Testimony and Hearings

Mr. Manocherian said he expected to testify this month in Washington at hearings held by Representative Norman Y. Mineta, Democrat of California, head of the House Authorizations Subcommittee on Surface Transportation, and by William Lehman, Democrat of Florida and chairman of the House Appropriations Subcommittee on Transportation and Related Agencies.

He said he also planned to submit written testimony to Senator Frank R. Lautenburg, Democrat of New Jersey, chairman of the Senate Appropriations Subcommittee on Transportation and Related Agencies.

The foundation hopes to persuade Congress, as well as the President and the Department of Transportation, "to take a portion of the money slated for highway construction and repair" and divert those funds to an education program, Mr. Manocherian said. ■

For More Information on the Manocherian - Robbins Foundation,
Call 212-683-9800
475 Park Avenue South
6th Floor
New York, NY 10016

DEATH, DESTRUCTION AND DOLLARS:

Why We Urgently Need
A Strengthened Public Education Campaign
To Improve Driver Competence and Judgment
and Knowledge of Laws and Regulations

A Proposal of the Manocherian Foundation

April, 1990

The Manocherian Foundation
475 Park Avenue South
New York, New York 10016
Mr. Fraydun Manocherian, President

EXECUTIVE SUMMARY

Each year motor vehicle accidents continue to be the number one killer of Americans ages 1-34 and the number one disabler of all Americans. In 1988 alone*, there were 6.8 million traffic accidents, which killed 47,083 Americans and injured another 3.4 million. One out of every three vehicles was involved in an accident--and the number of accidents has increased by one half million since 1986. In addition to enormous human suffering and loss, these accidents have cost American society an alarming $75 billion annually.

GOAL

The Manocherian Foundation believes that a well-coordinated, intensive national effort can reverse the growing number of accidents, fatalities and injuries, and their staggering emotional and financial costs to American society. A ten percent decrease in the costs associated with highway accidents would save the nation $7.5 billion annually. Even a one percent reduction would save $750 million.

RECOMMENDATION

The Manocherian Foundation recommends launching an annual $150 million public education campaign emphasizing television and radio advertising to promote safe driving. This campaign would extend the national focus beyond current efforts to encourage seat belt use and discourage drunk driving. In addition, it would make drivers aware of other principal causes of accidents and ways to avoid them.

Critically important information regarding defensive driving is not being communicated at all in current media campaigns. Most efforts are aimed at discouraging drunk driving--a factor present in half of all fatalities and 9% of all accidents. Yet 90% of all accidents are caused by the driver. Clearly, driver judgment and competence is the critical factor which must be addressed next in order to reduce all other causes of accidents.

FUNDING

The campaign would be funded through the allocation of less than one percent of the Highway Trust Fund's fiscal year 1990 appropriation of $15.9 billion.

SUGGESTED IMPLEMENTATION

An 11-member committee under the jurisdiction of the Secretary of Transportation would be established within the U.S. Department of Transportation to direct the campaign. The committee, chaired by the Chief Administrator of the National Highway Traffic Safety Administration, would be comprised of two psychologists, two automobile industry leaders, two advertising industry executives, two educators and two others. Committee decisions would require seven members.

* Complete accident-related data for 1989 will not be available until May.

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I. INTRODUCTION - AMERICA DESERVES BETTER.

Motor vehicle accidents continue to kill more Americans ages 1-34 than any other cause.[1] In addition, each year motor vehicle accidents disable more Americans of all ages than any other cause. In 1988 alone, 47,093 Americans lost their lives in traffic accidents in spite of achieving lower death rates per 100 million miles. This staggering death trend has risen steadily since 1985 as have the number of accidents, with one half million more crashes in 1988 than in 1986.[2] Indeed, in the past dozen years, our nation's highways have claimed ten times more American lives than were lost during the entire Vietnam war.

This paper will assess the latest available data regarding vehicular accidents and the staggering costs to American society of the injuries and deaths on our roadways. It is the contention of the Manocherian Foundation that traffic accidents--and the injuries, deaths and economic costs they spawn--can be dramatically reduced if Congress and the Administration make a cost-efficient allocation of about one percent of the federal Highway Trust Fund to bolster national public education efforts to promote safe driving.

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1. Source: National Center for Health Statistics; detailed on page 17.

2. Source: National Highway Traffic Safety Administration (National Center for Statistics & Analysis, National Accident Sampling System, and General Estimate System).

By "safe driving," we mean driving soberly, intelligently, and with much greater competence--not only in the use of cars, but with trucks, motorcycles and bicycles as well. While many worthwhile efforts have been made to discourage drunk driving, alcohol and drugs are present in 50% of fatal accidents. We propose that a public education program extending the national focus beyond seat belt use and drunk driving would make drivers aware of other principal causes of accidents and ways to avoid them.

Knowledge of road conditions, perilous highway situations and pedestrian habits significantly enhances driver competence, but most drivers have shockingly little understanding of what behavior or conditions lead to serious accidents. They have even less knowledge of how to respond to dangerous conditions or threatening situations when they are confronted by them on the highway.

We propose that the U.S. Department of Transportation launch an intensive campaign to make drivers aware of other principal causes of accidents and, in understandable, practical terms, explain how drivers can successfully develop their judgment skills to avoid becoming part of the grim legacy of our nation's inattention to defensive driving.

II. DEATH, DESTRUCTION AND DOLLARS--THE HIGH COST OF VEHICULAR ACCIDENTS.

The hazards of driving or riding in a motorized vehicle, or simply walking across a street, are substantial. The staggering health and economic costs to American society of traffic accidents were assessed at over $74 billion annually in a 1987 study prepared by the National Highway Traffic Safety Administration (NHTSA).

TABLE I
1986 Crash-Related Injuries, Fatalities and Damage Costs

LOSS	# PERSONS/VEHICLES	COST TO SOCIETY
Fatalities	46,056	$16.50 Billion
Total Injured Persons	3,417,600	$17.46 Billion *
Property Damage Only (Vehicles)	45,458,618	$29.59 Billion
Uninvolved Vehicles (Insurance Overhead)	109,714,320	$10.64 Billion
	TOTAL	$74.19 Billion

* Additional breakdown of costs to society provided on Page 18.

In the study year, more than 45 million vehicles out of some 154 million on the road were damaged in accidents--that's nearly one out of every three vehicles! The 46,056 Americans who died and the 3.5 million who sustained injuries ranging from minor abrasions to permanent disfigurement and coma, hurt American society as well as themselves. Their illness and death robbed

$16.38 billion in lost productivity from our GNP; their collisions destroyed $27.37 billion in property and drove insurance costs up by $20.86 billion. By reducing accidents by only one-tenth, America could save almost seven billion, five hundred million dollars.

Even a one percent reduction in accidents would save society three-quarters-of-a-billion dollars. The Manocherian Foundation is convinced that our proposed program will rapidly achieve a reduction in accidents well in excess of one percent.

III. CURRENT EFFORTS TO SAVE LIFE AND LIMB -- TOO LITTLE.

The highway safety programs conducted by the federal government are funded by the Highway Trust Fund, which totalled $14.8 billion in 1988.* These programs are administered by the Federal Highway Administration and the National Highway Traffic Safety Administration (NHTSA). The Federal Highway Administration's safety programs focus on improving the highways themselves (e.g., highway engineering) and comprise $433 million, or 3% of the total Highway Trust Fund. The National Highway Traffic Safety Administration's safety programs focus on the driver and the vehicle, and comprise $159 million, or 1% of the Trust Fund. NHTSA redistributes $128 million of this amount in grants to each state Governor's Highway Safety office.

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* 1988 Appropriations; detailed on page 18.

Of NHTSA's $30.3 million in federal Operations and Research funded through the Trust Fund only $1 million is expended to produce public service announcements related to safe driving. Collectively, the states spend another $2 million of NHTSA funds on production of PSA's to convey their own safety priorities to the public.*

Taken together, total federal and state PSA production dollars in 1988 amounted to less than two hundredths of one per cent of the Highway Trust Fund. Recognizing that traffic accidents are the leading cause of death among Americans up to age 34 and that 90% of all accidents are caused by driver behaviors that can be avoided, our preventive action to educate the public comprises a minuscule proportion of total highway expenditures.

During the past five years, NHTSA has leveraged the $1 million allocation for public education on highway safety to conduct two separate media campaigns in association with the Ad Council--one discouraging drunk driving and the other promoting seat belt use.[3]

NHTSA began its anti-drunk driving campaign in 1982 with "Drinking and Driving Can Kill a Friendship," followed by

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* Primary Research.

3. A third media campaign by NHTSA, known as T.E.A.M. ("Techniques for Effective Alcohol Management"), features sports figures in anti-drunk driving spots. It has generated a total of $8 million in donated advertising during the past four years, but is not analyzed here because of its relatively small size.

"Crashing Glasses" in 1983. No new advertisements on this subject have been produced recently. During the past six years, the Ad Council has procured a total of $124 million in donated television, radio, print and billboard space for these campaigns. The awareness generated by these campaigns has supported other public programs and contributed to the steady decline of alcohol-related deaths as a percentage of total fatalities, which decreased from 52.2% in 1986 to 49.6% in 1988. (See details, page 20)

NHTSA's seat belt campaign began in 1985 with the speed prevention message, "55 Saves Lives," and the "Vince and Larry Crash Dummies." In 1988, the seat belt campaign attracted donations of $28.3 million in television, radio, print and billboard media. These messages have supported the effectiveness of new speed limit and seat belt laws, and helped increase seat belt use which, according to a 19 city survey, rose from 11% in 1982 to 47% in 1988.

While the effect of these campaigns is difficult to measure, data provided by Arbitron's Broadcast Advertisers Reports (Tables VI and VII*) shows that the core effort, television, was diluted substantially by virtue of non-prime time and low frequency airing assigned to public service announcements. In the nation's top 16 markets, only 9% of the seat belt messages were broadcast during prime time, with most messages less than

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* Tables VI and VII appear on Page 20.

30-seconds long. Not only were the messages run in insufficient volume to produce major behavioral changes (at a rate of $124 million over six years), but they were run overwhelmingly in non-prime time (64% aired from 7AM to 5 PM, 14% aired from 11:30 PM to 6AM) and hence directed to a small and less appropriate audience.

What's more, critically-important information regarding defensive driving is not being communicated at all in the current media campaigns. The public education effort aimed at discouraging drunk driving relates to a factor present in half of all fatalities and 9% of all accidents. Many millions of accidents occur each year where all the parties involved are sober. This means that critically important information regarding the causes of the other half of all fatal accidents is not being communicated nationally. Lack of driver competence is the problem in most accidents, and it must be addressed.

IV. A PROPOSED CAMPAIGN TO SAVE THE LIVES OF AMERICAN MOTORISTS: THE TIME FOR DECISIVE ACTION IS NOW.

A. What needs to be communicated:

It is an established fact that the driver is the cause of 90% of all automobile accidents.[4] Of the 62,237 drivers involved

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4. Source: NHTSA

in fatal accidents in 1988, nearly 80% had no previous accident record. Moreover, 82% of fatal accidents occurred during dry weather and normal driving conditions. These findings demonstrate that driver judgment and everyday behaviors are the most critical factors in accidents.

Despite these findings, federal programs concentrate on the car, which we agree should be made safer, and on the road, which we also agree is imperative for safety. Our concern lies with the lack of attention given to the driver and the role his judgment plays.

The proposed new media campaign would focus on the prevelant causes of highway accidents in addition to alcohol and drug abuse. These include driver inattentiveness, such as taking the eyes off the road to light or pick up a dropped cigarette; tailgating; dozing off at the wheel; as well as educating the public on how to address road hazards, such as skidding or blowouts. In summary, the new programs we propose would be geared to improve driver competence, judgment and knowledge of laws and regulations.

Indeed, many Americans have no idea how to anticipate which road conditions will cause skidding, or why and when a tire is likely to blow out. None of the current federal PSA campaigns address these and a whole range of other major causes of highway injuries and deaths.

The Manocherian-Robbins Foundation conducted a survey of two hundred drivers, asking, "What would you do if the rear of your car skidded to the left?" The majority of drivers admitted they did not know what to do, or gave the wrong answer. These are precisely the skills taught in driver education courses and assumed to be common practice among all drivers. Each year such assumptions prove deadly for thousands of innocent victims. This is because driver education courses do not reach the entire population of drivers and pedestrians, and much knowledge learned is forgotten over the driving lifetime.

While it is known that driver education reduces the incidence of accidents, only a small portion of America's 158 million drivers receives formal training. The National Safety Council annually enrolls less than 2% of the nation's drivers in Defensive Driving courses.[5] From 1983 to 1987, the percentage of the nation's public and private schools offering Driver Education declined from 80% to 69%. Further, during that same period, the percentage of eligible students enrolled in Driver Education decreased from 64% to 46.3%.[6] Driver education programs completely ignore non-driving citizens and children who have not reached driving age; proper education also could reduce dramatically the 7,000 pedestrian deaths each year, most of whom are children and senior citizens.

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5. Source: National Safety Council.

6. Source: American Driver and Traffic Safety Education Association.

Secondly, it must be recognized that the knowledge attained in driver education courses--typically taken at age 16--does not remain with the individual indefinitely, for the same reasons that we cannot remember all that we learned in school years ago. Indeed, one out of every five drivers on the road today is over 60 years old.[7] This, coupled with the fact that most people taking voluntary driving courses are the ones who need them least, has led us to suggest the launching of an intensive campaign to reach those citizens who must be educated and re-educated if we are to reduce the mayhem on our nation's roads and highways.

Written materials such as the book, Flesh, Metal and Glass, published by the Manocherian Foundation, are available for the asking, but unfortunately, the people who seek and read them are those who least need them. Further, the offering of such materials to the problem driver would most likely be resisted. The solution to this problem requires reaching a captive audience to whom critical information can be brought in small doses and on a continuous basis.

To combat this growing horror, we propose that a national education campaign on television and radio, and in the print media be waged under the supervision of a unit of the U.S. Department of Transportation. The objective would be to make the

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7. Sources: Bureau of the Census, Federal Highway Administration

entire nation conscious of the highway safety problem on a continuous basis. The mass audience tuned in to the most popular shows during prime time could be taught the elements of defensive driving in much the same way that members of the audience are being persuaded to purchase products.

We are convinced that a sophisticated, effective public education campaign can be mounted which will successfully penetrate the consciousness of the majority of American drivers, teaching them how to avoid highway hazards and how to effectively cope with them if they do occur. Such a campaign, centered on television advertising, must contain three critical elements:

1) it must be continuous;
2) it must be aired in prime time and otherwise carefully targeted to accident-prone drivers (e.g., adolescents);
3) and it must utilize state-of-the-art production values, such as top entertainers and athletes as spokesmen, and the best creative talent on Madison Avenue and in Hollywood.

A truly effective campaign cannot rely solely on Public Service Announcements broadcast on donated air time, as has been the case historically, but rather must be augmented by a substantial paid advertising budget, such as that used to promote the U.S. armed services.

Additionally, it would be helpful to feature actual survivors of automobile accidents or the families of those who perished as a dramatic means of conveying the terrible human costs of death or injury.

B. What It Will Cost and What It Will Buy.

Such a campaign, which would save this nation's citizens untold grief and suffering could be successfully mounted if the President and the Congress would agree to allocate less than one percent of the Highway Trust Fund to finance the kind of public education effort proposed above. This relatively modest investment would not only save lives, disability and untold pain, but would also save our society billions of dollars each year.

The Highway Trust Fund, created by Title II of the Highway Revenue Act of 1956, is financed by the federal gasoline tax and a variety of automobile, truck and trailer fees. 85% of this $15 billion Fund is generated by the gasoline tax (including diesel and gasohol), with the rest levied from the sale of tires, trucks, trailers, and heavy vehicles. (See details, page 21.)

As mentioned earlier, only $1 million of this budget is dedicated to producing PSAs at the national level. These campaigns are conducted in association with the Advertising Council, which arranges for an agency to create the ads on a pro bono basis, and coordinates their production and distribution. From 1983 to 1988, approximately $124 million in air time was donated by television, radio, publications, and billboard companies for the drunk driving campaign. In the past six years, an average of $25 million per year has been donated for the Seat Belt campaign.

However, the annual amount of donated free air time has varied enormously during this past six-year period (1983-1988). For example, in 1986, $34 million was donated for anti-drunk driving campaigns, but in 1987, only $1 million was donated in television, radio, newspaper, magazine and billboard advertising combined! In other words, there has been no consistent steady communication program focused to specific target groups.

A six-city pilot study completed by NHTSA in 1987 sought to compare the effectiveness of paid versus donated advertising.[8] While the presence of other supportive activities in the test localities rendered some of the study inconclusive, the results

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8. Source: NHTSA, "Report to the Congress; Highway Safety Education and Information Project Prepared in Response to Section 209: Public Law 95-599, Surface Transportation Assistance Act of 1978"

for specific localities showed that:

1) messages aired on paid media produced more desired changes in driver behavior than did PSA's

2) paid messages were more frequently recalled

3) a comprehensive approach to community traffic safety, including media programs, appears to be the most effective method of altering driver behavior.

A one percent allocation from the Highway Trust Fund's appropriation of $15.9 billion will yield approximately $150 million. If such an allocation were used mainly to finance a television advertising campaign, it would match the size, sophistication and effectiveness of the campaigns waged by General Motors Corp. But instead of selling commercial products, that time would be used to save lives, prevent injuries and disabilities, and save billions of dollars. How can we, as a society, not quickly embrace such an undertaking? It is either such an undertaking or the undertaker for tens of thousands of our children, friends and loved ones, year in and year out.

Placing $125 million of this proposed budget on television advertising would buy approximately 12 billion impressions--reaching tens of millions of viewers repeatedly. An additional $25 million for a radio and print campaign would buy another 7.5 billion impressions. Only by making Americans among the most sophisticated motorists in the world can we realistically hope to change driver behavior and reduce the slaughter on our highways.

C. Implementation:

To implement this effort we recommend that two entities be established.

An 11-member committee under the jurisdiction of the Secretary of Transportation would be established within the U.S. Department of Transportation to direct the campaign. The committee, chaired by the Chief Administrator of the National Highway Traffic Safety Administration, would be comprised of two psychologists, two automobile executives, two advertising executives, two educators and two others from private foundations dedicated tc highway safety. Committee decisions would require seven members. Each committee member would receive $1.00 per annum.

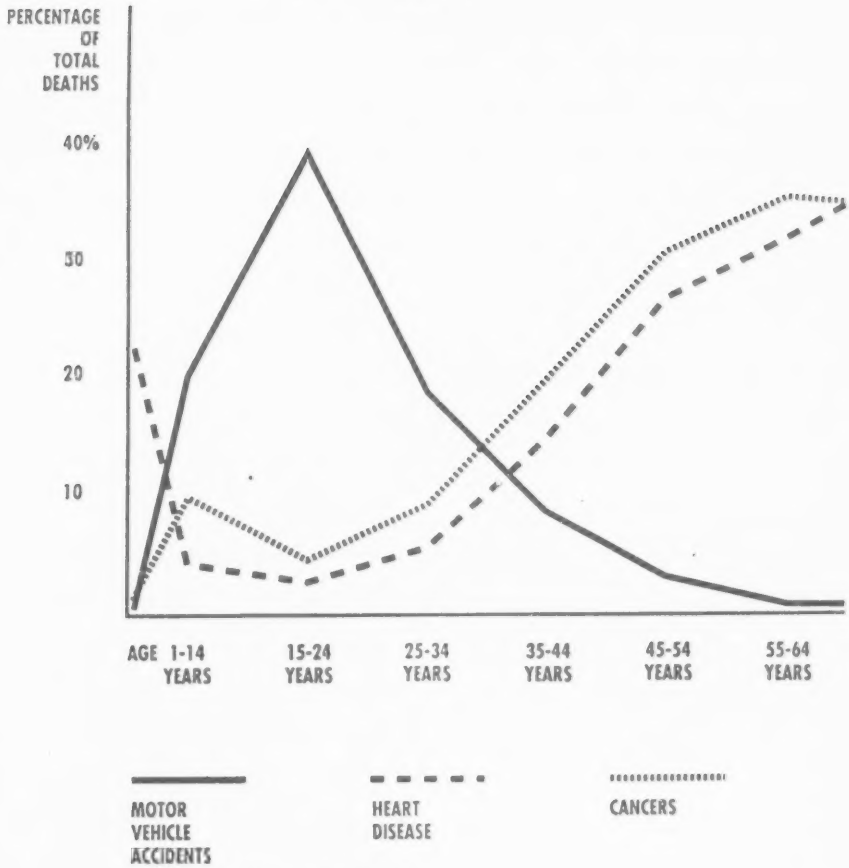
Second, tremendous gains can be achieved in each of the 50 states through the establishment of a national clearinghouse for driver safety public service announcements. This voluntary

clearinghouse would be a central resource for the states, federal government and localities to draw upon. It would feature a comprehensive inventory of all safe driving television, radio and print ads produced by the federal government, states, localities and by civic, medical and academic organizations. In many instances, states or localities could utilize materials from this "ad bank" rather than spend money to produce new materials. In this way, cost-efficiency with maximum impact will be achieved.

The Manocherian Foundation is prepared to work with the Congress, the President and the Department of Transportation to win public support for such an endeavor, which we believe will be enthusiastically embraced by the American people. The time for concerted action to bring an end to the carnage on our nation's roads is now.

Table II

LEADING CAUSES OF DEATH BY AGE
(1988)



Source: National Center for Health Statistics

TABLE III

Societal Cost of Motor Vehicle Accidents
In 1986 by Cost Category

Cost Category	$ Billion	Percent
Property Losses	$ 27.37	36.9%
Insurance Expenses	20.86	28.1
Productivity Losses	16.38	22.1
Legal and Court Costs	4.32	5.8
Medical Costs	4.12	5.6
Emergency Costs	0.70	0.9
Other	0.45	0.6
	$ 74.20	100.00%

Source: NHTSA, Office of Plans and Policy; "The Economic Cost to Society of Motor Vehicle Accidents"

TABLE IV

HIGHWAY TRUST FUND
(Appropriations - $ Billions)

	1988	1989	1990
Highway Account	$13.724	$13.06	$15.00
Mass Transit Account	$ 1.1	$ 1.14	$ .89
Total Appropriations	$14.824	$14.20	$15.89

Source: Federal Highway Administration

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TABLE V

FATALITIES IN ALL TRAFFIC CRASHES
BY THE BLOOD ALCOHOL CONCENTRATION (BAC)
OF THE HIGHEST ACTIVE PARTICIPANT IN THE ACCIDENT

	0.00 BAC		0.01-0.09 BAC		0.10+ BAC		ACTUAL
YEAR	#DEATHS	%TOTAL	#DEATHS	%TOTAL	#DEATHS	%TOTAL	TOTAL
1982:	18,780	42.7%	4,809	10.9%	20,356	46.3%	43,945
1983:	18,943	44.5	4,472	10.5	19,174	45.0	42,589
1984:	20,499	46.3	4,766	10.8	18,992	42.9	44,257
1985:	21,462	49.0	4,503	10.3	17,868	40.8	43,825
1986:	22,042	47.8	5,109	11.1	18,936	41.1	46,087
1987:	22,749	49.0	5,112	11.0	18,529	39.9	46,390
1988:	23,742	50.4	4,850	10.3	18,502	39.3	47,093

Source: NHTSA, National Center for Statistics and Analysis

TABLE VI

RELATIVE FREQUENCY OF SAFETY BELT PSAs BY DAY PARTS
(Sample period: October to December, 1988)

	October 1988		November 1988		December 1988	
	Top 16 Mrkts*	41 Next Largest Mrkts	Top 16 Mrkts	41 Next Largest Mrkts	Top 16 Mrkts	41 Next Largest Mrkts
Daytime 7 AM - 5 PM	59%	60.0%	64.0%	64.0%	69.0%	70.4%
Early Fringe 5 PM - 8 PM	14	15.0	10.0	12.4	10.1	9.4
Prime Time 8 PM - 11 PM	11	8.0	6.2	8.8	9.8	9.4
Late Fringe 11 - 11:30 PM	1	2.0	1.5	2.6	1.1	3.3
Late 11:30-Sign-out	14	12.5	17.5	11.7	9.6	7.3

* Atlanta, Boston, Chicago, Cleveland, Dallas, Detroit, Houston, Los Angeles, Miami, Minneapolis, New York, Philadelphia, Pittsburgh, San Francisco, Seattle, Washington, DC

TABLE VII

RELATIVE FREQUENCY OF SAFETY BELT PSAs BY LENGTH OF SPOT

	October 1988		November 1988		December 1988	
	Top 16 Mrkts	41 Next Largest Mrkts	Top 16 Mrkts	41 Next Largest Mrkts	Top 16 Mrkts	41 Next Largest Mrkts
10 Seconds	48%	64.6%	48.0%	63.8%	35.9%	60.5%
15/20 Seconds	7	4.2	6.4	6.2	4.6	4.7
30 Seconds	44	30.2	45.0	32.9	57.7	34.7

Primary Research

Source: Arbitron's Broadcast Advertisers Reports

TABLE VIII

SOURCES OF REVENUE FOR HIGHWAY TRUST FUND

		Calendar Year 1988 Revenues From Each Tax ($ Millions)
Excise Tax on:		
Gasoline	9 cents/gallon	$ 8,360.0 (gross)
Diesel	15 cents/gallon	2,980.0 (net)
Gasohol	3 cents/gallon	156.0 (gross)
Tires/by Weight	15 cents/lb.: 40-70 lbs.; $4.50 plus 30 cents/lb.: 70-90 lbs.; $10.50 plus 50 cents/lb.: over 90 lbs.	335.6
Truck and Trailer Sales	12 percent of sales price	1,250.0
Heavy Vehicle Use	Annual tax on vehicles 55,000-75,000 lbs. gross weight: $100.00 plus $22.00 per 1,000 lbs. over 55,000 lbs.; over 75,000 lbs.: $550.00	578.9
	TOTAL	$13,660.5

Source: Federal Highway Administration

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Statement of the

Outdoor Advertising Association of America, Inc.

by

B. Roland McElroy, President

Regarding the Reauthorization of the Highway Beautification Act

Prepared for the

Subcommittee on Surface Transportation

United States House of Representatives

April 24, 1990

I am Roland McElroy, President of the Outdoor Advertising Association of America. The OAAA is comprised of 200 outdoor advertising companies which operate in over 7,000 communities throughout the United States. These companies range in size and complexity from small localized companies, often managed by the second or third generation of family ownership, to large publicly held companies with diverse interests in media and other businesses.

In all, OAAA members maintain approximately eighty percent of the estimated 500,000 sign structures to be currently in existence.

Nationwide, the industry and related businesses employ well in excess of 100,000 people in a broad spectrum of professional and skilled jobs.

The companies in our Association provide a medium for hundreds of thousands of businesses of all sizes offering a wide range of products and services.

Outdoor advertising <u>is</u> important to these advertisers because it is a uniquely - cost effective vehicle for reaching the public.

Companies utilizing this medium generate sales and provide employment for millions of Americans. In short, our industry is an essential element of commercial life in a free society.

Political candidates, public interest and charitable institutions also rely on outdoor advertising as a means of expressing their First Amendment rights. Last year our members provided approximately ten percent of their signs free for public service messages by many worthy causes. The estimated value of this contribution exceeded $140 million.

I have been President of the OAAA for one year. I entered this job with few preconceived notions about the billboard industry. But I am continually surprised by the half-truths and distortions of fact that are perpetrated about this most basic of communications media. Frankly, the Association has long awaited this opportunity to go on record before this Committee to discuss the facts regarding billboard regulation under the Highway Beautification Act.

It is important that you know what the OAAA support's and what

we oppose.

The OAAA believes that billboards are compatible with other commercial land uses and should be located in commercial or industrial areas. But, we do not support the establishment of special zones carved out of rural environments solely to permit outdoor advertising - so-called "bogus zoning".

The OAAA supports enforcement action to eliminate illegal signs that have been erected without authorization.

The OAAA supports the right of all to advertise lawful products, as well as noncommercial and political messages. In this regard there has been much erroneous publicity about billboards and cigarette advertising. But the fact is that relatively few of our members' signs actually carry cigarette advertising - the nationwide average is approximately 10%.

Finally, we are against the unauthorized cutting of vegetation along the highway right-of-way, and we support effective enforcement activity at the state level to prevent these abuses.

We do support the Highway Beautification Act. The record

demonstrates that this law has worked and that it retains its vitality as the core regulatory device for controlling billboards on the nation's principle federal highways. If the Committee closely examines the issues regarding the Act that have been raised in these hearings, it will find that they are largely unsupported or based on anecdote. In candor, there are clearly pockets where problems remain. But in the final analysis they are due to inconsistent or lax enforcement and do not reflect fundamental flaws in the basic regulatory scheme established by the Act.

On the surface, it may seem disingenuous to some for an industry to argue that a law which regulates it may also serve the public interest. Indeed, the fact is that the just compensation provisions of this statute are of critical importance to billboard owners. But, as I will explain in greater detail, this aspect of the statute simply reaffirms a basic tenant of the Bill of Rights which guarantees to every individual and every business in this country the basic right to be compensated when property is expropriated by governmental action. That is the core interest

that the OAAA seeks to preserve and that is the fundamental reason why we support an Act which otherwise imposes substantial constraints on our business. It also reflects the essential balance that was struck by the Congress in enacting this statute. Our opponents want to upset this balance because they say "things have regressed terribly". Allow me to tell you how things have in fact changed.

In 1965 there were 1.1 million billboards along our cornerstone Interstate and federal aid primary highways. Since that time, over 710,000 billboards have been removed, including 95% of the illegal structures in existence in 1965. At the same time that this dramatic contraction of signs has occurred, the miles of interstate and primary highway have expanded significantly. When new billboards have been constructed, they have been confined to commercial or industrial areas under tight constraints and pursuant to state and local authorization. Despite these gains, there are still some illegal billboards and some signs are located in genuinely scenic areas or in other inappropriate locations. But

we believe that the number of such signs is small and these few remaining exceptions can be readily eliminated through effective enforcement action or cooperatively negotiated removal programs.

Indeed, there is much evidence that the statistics that have been bandied about regarding the number of problematic signs is grossly inflated and unreliable. For example, out of 33,094 illegal signs that the U.S. Department of Transportation has identified as still in existence, 11,000 alone are supposedly in the state of Iowa! Mr. Chairman, I don't know what those signs are, but they are not billboards.

The state of Arizona reports that there are 658 nonconforming signs rather than the 3,500 reported by DOT.

A sampling of Pennsylvania's statistics reveals that the number of nonconforming signs in that state is overstated by a factor of one-third.

CALTRANS recently reported that of the total nonconforming signs reported in that state by DOT, only 12% were standardized billboards.

In testimony before this Subcommittee even proponents of billboard prohibition admitted that they were not confident they had reliable statistics for many of their assertions.

Without dismissing those instances where problems remain, we are confident the Committee will not permit itself to be manipulated by hyperbole nor will it conduct a serious evaluation of the Beautification Act based upon anecdotes and exceptions.

For now the true efficacy of the Highway Beautification Act can be best measured by the data available regarding removals, which is accurate, and by the fact that in 1990 - twenty-five years after the first implementation of the Act - the public simply does not identify billboard control as a pressing environmental problem.

During the week preceding Earth Day, the news media were full of stories about the major environmental issues facing Americans. None of the opinion surveys reported mentioned billboards as an environmental concern of Americans. For example, the Gallup Earth Day poll, conducted April 5 - 8, 1990, citizens were asked to list their major environmental concerns. No one named billboards.

Indeed, during the Earth Day celebrations last week, billboards were used by local sponsors in many areas to promote environmental awareness.

One of the myths regarding the Highway Beautification Act is that it has in some respect created a barrier to the ability of localities to regulate outdoor advertising effectively. That is not so. Under the framework of the Highway Beautification Act, the Department of Transportation, through individual agreements with the states, has established minimum criteria governing the location and size of billboards contiguous to Federal aid primaries and Interstate highways. In summary, those regulations require that billboards must be located in bona fide commercial and industrial areas, that billboards must be spaced a specific number of feet apart, and that they cannot exceed a specific size and height.

It is important to note also that illegal signs have no valid status under the Act and are not subject to the just compensation provisions.

Contrary to testimony before this Committee, the statute does

not authorize the construction of billboards in national parks or historic sites.

Again these are minimum standards only. Section 131(k) specifically preserves the authority of the states and their political subdivisions to impose more rigorous restrictions or to prohibit outdoor advertising completely. Indeed, I am unaware of any significant jurisdiction that does not currently impose restrictions on the size and location of billboards. Furthermore, nothing in the law prevents a state or locality from prohibiting billboards entirely. And although it is not a happy state of affairs for us, four states and a small number of localities have done just that. But those jurisdictions are in the distinct minority. The very broad majority of communities in this country have balanced outdoor advertising within their overall commercial plan.

The other great myth that is perpetrated by those whose real agenda is to eliminate and not regulate billboards is that the just compensation provisions of the Beautification Act have undercut

some otherwise clear authority of government to take signs without paying for them. The Executive Director of Scenic America recently testified before this Committee that were it not for the Act, state and local jurisdictions could force the elimination of billboards without the payment of just compensation through the simple expedient of delaying the date that they are taken. He also testified that almost all the courts have routinely sustained laws requiring the removal of billboards upon the expiration of such a fictional grace period.

The simple fact is that government cannot wish away lawfully erected billboards without paying for them anymore than it can take part of your front lawn for a road widening without paying you. One does not have to be a lawyer to know that such a notion is ludicrous and inherently unfair.

In essence, the just compensation provisions of the Highway Beautification Act implement the Fifth Amendment. At one time, this provision was controversial because some Courts did accord broad latitude to zoning actions, initiated under the guise of the

police power, which effectively destroyed the economic value of many land uses including billboards. But it is now quickly becoming clear that in enacting the Highway Beautification Act and other similar laws like the Uniform Relocation Assistance Act, the Congress was acting consistent with the law, and in advance of the Courts. Now the Courts have begun to confirm the wisdom of such legislation and the law seems to be shifting rapidly regarding the applicability of the Fifth Amendment to so-called regulatory takings which circumvent the just compensation requirement.

This began in 1987 when the U.S. Supreme Court issued several landmark Fifth Amendment decisions. These decisions held that government action at any level that deprives an owner of all beneficial use of his property is invalid unless just compensation is paid for the loss - even where the loss is only temporary. See First English Evangelical Lutheran Church of Glendale v. County of Los Angeles, 107 S.Ct.2378 (1987); Keystone Bituminous Coal Association v. De Benedictus, 107 S. Ct. 1232 (1987); Nollan v. California Coastal Commission, 107 S. Ct. 3141 (1987); Hodel v.

Irving, 107 S. Ct. 2076 (1987). The principles articulated by the Supreme Court have now been directly applied in one federal Circuit to test the validity of so-called amortization laws. In his testimony before this Committee, Mr. Mc Mahon cited a 1986 decision by the U.S. Court of Appeals for the Fourth Circuit in Naegele Outdoor Advertising v. City of Raleigh, 792 F2d. 1269 (1986), for the proposition that so-called amortization laws were presumptively valid on their face under the Fifth Amendment. He further stated that this result had the tacit approval of the Supreme Court by virtue of the Court's refusal to accept an appeal in that case. I am advised by lawyers, that it is Supreme Court doctrine that nothing can be inferred from a refusal to accept a case on appeal. But Mr. Mc Mahon was more than just being disingenuous about this procedural issue. He also failed to explain that within one year after issuing the Raleigh decision, the same Court of Appeals held in a second decision in Naegele Outdoor Advertising v. City of Durham, 844 F2d. 172 (1988), that in view of the Supreme Court's regulatory taking decisions, amortization could no longer be

presumed constitutional under the Fifth Amendment just compensation clause. Last week the Fourth Circuit again reaffirmed this principle. See No. 89-1005, _ F2d ,_ 1990. These are heartening developments. Nevertheless, the Courts have not yet caught up completely and the just compensation provisions of the Act are still essential to our industry to ensure fairness.

There is great confusion about the distinction between nonconforming and illegal signs. It is important to understand that the provisions of the Beautification Act apply to lawful "non-conforming" signs only and provide no compensation for the owner of an illegal sign. An illegal sign is simply a sign that has been constructed without governmental authorization. A nonconforming sign is a lawfully erected structure. "Nonconforming use" is not a special concept invented for billboards. Rather, the term is used to categorize any lawfully established land use that does not conform to a revision in zoning law enacted after the use was constructed. Nor is it novel for such uses to continue in existence for many years after they become nonconforming until

finally they are supplanted through redevelopment. As a result, most jurisdictions are a crazy-quilt of conforming and nonconforming uses. And where the immediate elimination of a nonconforming use is deemed important for some critical public policy reason, the governmental entity involved initiates an action to condemn the use and pay just compensation.

The just compensation provisions of the Beautification Act parallel this structure with respect to nonconforming billboards and provide for a seventy-five percent federal contribution towards expense of the removal. To date over 118,000 nonconforming signs have been removed in this manner. The OAAA has consistently supported funding of the Act for this purpose and we encourage the Committee to authorize at least five million dollars in funding in the current reauthorization, with the stipulation that the Department of Transportation establish policy priorities so that these funds will be used for the expedited removal of those nonconforming signs that are deemed most troublesome.

In recent years, the Highway Beautification Act has also

provided a context for the joint development by local jurisdictions and individual billboard companies of new innovative regulatory mechanisms predicated on the Act's framework. As jurisdictions come to recognize that they must pay for billboard removal, they have tended to prioritize their real concerns. Likewise, billboard companies have come to understand that the long term viability of their businesses cannot be predicated on the maintenance of nonconforming signs alone. As a result, a significant and growing number of jurisdictions throughout the country have resolved disputes informally through comprehensive agreements with local billboard companies including such localities as Montgomery County, Maryland and Portland, Oregon. This type of meaningful informal problem solving has been fostered by the Act.

Mr. Chairman, the simple fact is that the Highway Beautification Act has worked. Today, there are an estimated 710,000 fewer signs contiguous to controlled highways than there were in 1965. Unbridled proliferation has been checked and newly constructed billboards are confined to commercial and industrial

areas.

Billboards have been a primary communications medium virtually since the inception of this country. Billboards remain critical for the dissemination of commercial messages and political and non-commercial speech. Because outdoor advertising is particularly effective for projecting specific ideas and impressions in a succinct manner, and because it is lowest in cost of all the major mass communications media, outdoor advertising is recognized as an vital outlet for a broad spectrum of advertisers who wish to reach the public with their message. For many advertisers like those involved in tourism and related industries, billboards are simply not replaceable. Moreover, since each communications medium has unique and sharply different characteristics and limitations, outdoor advertising expands the opportunities for effective communication beyond the capabilities of other media.

These characteristics make outdoor advertising particularly important to local and regional advertisers. As a result, these smaller businesses represent approximately sixty-five percent of

the commercial advertising in the outdoor medium. Indeed, one of the principal categories of local businesses that rely heavily on outdoor advertising are other media including television and radio stations and newspapers. Local political advertisers rely heavily on billboards during election cycles. Advertising is also important to national advertisers who are increasingly confronted with the difficulty of disseminating their messages to an audience that has been fractured by a multiplicity of media alternatives.

Earlier testimony sought to inject the issue of cigarette advertising regulation into this Committees deliberations. Clearly, this complex and controversial problem is not a legislative issue in the context of the Highway Beautification Act. Nevertheless, I do not want to simply dismiss the issue and would like to put certain facts on the record.

As I indicated earlier, a nationwide average of only ten percent of our members signs disseminate cigarette advertising. There are no tricks or caveats in that statement; that is the number.

Moreover, members of the OAAA have acted in a responsible manner in the way they handle this category of advertisers. Many of our members have established exclusionary zones which preclude the location of advertising for tobacco and alcohol products within five hundred feet or within the intended view of schools and churches. Other members have developed locally based programs that disseminate original public interest messages regarding smoking or offer space to the national and local health organizations for dissemination of their messages. These programs are not new and precede the current controversy by many years. The OAAA's policy is to encourage such actions by its members to achieve a balance of information.

Recently, you may have read a news report regarding billboard advertising of cigarettes and alcoholic beverages in minority areas. Those stories actually underscore just how unrelated the smoking issues are to an assessment of the Highway Beautification Act. The billboards at issue in some of our major urban areas are referred to as "junior panels". These signs comprise a specialized

urban medium designed specifically for a pedestrian-oriented city environment. The are regulated solely by local laws and have been encouraged in some jurisdictions because of their smaller size. They fall completely outside the scope of the Beautification Act. It is clear that this area involves policy considerations unrelated to the Highway Beautification Act.

Finally, Mr. Chairman, outdoor advertisers are an important part of American life.

* We are a traditional advertising medium. We provide an accessible, cost-efficient and highly effective vehicle for businesses, small and large, to convey information about their products and services.
* We are a useful medium. We provide needed information to motorists and we help customers make decisions. We are an integral part of the information community.
* We are an entertaining medium. We challenge the creativity of advertisers with conditions of simplicity.
* We are a responsible medium. We have a 100 year history

providing important public service announcements to the communities we serve. Thousands of local organizations count on us each year.

* We are a controlled medium. We are subject to extensive regulation at the local, state and federal levels.

We believe in reasonable regulation and control. We are committed to working closely with government at all levels to accomplish this goal.

Of course, we accept the notion that billboards should not be everywhere. Decisions must be made in the basis of reality. Businesses have a right to promote their legal products and services. Citizens have a right to be informed.

When elected officials at all levels of government consider laws that may impact billboards, we only ask officials to consider reality, not hyperbole; consider practicality, not purity.

Thank you.

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STATEMENT BY LOUIS G. NAPPI

CHAIRMAN

NATIONAL TRUCK WEIGHT

ADVISORY COUNCIL (NTWAC)

ON A

PROPOSAL FOR

SPECIALIZED HAULING VEHICLE (SHV) PERMITS

Before the House Public Works and Transportation
Subcommittee on Surface Transportation

April 24, 1990

SUMMARY OF NTWAC TESTIMONY:

In lieu of current Federal truck weight requirements, all states should be allowed to adopt voluntarily a program to issue permits for Specialized Hauling Vehicles (SHVs) to operate on the Interstate System. SHVs are unique trucks that have great difficulty in meeting federal truck weight standards, particularly the bridge formula, without sacrificing safety and/or productivity. The Special Permit Program proposed would enable SHVs to operate productively within the safety and maintenance design specifications of the Federal-Aid Highway system, while postings and route restrictions would assure protection of substandard structures.

Examples of SHVs include garbage trucks, ready-mix concrete mixers, dump trucks and roll-off container trailer combinations.

Accompanied by:

Larry S. Snowhite
Mintz, Levin, Cohn, Ferris, Glovsky & Popeo
Counsel to NTWAC

Specialized Hauling Vehicles (SHVs) Have Unique Problems In Complying with Federal Weight Laws

Current federal law limits the weights and axle spacings of trucks operating on the Interstate System, unless a state qualifies for an exemption under the grandfather clause. Trucks are, in effect, rewarded under current law with added allowable weight for increased number and spacing of axles. Application of this policy to trucks that are Specialized Hauling Vehicles (SHVs), however, is counterproductive because of the unique design and operating characteristics of SHVs.

All trucks are not the same. Specialized Hauling Vehicles (SHVs) are different from 18-wheel tractor-trailers and longer combination vehicles (LCVs). SHVs are trucks used for hauling heavy bulk materials. Typically, SHVs are garbage trucks, concrete mixers, dump trucks, and roll-off container trailer combinations. They carry such materials as garbage and wastes; scrap and recyclable materials; ready-mix concrete; and sand, gravel, and crushed stone. Nationwide, the number of trucks that would be considered to be SHVs is at most about 250,000, or fourteen percent of the largest weight classes (Classes 6, 7, and 8); the number of permits issued would be far fewer.

SHVs share certain common characteristics. SHVs have heavy tare, or empty, weights, attributable to structural design or specialized equipment installed on the vehicle for handling the heavy load; for example, when empty, a three-axle ready-mix concrete weighs 35,000 pounds. The materials hauled generally cannot be diverted to rail or other transport. SHVs generally operate for short distances and are empty for one direction in a round trip.

SHVs require short wheelbases in order to maneuver safely at construction sites, on city streets and alleys, at facilities with limited clearance, and at off-road locations. Because of their short wheelbases, the maximum legal weight for SHVs is usually determined by the federal bridge formula, rather than by gross weight limits.

Taking together the functionally-necessary characteristics of heavy tare weight and short wheelbase, the result is that SHVs cannot meet federal truck weight standards, particularly the bridge formula, without sacrificing safety and/or productivity. Users of specialized hauling vehicles cannot simply lengthen the wheelbase to take advantage of the greater gross weight permitted under the bridge formula for longer vehicles because of maneuverability and safety considerations; sometimes various devices are added to a vehicle simply to provide technical compliance with the bridge formula, but these "Rube Goldberg" devices may not be able to

installed on many vehicles, and where installed may raise serious safety and cost questions without necessarily assuring that the truck will be able to operate within the safety and maintenance design specifications of a highway. One consequence of complying with the bridge formula by operating at lower payloads is that a three axle SHV, which when empty weighs 30,000 to 35,000 pounds, can carry only 13,000 of payload.

Thus, current federal law in effect lessens the productivity of SHVs by virtue of their being what they are.

Additional consequences of requiring SHVs to operate within federal limits on the Interstate System include forcing SHVs to by-pass the Interstate System, traveling instead over state and local roads and bridges that are built to lower standards than those for the Interstate System; increased cost of manufacturing, purchasing, and operating a SHV; increased costs of transporting solid wastes for recycling and resource recovery; and increased costs of building roads and bridges. In addition, weight restrictions on SHVs require more trucks and more truck operations, which causes increased traffic congestion and idling time, all of which contribute to greater air pollution and fuel consumption.

What is NTWAC

The National Truck Weight Advisory Council (NTWAC) is a non-profit organization, founded in 1982, representing commercial industries involved in heavy hauling, such as construction, waste services, scrap iron, paper and forest products, bulk transportation, and building materials and supplies industries. Its members include national and state organizations and individual companies, such as the American Road and Transportation Builders Association (ARTBA), the National Solid Waste Management Association (NSWMA), the Institute of Scrap and Recycling Industries (ISRI), the National Ready Mixed Concrete Association (NRMCA), and the Dump Transport Industries Association (DTIA). Its objective is to obtain equitable and rational truck weight regulation for Specialized Hauling Vehicles.

States Should Be Authorized To Be Able To Adopt Voluntarily A Permit Program For Specialized Hauling Vehicles (SHVs) In Lieu Of Current Federal Requirements

A reasonable alternative is a special permit system for SHVs that could be adopted voluntarily by states without regard to grandfather clause status. It would allow SHVs to operate productively on the Interstate Highway System within the safety and maintenance design specifications of these highways. The NTWAC proposal incorporates a standard now used by several states in issuing permits; it is consistent with the AASHTO-specified basis for issuing permits to heavier-than-normal vehicles and with FHWA's basis for reporting structural deficiencies of bridges. As the nation appears ready to resume the task of rebuilding our infrastructure for the future, that task will be helped by a reasonable truck weight regulatory system for the trucks that will be used to build that infrastructure.

The National Truck Weight Advisory Council (NTWAC) has proposed that any state, regardless of grandfathered qualification may issue permits for SHVs that would enable their operation without regard to federal gross or axle weight limits or the bridge formula.

To qualify, the state SHV permit program would have to comply with the following basic elements:

(1) allow the operation of SHVs at gross and axle weights that do not exceed the lesser of (a) the manufacturer's certified gross vehicle rating or (b) 75 percent of the yield stress, i.e., the operating rating, calculated on an HS 20 bridge (if the SHV does not exceed 55 percent of the yield stress, i.e., the design rating, of an HS 20 bridge, no permit would be needed).

(2) restrict the routes over which permit vehicles may operate safely;

(3) post and/or limit the operation over bridges which cannot safely accommodate permit vehicles;

(4) establish a fee structure for permits that will be adequate to cover increases in highway agency costs and any administrative and enforcement costs resulting from permit vehicles; and

(5) establish an effective enforcement program which should include measures to assure safe operation and compliance with permit provisions.

How Is The Permit Weight Determined?

NTWAC's proposal for determining permit weight is based on the standard method of calculating the impact of a truck on a bridge, determined on the basis of the weight of a truck (called the "live load") on a bridge, and the load-bearing capacity of the bridge. Bridges are rated on the basis of safe levels of stress that may be imposed before the structure will undergo permanent deformation or "yield."

Rather than limiting allowable weights based on the bridge formula, the NTWAC proposal would allow a SHV to operate under a special permit provided it would not exceed the operating rating of a bridge. The operating rating is the standard that AASHTO recommends be used for issuing permits to heavier-than-normal vehicles. It also corresponds to FHWA's basis for reporting structural deficiencies of bridges. It can be easily calculated for any vehicle based on the number and spacing of axles and the vehicle's axle weights.

SHV permits would be based on the operating rating of an HS-20 bridge (bridges are rated on the basis of design loadings -- the higher the number, the greater the load that the bridge is designed to carry). The operating rating corresponds to 75 percent of the yield point for that bridge. The HS-20 design load was introduced in the early 1940's, and is the basis for Interstate System construction; fewer than 1,000 of the 50,000 bridges on the Interstate System have design loads of H-15 or less.

To determine a SHV's permit weight (which cannot exceed the manufacturer's GVW rating), its live load moment would be calculated and then plotted in comparison to the operating rating curve of an HS-20 bridge. If it does not exceed the operating rating, it could receive a permit. If the proposed permit weight would exceed the operating rating, either a permit would not be issued or the allowable permit weight would have to be reduced.

This is a relatively simple calculation, and provides a graphic illustration of whether the SHV would qualify for a permit; it is also a conservative permit criteria, as evidenced by the results on bridges designed to standards that exceed HS-20.

NTWAC has plotted on a graph the live load moment of a 3-axle, 16.5 wheelbase SHV weighing 80,000 pounds and a 5-axle, 36.5 foot wheelbase SHV weighing 110,000 pounds on a variety of bridges (Exhibit 1 (1)-(10)). The stress curves clearly demonstrate that the SHVs would not exceed operating ratings.

These weights are used for illustrative purposes, and do not necessarily represent weights that might be allowed by a state under a permit program. Permits for maximum allowable weights could be issued by a state based on the live load calculation of a specific truck, with the plotted curve carried in the permit vehicle along with the permit. States could also establish maximum permit weights for different classes of truck configurations, based on these live load calculations.

Impact of a SHV Permit Program on Bridges

Under the proposed permit program, SHVs operating on the Interstate Highway System would be exempt from the federal bridge formula. The NTWAC proposal would be a replacement for the bridge formula. Because it would assure that permit vehicles do not exceed the operating rating of an HS-20 bridge, it would be at least as protective and in some instances more protective of structures than is the current bridge formula. The bridge formula is overly cautious on weights for shorter vehicles and has no theoretical basis for the overstress criteria used to limit weights and configurations; it also allows some vehicles to exceed the operating ratings of some bridges.

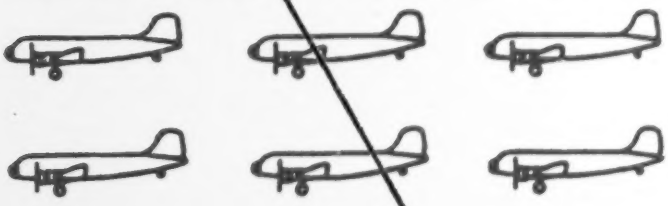
It makes no sense to limit the design of tomorrow's trucks to the infrastructure and design standards of over half-a-century ago. If we were to compare our truck weight policy with that for planes, if we were to design today's planes by the runway design standards of the 1940's and 1950's, we would not have 747's or DC-10's. All planes would be the size of a DC 3 -- we would need six DC-3s to carry the same number of passengers as one 747 -- or else we would be requiring jumbo jets to have so many landing gears that they would weigh as much as the plane (as illustrated below).

FIGURE A

IF F.A.A. POLICIES WERE SIMILIAR TO THE K.H.W.A., AIRPLANE SIZE WOULD BE DICTATED BY THE RUNWAY DESIGN.

INSTEAD OF ONE - 747 (360 PASSENGERS)

WE WOULD HAVE SIX DC-3 SIZE AIRPLANES (60 PASSENGERS EACH)



TO DECREASE RUNWAY LOADINGS THIS MAY RESULT IN THE LANDING GEAR WEIGHING AS MUCH AS THE PAYLOAD, RESULTING IN THIS 747.

THE POINT IS THAT THE CURRENT ROADWAY DESIGN IS DICTATING THE SIZE AND EFFICIENCY OF VEHICLES WITHOUT REGARD TO THE SAFETY AND ECONOMICS INVOLVED.

A bridge's operating rating is itself a workable and protective regulatory standard for issuing SHV permits. A permit system based on operating ratings also enables a reduction in the number of SHVs that will be traveling over bridges. As previously shown, under the proposed permit system a three-axle SHV with a wheelbase of 16.5 feet can weigh 80,000 pounds -- of which 45,000 pounds is payload -- without exceeding the operating rating of HS-20 bridges. Under the current bridge formula, this same vehicle is limited to 48,000 pounds -- of which only 13,000 pounds is payload. Thus, under the NTWAC proposal, one SHV permit truck would be able to carry the same payload that would otherwise require almost four trucks to carry.

Setting permits based on the operating rating would, in practice, provide a significant margin of safety, even for those bridges that no longer meet an HS-20 standard. A recent study by the National Solid Waste Management Association found that only two out of 32 three-axle refuse trucks currently on the market would impose loadings above the design rating (55 percent of yield) on an HS-20 bridge, and neither of these would exceed the operating rating (75 percent of yield). Although the operating rating is an absolute upper limit for a permit vehicle, in practice the actual weights of permit vehicles are likely to be less. This is confirmed by New York State's experience. The State, established a Permanent Advisory Committee on Truck Weights to evaluate its permit program, which was based on the NTWAC proposal. The Committee submitted a Final Report to the Governor and Legislature (Exhibit 2) reviewing the program's operation, finding that the average permit vehicle carried 75 percent of the maximum allowable payload under the state's permit system. The Committee's consultant calculated that the permit program's annual bridge fatigue damage was $23 thousand, while the annualized replacement cost for weight-restricted bridges was $18.6 million. Consider these costs -- which cannot be allocated just to SHVs -- against SHV permit fees of approximately $10 million annually, and a penalty structure that ranges up to $7,000 and under which a permit-holder exceeding the permit weight by as little as one pound can be fined $2,700.

Recognizing that there may be some bridges that might not accommodate a permit vehicle, the SHV permit program calls for posting and route restrictions and priority replacement for deficient bridges (e.g., H-15). Over half the states now post bridges based on operating ratings. Based on experience to date, it can be anticipated that states would choose to post (rather than replace) many bridges, particularly on low volume routes, and that route restrictions also would significantly reduce bridge cost impacts. The small number of permit vehicles involved makes this a very practicable strategy.

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Any analysis of bridge prospective bridge impacts must also factor in the estimates that 5,000-8,000 bridges will be replaced and upgraded annually, probably to HS-25 or greater. If implemented, the bridge impacts attributable to an SHV permit program would be mitigated further.

Finally, non-Interstate System bridges would benefit in states that allow permit vehicles to shift to the better-designed Interstate System.

Impact of a SHV Permit Program on Pavements

Pavement impacts attributable to SHVs and to any truck are a matter of continuing controversy that will not be easily resolved, nor are we trying to do so here. But studies have been done that confirm that the NTWAC permit proposal would not have an adverse effect on pavements. For example, New York's Permanent Advisory Committee concluded that the annual cost of pavement damage attributable to the permit program was small, in particular because of the small proportion of permit vehicles to the over-all vehicle population. The Committee's contractor calculated, using the conventional ESAL equivalency models, that the annual cost for pavements was $500,000.

Evaluating pavement impacts requires consideration of the substitution effect of a permit program. A single SHV operating under a permit can carry the same payload that two, three, or even four non-permit trucks would otherwise be required to carry. It is not simply comparing the effect of one 48,000 pound truck versus one 80,000 pound truck on the road -- the true comparison is between four trucks each weighing 48,000 pounds versus one truck weighing 80,000 pounds to carry the identical payload. It is also a comparison of the impacts on the return trip, after the payload is delivered, comparing four empty trucks each weighing 35,000 pounds to one permit truck weighing 35,000 pounds. NTWAC believes that its proposed permit program produces the more desirable outcome.

A fresh look at the underpinnings of the pavement damage models that make up the basis for the "conventional wisdom" also provides an opportunity to raise significant questions.

As seen by the shape of the curves on Figure B, the top logarithmic graph of thickness versus axle load applications from the AASHTO road test seems to indicate that there is an increasing need for extra pavement thickness after the first million applications. This is the apparent basis for the fourth-power rule, which is the basis for stating that pavement damage increases by a factor of four for each 1,000 pounds of axle load. It also appears that 75 percent of the graph was the result of testing and only 25 percent was extrapolated.

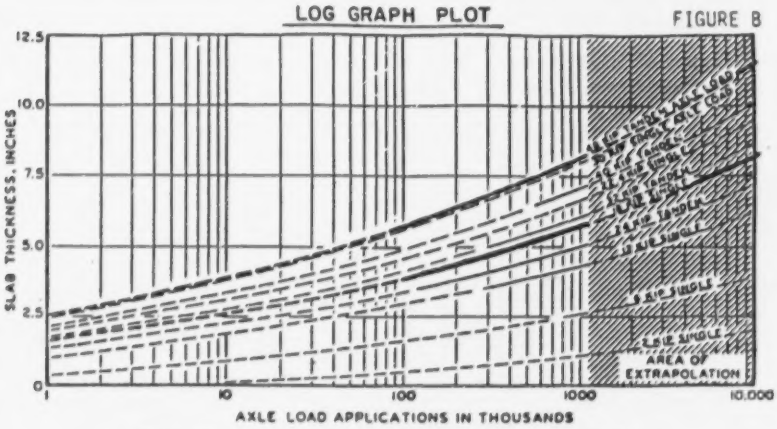
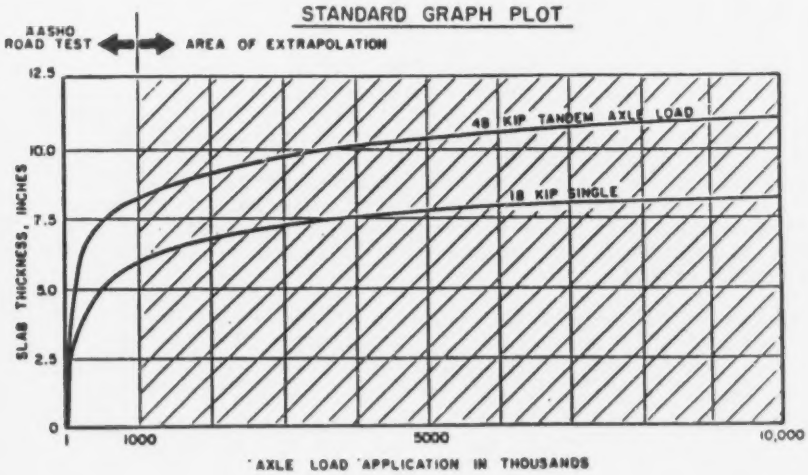


Figure 117. Rigid pavement performance curves from Road Test equation, experiment design 1, for $p = 1.5$.

(From "The AASHO Road Test", Report 5 Pavement Research)



The standard plot of the same data indicates the opposite. In fact, only 10 percent of the graph was obtained by actual test -- 90 percent was extrapolated. The curves clearly start to level off after the first 100,000 load applications, not get steeper. They do not follow a fourth-power relationship. Also, the curves become parallel after the first 100,000 applications, i.e., repeated numbers of applications of any load will require the same additional thickness of pavement. The conclusion is that most of the thickness index is required in the first 100,000 applications, and that load is not a big factor thereafter.

The shape of the graphs are correct, but the quantitative aspects are not correct when applied to failure by loading alone. Therefore, the AASHTO curves demonstrate that if the pavement is going to fail due to loads, it will fail immediately. If it does not fail before the 100,000 applications, there is no fourth-power relationship of weight to damage.

Impact of a SHV Permit Program on Enforcement

NTWAC recommends strong enforcement tied to its recommended permit program, believing that fair enforcement of reasonable weight limits provides a level playing field and an incentive to industry to comply and engage in self-policing in order to retain its permit program. NTWAC has consistently endorsed such enforcement-related measures as key elements of the proposed SHV permit system.

The current enforcement system is not working. The proposed SHV permit program would be a significant improvement over the status quo. Experience in grandfathered states shows a permit system with reasonable weights increased compliance and eliminated "spikes" of extremely overweight vehicles.

A SHV permit system is simpler to enforce than the current calculations needed to determine bridge formula compliance. It would have greater legitimacy and have industry support in order to assure that the permit program would be continued; truckers would be able to operate at reasonable weights and therefore would not have the incentive to operate at grossly overweight and unsafe loadings. Up-front fees are more equitable than after-the-fact fines and less subject to enforcement discretion, and can be earmarked, as New York does, to greater enforcement.

Penalities for repeat and serious offenses can be greater under a permit system and be given more credibility for judicial enforcement, and permits can be revoked for repeated

or severe violations. States can also require safety-related improvements as a condition of a permit. Limited enforcement resources can be devoted to more pressing priorities, such as vehicle safety inspection and substance abuse.

Impact of a SHV Permit Program on Safety

An SHV permit program will also result in safety benefits. It is also important to stress that an SHV, when properly designed, is an inherently safe vehicle that must meet stringent NHTSA as well as industry requirements. Heaviness does not equate with risk. Again citing the Final Report to the Governor and Legislature of the New York State Permanent Advisory Committee on Truck Weights, its "major finding is that greater accident severity and involvement for heavy trucks (gross vehicle weight greater than 26,000 lbs.) cannot be conclusively attributed to vehicle weight. ... No evidence could be found to suggest that the safety of the traveling public is compromised by permit trucks." (emphasis added)

To comply with the braking requirements of the Federal Motor Carrier Safety Regulations, all trucks must meet the stopping distances set forth in 49 C.F.R. Part 571.21. Braking performance and stopping distances must be achieved regardless of Gross Vehicle Weight Rating. Safety as measured by FMVSS 121 is a function of truck specification and equipment application, rather than weight. The critical factor is ensuring that all trucks, and heavy trucks in particular, be operated in accordance with their certification weight ratings. An SHV program with increased inspection and enforcement and sufficiently punitive measures for those who operate in overweight conditions would enhance safety by eliminating unsafe configurations from the highways, particularly aftermarket modifications to add axles that are motivated solely to obtain more bridge formula weight, rather than from sound specification principles.

Simply increasing wheelbase to achieve greater bridge formula allowances also adversely affects safety in SHV because of the need for manueverability and stability that is a basic operational constraint shared by this class, either because of tight quarters or the need to keep tipping moments to a minimum in off-road dump-type unloading. An increase in wheelbase from 15.5 feet (47,000 lbs. bridge formula) on a three-axle truck to 22.5 feet (52,750 lbs. bridge formula) would result in a degradation in manueverability because of a 30% larger turning radius. Such a configuration, which would be virtually unusable in many construction and refuse operations would not even allow a truck to be loaded to the standard federal axle limits.

In addition to assuring safer vehicles, a safety benefit of a SHV permit program results from the substantial reduction in the number of vehicles and vehicle miles. At an average total cost per motor vehicle accident of approximately $3,700 (from the 1989 edition of the National Safety Council's Accident Facts), and a rate of 15.23 accidents per million miles driven for trucks, as cited in that same publication, safety-related savings of $56,000 per million miles not driven could result from a SHV permit program.

The driver must also be factored into the safety equation. SHVs require highly skilled drivers who must have knowledge of materials handling, on- and off-road driving skills, and frequently the ability to operate complex power equipment that is an integral part of many of these trucks. In an era that is predicting severe shortages in qualified drivers, SHV operators -- particularly in the Northeast -- are facing significant challenges in locating, recruiting, and training qualified commercial drivers. A SHV permit system provides an additional means to assure that SHVs are operated by qualified drivers, while helping to mitigate the supply problem.

Impact of a SHV Permit Program on the Environment

The improved productivity of SHVs operating under a permit program, and the reduction in the number of vehicles and vehicle miles traveled, have a positive environmental impact.

A key beneficiary of a permit program are such waste management programs as trash collection, recycling, resource recovery, and Superfund cleanups, because the costs of transporting materials would be reduced. Transfer stations could be more efficiently utilized. Diversion of SHVs from local roads onto the Interstate System could even reduce local opposition to regional waste management programs.

Air pollution is reduced under the proposed permit program because of fewer vehicles and also because of more efficient operations and therefore less waiting time, factors that are particularly important in urban areas with severe automobile-related Clean Air Act non-attainment problems. A recent estimate of the impact of congestion is that in 1987 the cost of congestion (including extra fuel, increased accidents, and time lost) in the 25 largest metropolitan areas was about $42 billion.

Net environmental impacts is most dramatically affected in changing the required number of SHV's because of the lower payload ratio to total vehicle weight (because these trucks are

heavier empty than the general truck fleet) and the operating profile, which is typified by SHV's running 50% or more of its total miles in an empty condition. Considerable energy is consumed in moving the base vehicle, with its integral operating equipment, such as mixers, lifts, compactors, roll-off containers, etc. This can be illustrated by an example, based on a 1984 fuel usage study done by the National Solid Wastes Management Association.

Assume that an SHV permit truck with an empty weight of 34,000 lbs. has a payload capacity of 30,000 lbs. at a certified GVWR of 64,000 lbs. Under the federal bridge formula, the allowable gross weight would be 49,000 lbs. Since little weight savings can be gained in a downsized truck (the basic operating equipment is the same), perhaps a 15% increase in fuel economy and an empty weight reduction of 1000 lbs. could be expected. The result would be that two trucks would now be required to move the same payload the same distance. Since additional fuel (37% in refuse vehicles) is required to operate power takeoff equipment (PTO), the relative environmental impact can be estimated as follows for moving 30,000 lbs. of payload 50 miles (100 miles round trip).

Basic Fuel Used	26.3 gal.	44.7 gal.
PTO Fuel	9.4 gal.	16.5 gal.
Total Fuel	35.7 gal.	61.2 gal.
Fuel/lb. payload	.0012 gal.	.0020 gal.

Since fuel usage is related directly to brake horsepower required, the total environmental impact in air emissions would increase by 71.4%. Emissions per pound of payload moved would increase by 66.6%, far offsetting any efficiency gains from a slightly smaller truck.

Impact of a SHV Permit Program on Productivity

Once any truck is allowed on the road, a trade-off is implicit between productivity benefits and negative bridge and pavement impacts. The NTWAC proposal has always acknowledged that there will be costs associated with a special permit program. Making the trade-off on the side of the NTWAC proposal is, we believe, justified. First, SHVs have a very real problem complying with federal weight requirements while operating safely and productively to carry out the jobs that they were designed to do, and, second, there is a substantial productivity, safety, and environmental benefit to the public from a SHV permit program that outweighs pavement and bridge impacts. These productivity benefits can be used to reduce the costs of road and bridge construction, increase resources for enforcement, and provide funds for program administration.

In addition to the benefits in lower operating costs from reduced miles traveled for SHVs operating under a permit system, there are benefits to SHV owners from reduced operating costs and from being able to utilize existing equipment more efficiently. Because SHVs have a heavy tare weight that reduces the allowable payload under current federal weight restrictions, any increase in allowable weight will be in the payload. A permit program could enable the typical three-axle ready-mix concrete truck already discussed to increase its payload from 13,000 pounds to 45,000 pounds. Therefore, it will take fewer SHVs to carry the same payload; fewer loading facilities; less lost time on the job; less fuel; and reduced loading and off-loading time. As previously pointed out, improved productivity also results in improved air quality and fewer accidents.

Governments -- thereby the taxpayer -- paying for infrastructure will benefit from reduced transportation costs for the materials used in bridge and pavement construction, which should make scarce construction dollars go further in building and maintaining roads and bridges. Increased revenues from permit vehicles paying permit fees should be dedicated to permit administration and to enforcement (providing a source of funds that is more reliable than penalties), as well as for bridge and road construction and maintenance. NTWAC is not asking for a free ride -- we know that there will be costs, as well as increased enforcement, with our permit proposal; nevertheless, we are more than willing to accept them if we can operate productively and legally.

Again, the program we are proposing is based on the actual practice of states. The trucks we are proposing to be legal nationwide are legal in countless states now, both on and off the Interstate System. The experience of those states has been positive. The New York State Permanent Advisory Committee on Truck Weights concluded that "There are significant net positive benefits to the State's economy associated with Overweight Divisible Load Permit Program." The benefits analysis found that "the annual operating costs of permitted trucks are reduced by nearly $690 million from what they would be if forced to operate under the current federal limits. ... The construction industry is most benefited by the permit program, with savings of over $400 million."

In some cases, operators and manufacturers of specialized hauling vehicles have adopted artificial devices as a means to improve productivity while complying with the letter of the bridge formula. Examples include lift axles that are lowered only when the vehicle is weighed by enforcement officials and dummy axles that carry can increase legal weight

under the bridge formula by over 5,000 pounds even though they carry very little weight themselves, and "pups" that extend behind a truck without carrying any load but add axles that count for the bridge formula. These devices increase the cost of the truck by as much as ten percent, frequently serve no useful purpose other than technical compliance with the bridge formula, and can compromise vehicle safety and handling. The NTWAC permit proposal would enable manufacturers to produce a vehicle that meets a simple performance standard: it shall not, when fully loaded to the lesser of the maximum allowable state limits and the manufacturer' GVW rating, exceed the operating rating on an HS 20 bridge.

THE NTWAC PROPOSAL PROVIDES FOR STATE FLEXIBILITY

SHVs, as demonstrated, are unique trucks with unique problems and needs. They are involved primarily in local, rather than long-distance, transportation. States would not be required to adopt a SHV permit program; instead, recognizing the essentially local character of SHVs, states could define a SHV permit program based on their own needs, infrastructure conditions, and financial resources, within national minimum standards. The state primacy and flexibility entailed in the NTWAC proposal is consistent with the concept of federalism and with federal law, specifically 23 U.S.C. §145, which provides that Congress has established a federally assisted state highway program. Already half the states allow single unit trucks to operate in excess of federal standards. Several states have grandfather status that enables them to allow SHVs to operate on Interstate highways without limiting them to the federal bridge formula or to federal gross and axle weight limits. The NTWAC proposal would enable any state, without regard to grandfather status, to benefit from an SHV permit program.

NTWAC proposes, accordingly, that the definition of a SHV, the weight and configuration limitations that might be set, routing and posting restrictions, permit fees and penalties, all would be left up to the state should it decide to adopt a permit program. Congress would protect its investment in the federal-aid system by establishing minimum requirements as proposed and by assuring that these standards are complied with by the state.

States should be able to make the trade-off between, on the one hand the substantial productivity, safety, and environmental benefits, and, on the other, the costs fairly attributable to a SHV permit program, based on a balancing of the merits of the issue, not on the happenstance of the grandfather clause claims.

CONCLUSION

The benefits of the NTWAC Permit Proposal for Specialized Hauling Vehicles (SHVs) would include:

To the Public:

- A SHV permit program means fewer trucks to carry the same payload, which means lower costs, fewer accidents, less air pollution, less noise pollution, less congestion, facilitation of resource recovery and recycling, and diversion of heavy trucks onto the Interstate System from local roads.

To Government:

- Allowing reasonable weights based on bridge operating ratings, coupled with posting/route restrictions of substandard bridges, will enable SHVs to operate productively within the safety and maintenance design specifications of the Interstate System and much of the federal-aid system. Non-Interstate roads and bridges would benefit from the diversion of heavier trucks to the Interstate, which is better designed to accommodate them.

- Bridge and road construction and maintenance costs would be reduced because the costs of transporting construction materials would be lower if productive permit vehicles are allowed; similar benefits would be realized for Superfund-type cleanup operations. Up-front permit fees and severe monetary penalties for violators can be earmarked for new construction, enforcement, and administration.

- A reasonable permit system frees up enforcement personnel to comply with pressing federal requirements, such as safety and drug and alcohol monitoring programs.

To Industry:

- SHVs could carry productive payloads with existing equipment, without the added costs and potential risks of retrofitting existing trucks if even feasible, or buying new custom trucks with added axles, pups, boosters or other devices with the sole purpose of technical compliance with the bridge formula to enable increased payload.

- Operating costs would go down. In New York State, a recent study of its permit system found that "the annual operating costs of permitted trucks are reduced by

> nearly $690 million from what they would be forced to operate under the current federal limits....The construction industry is most benefited by the permit program, with savings of over $400 million."

NTWAC has made what we believe to be a constructive and responsible proposal that would apply to a very small and limited class of vehicles, in lieu of the current federal truck weight requirements. NTWAC requests that the Congress authorize any state to be able to adopt a permit program for Specialized Hauling Vehicles, regardless of grandfather clause status, so long as it meets minimum federal standards to assure protection of pavements and bridges, safety, and enforcement. The permit program proposed by the National Truck Weight Advisory Council meets this criteria and should serve as the foundation for Congress' effort.

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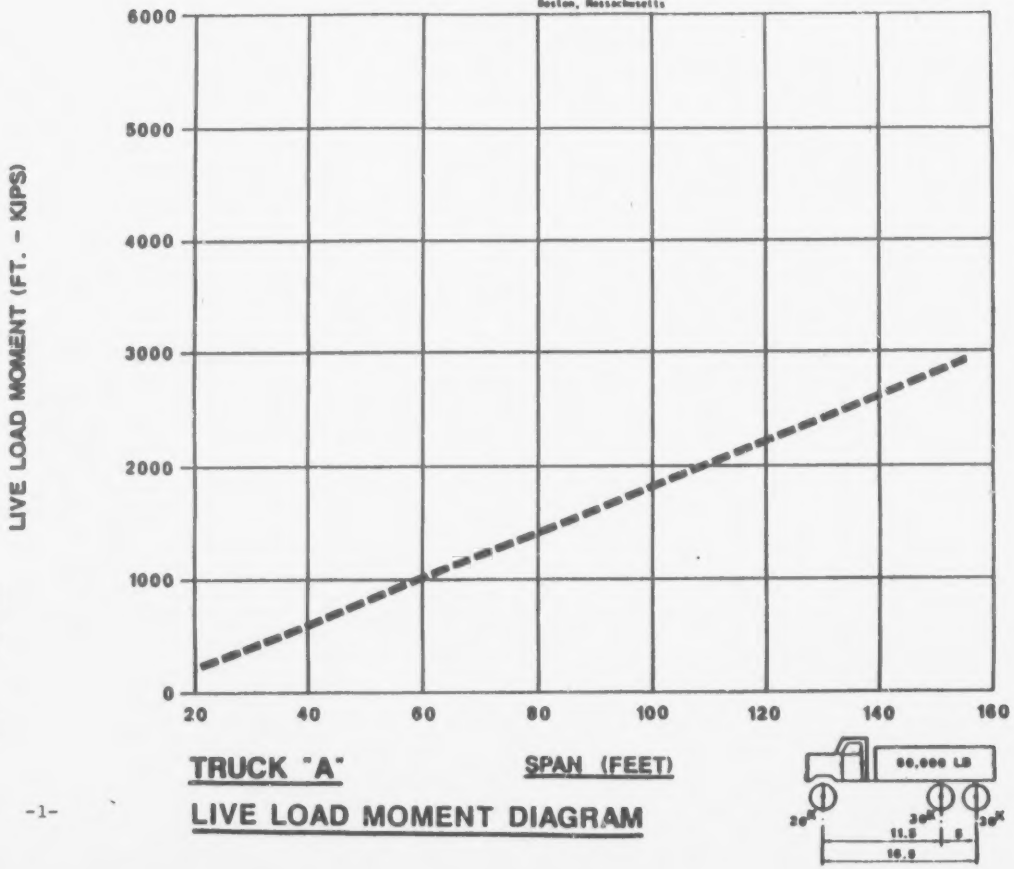
EXHIBIT 1

SEELYE STEVENSON VALUE & KNECHT
730 Congress Street
Boston, Massachusetts



TRUCK "A"

LIVE LOAD MOMENT DIAGRAM

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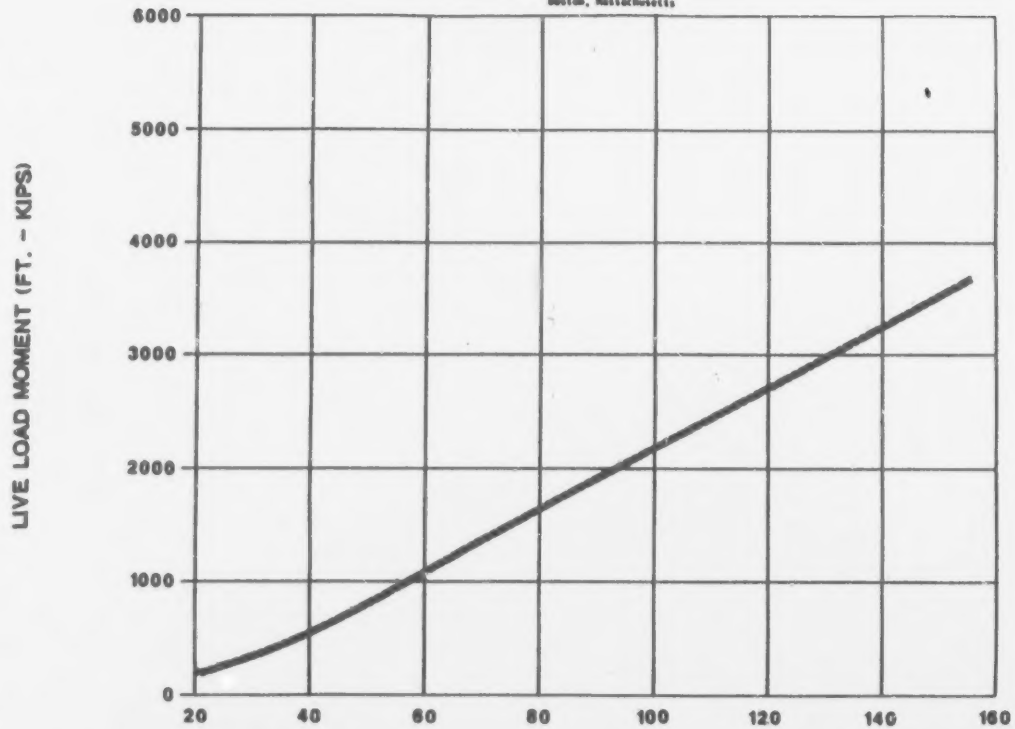
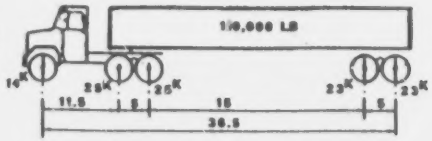
1882

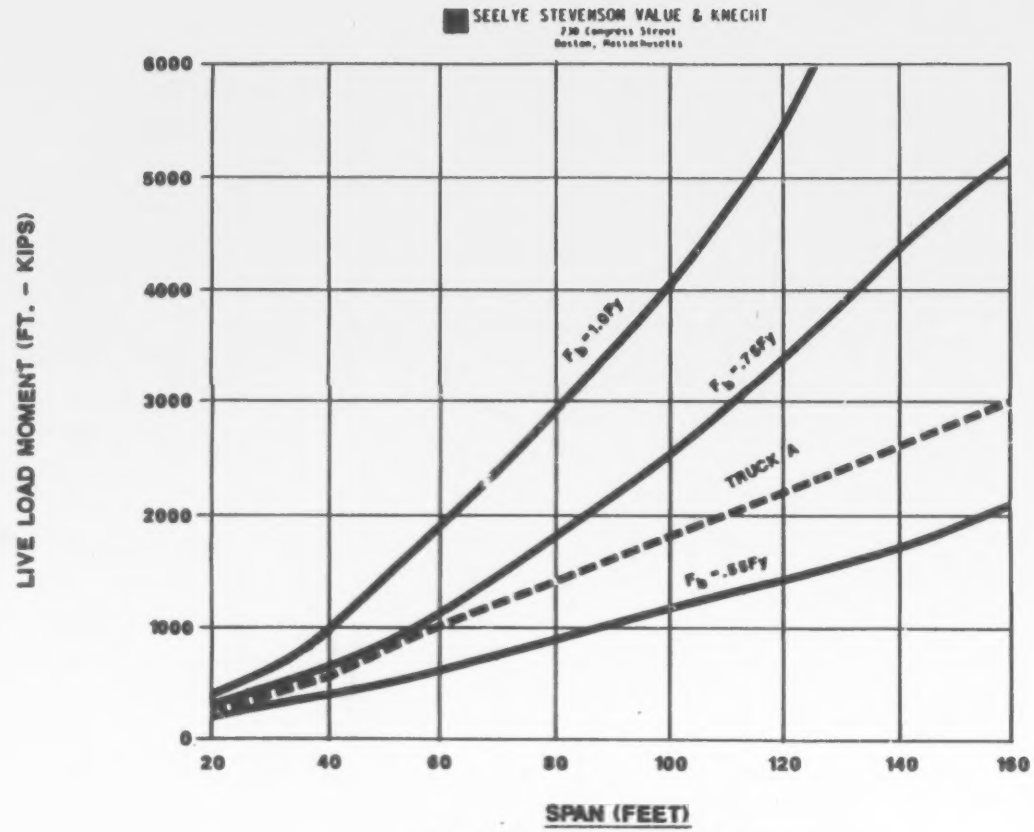
SEELYE STEVENSON VALUE & KNECHT
230 Congress Street
Boston, Massachusetts



TRUCK "D" **SPAN (FEET)**

LIVE LOAD MOMENT DIAGRAM





AASHTO HS15-44 LOADING

(ADJUSTED FOR IMPACT)

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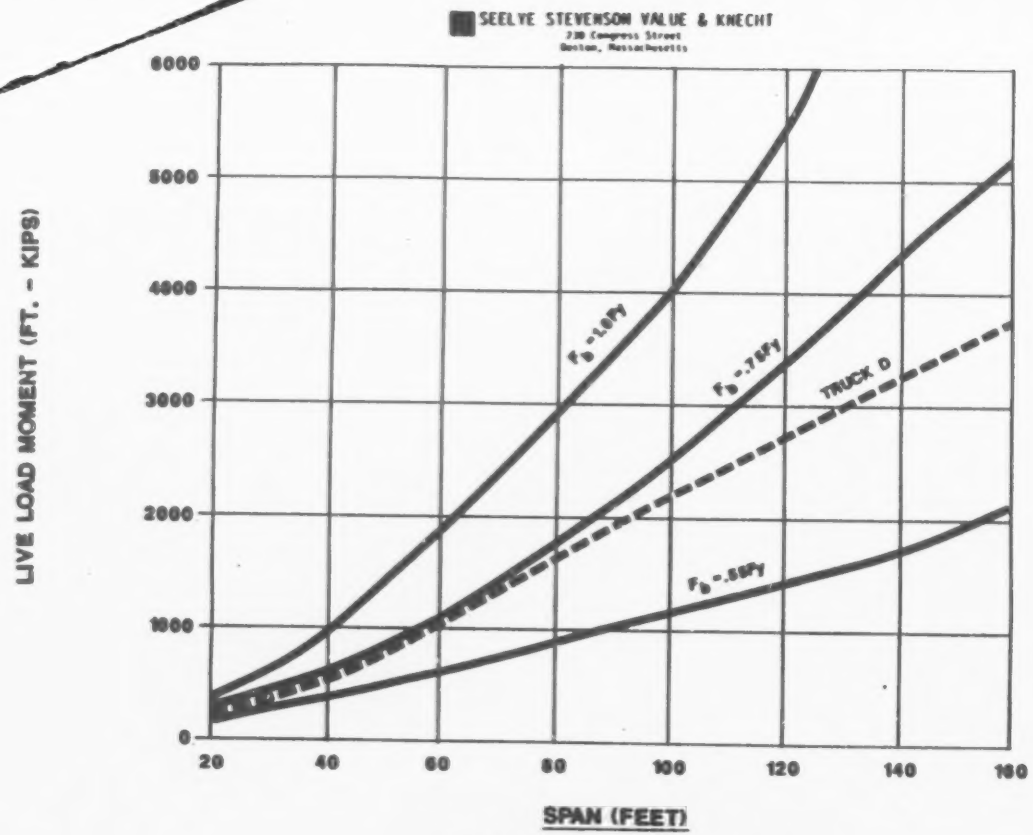
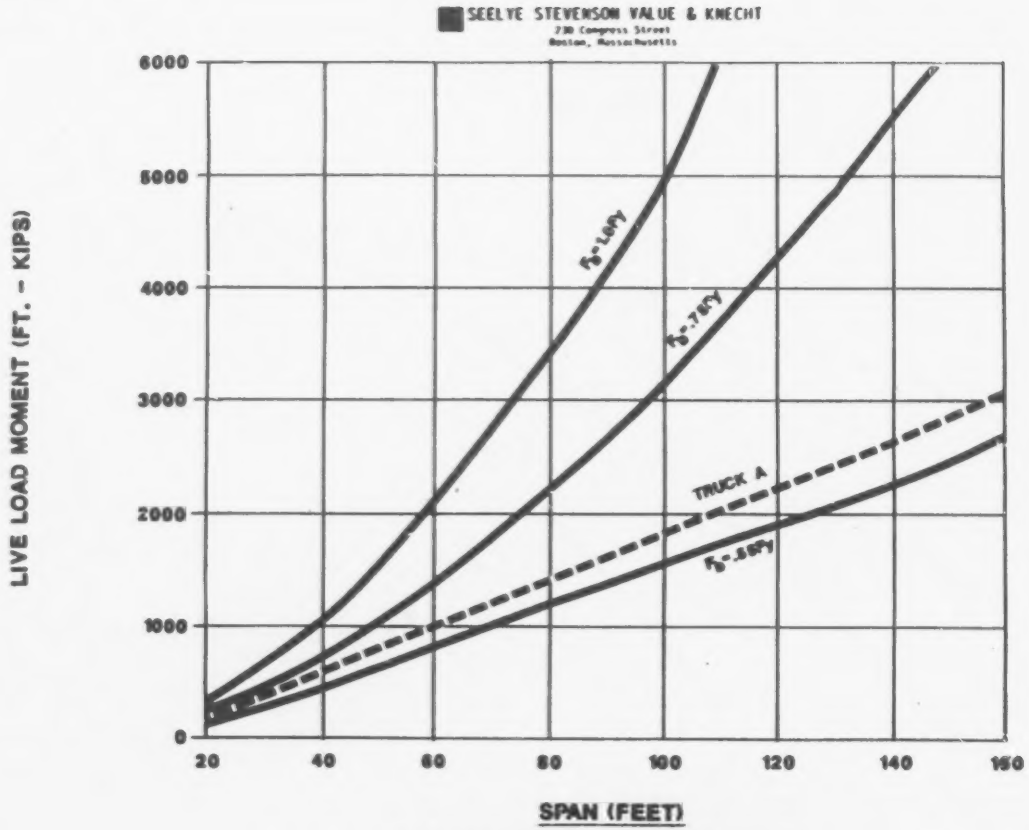


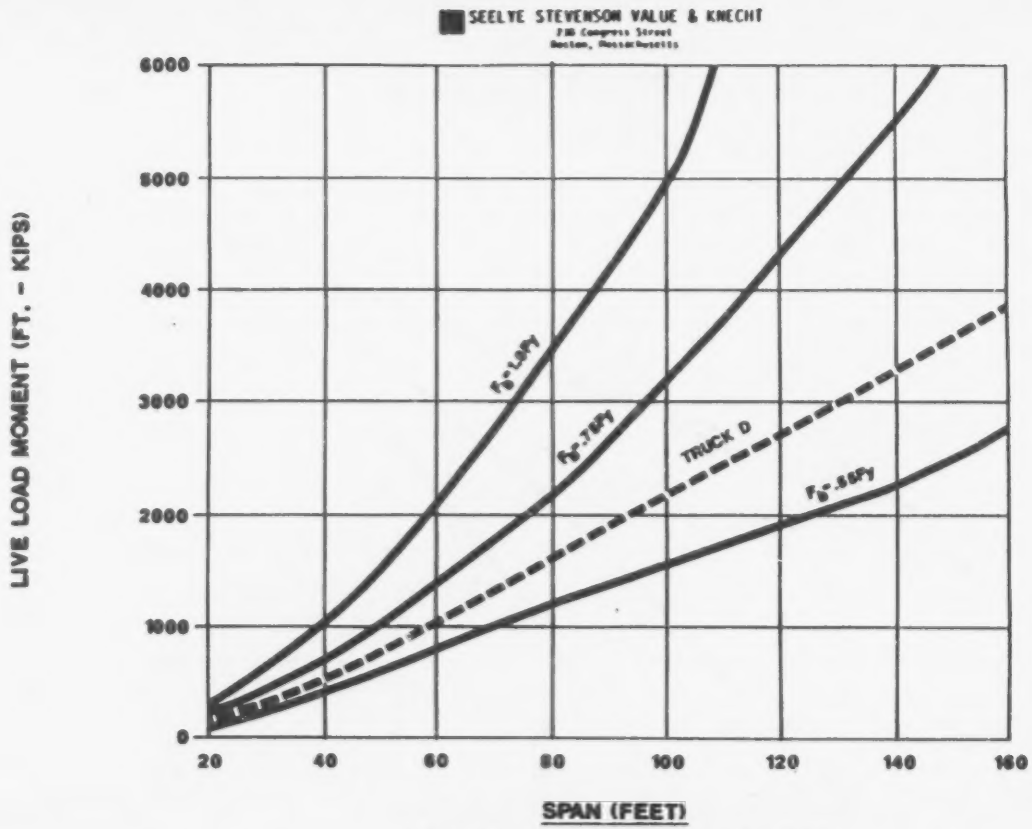
AASHTO HS15-44 LOADING

(ADJUSTED FOR IMPACT)



AASHTO HS20-44 LOADING

(ADJUSTED FOR IMPACT)



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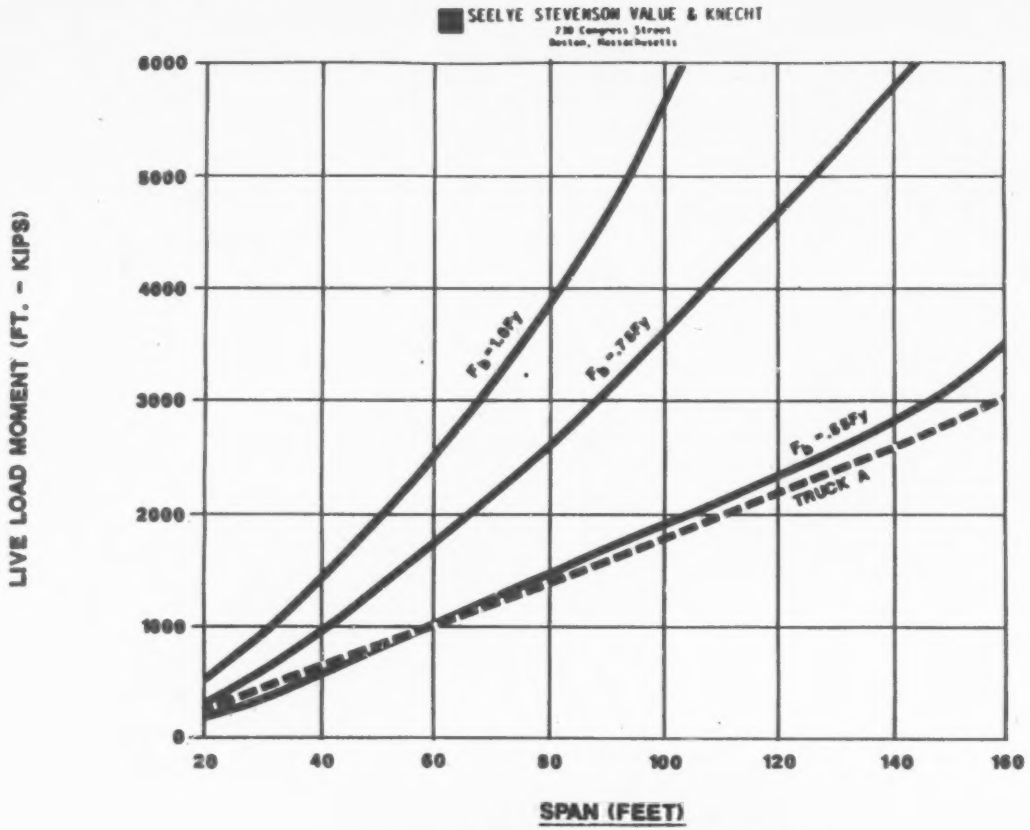

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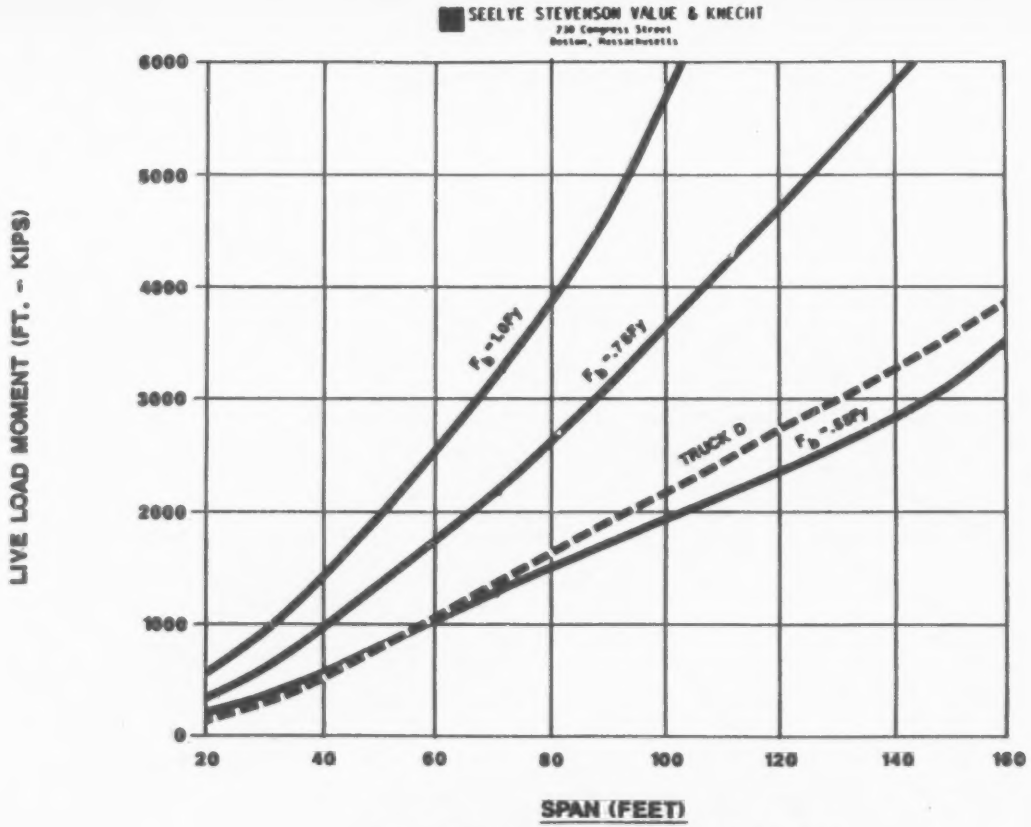
(ADJUSTED FOR IMPACT)

1888



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(ADJUSTED FOR IMPACT)

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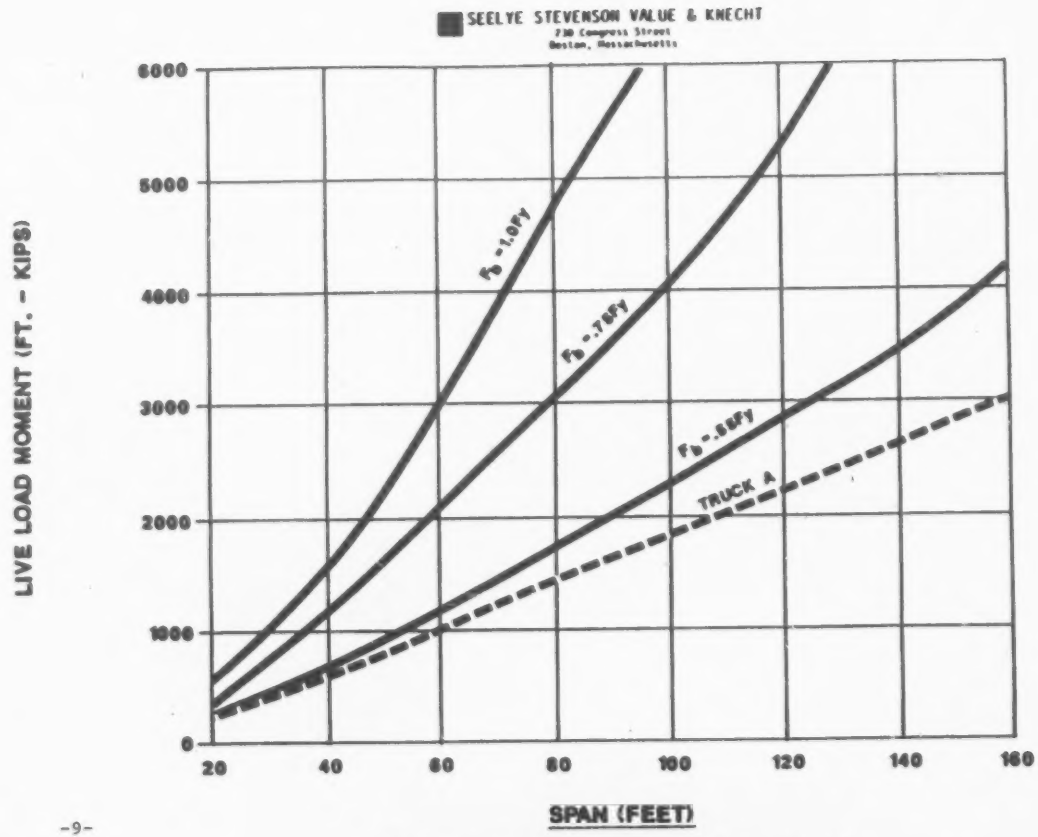
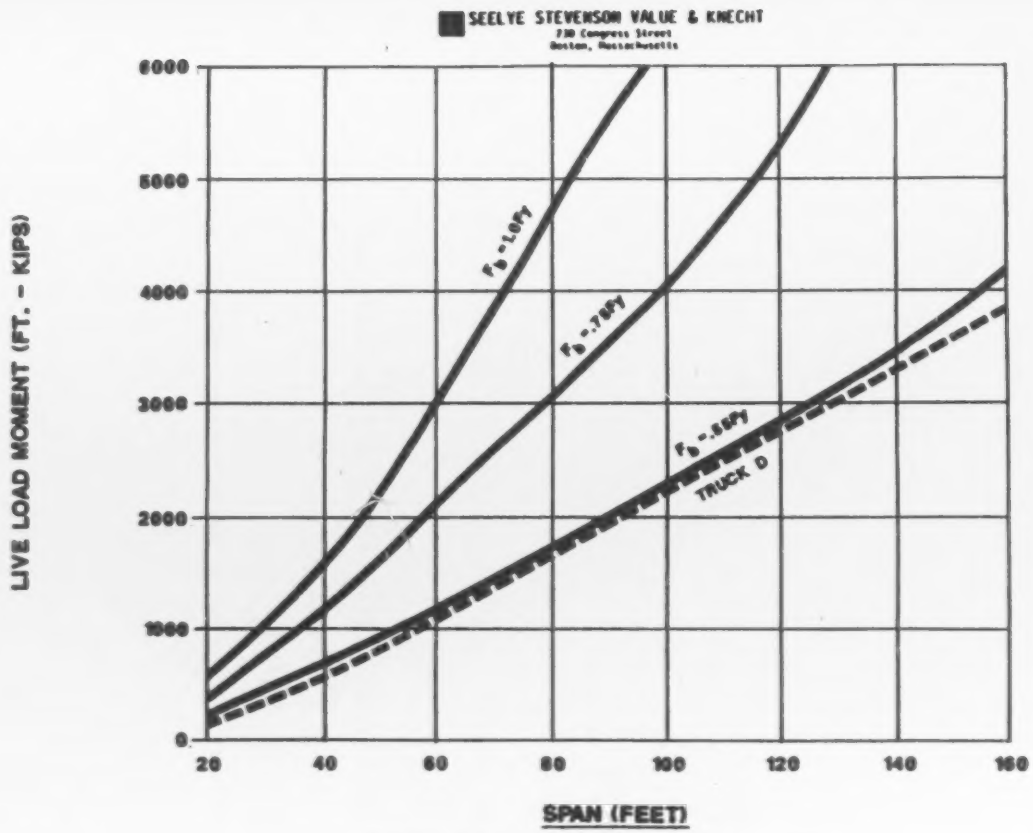


PROPOSED HS30-44 LOADING

(ADJUSTED FOR IMPACT)



PROPOSED HS30-44 LOADING

(ADJUSTED FOR IMPACT)

EXHIBIT 2

Final Report
To the Governor and Legislature
From the Permanent Advisory Committee
On Truck Weights

IV. RESEARCH INTO THE IMPACT OF THE LEGISLATION

A. Background

One of the Committee's primary assignments was to make recommendations regarding the continuation of the permit provisions of the law to the Governor and Legislature by January 1, 1988. The legislation directed the Committee to consider the relative costs and benefits of investment in increased load capacity for the bridges and highways of the State, new developments in the design of trucks, their operational safety and economics, the manner in which they affect the safety of the traveling public, the useful life of bridges and highways, the protection of the highways, and other such matters that would affect the use, operation and maintenance of the highways in the State. The Committee decided to engage outside consulting assistance on two independent research efforts in order to comply with the requirements of the legislation.

Department of Transportation staff prepared requests for proposals (RFPs) on behalf of the Committee. The RFPs described the tasks to be accomplished to permit the Permanent Advisory Committee to respond to the legislative requirement. Each project was advertised at a fixed fee of $150,000. The RFPs were sent to more than 400 consulting firms previously indicating competence in at least one of nine pertinent experience areas, and to all public and private New York State colleges and universities offering a four-year engineering program. a pre-proposal conference was held to provide an opportunity for prospective contractors to question Department staff on the details of the proposed work.

All proposals were reviewed for technical content by a team of Department of Transportation engineers who ranked them in order of technical merit. The rankings were presented to a special subcommittee of the Permanent Advisory Committee. This subcommittee, consisting of representatives of the construction and forest products industries, concurred with the rankings and subsequently recommended to the full Committee that the top ranked proposal for each project be accepted. At its October 30, 1986 meeting, the Permanent Advisory Committee requested by resolution that the Commissioner of Transportation designate the top-ranked agencies as the research contractors. Commissioner Franklin E. White made these designations on December 24, 1986.

The studies proposed and contractors chosen were:

Project Number TWC-1, Economic and Safety Consequences of Increased Truck Weights, Cornell University, School of Civil and Environmental Engineering, Ithaca, NY.

Project Number TWC-2, Effect of Truck Weights on the Deterioration, Operations, and Design of Bridges and Pavements, Byrd, Tallamy, MacDonald and Lewis, Falls Church, Virginia.

A summary of the objective, scope, methodology and findings of each of these studies follows.

B. Economic and Safety Issues

The objective of research project TWC-1 was to provide a comprehensive review of the state of the art knowledge on the economics and safety aspects of the permit legislation. To accomplish this objective, the contractors were directed to review domestic and foreign practice and research findings, to quantify the impacts of the permit law on the trucking and construction industry, and to quantify the effect of heavier vehicles on public safety, property damage, injury, and highway deaths. Significant findings are summarized below.

Existing Information

A survey of other state transportation agencies revealed that although very little information on the safety and economic consequences is available, the need for this information in considering truck weight legislation is strongly recognized. Review of domestic and foreign practice and research findings provided an up-to-date bibliography of significant documents. Available literature relating vehicle weight to economic costs and benefits, however, is sparse.

The existing general information on truck safety is substantial, both from U.S. and foreign sources, although specific data on the relationship between truck weight and accident exposure is unavailable. Although there is a public perception that truck weight and speed threaten safety, it is generally accepted that trucks should continue to travel at the same speeds as other vehicles. Australian authorities identify route selection criteria, mechanical requirements, operational conditions and administrative requirements as necessary components in a program to assure truck safety.

Weight-Permit Vehicle Usage

A carefully planned and executed survey was used to develop estimates of weight-permit usage with respect to equipment type, loads hauled, miles travelled, travel speeds, origin and destination patterns, and the nature of the operators. The survey was based on a random sample of the 11,706 permitted vehicles, with the survey being stratified by county where registered, the length and severity of the counties' freezing season (for pavement and bridge analysis) and the number of permitted vehicles registered by a single operator. The number of trucks surveyed was 800, with responses received

from 302. Comparison of these responses with distributions of vehicle make and age, and freeze zone from the total sample, demonstrated that the results are representative of the full population.

The survey indicated that 88 percent of the respondents still operate their vehicles as permit trucks and 61 percent were used on the survey days. Three axle trucks and rigid body trucks predominate, representing 52 percent and 66 percent of the responses providing this information, respectively. Trucks with more than five axles were rare. With respect to body type, dump trucks (50 percent) and concrete mixers (18 percent) represent 68 percent of the responses. The construction and sanitary services businesses accounted for 58 percent of users reporting. The majority of permit trucks have tare weights less than 40,000 pound.

The results of the survey are somewhat compromised because they represent permit usage only during a one week period in August, 1987. This limitation is a consequence of the abbreviated time frame for these studies and the resulting inability to repeat the survey during different seasons. Seasonal variations in permit use can be expected, the most obvious change being a decrease in construction and an increase in fuel oil hauling during the winter months. Approximate seasonal adjustments were made to the results for construction and agriculture to compensate for the lack of quantitative data.

Primary Benefit Analysis

The benefits of the permit system were evaluated by comparing the cost of trips made under the permit program to the cost that would have been incurred if the same volume of goods were delivered within the current federally specified weight limits. Thus, the delivered goods were reallocated to more trucks with lighter loads. The analysis was performed separately for each of the seven industry types identified in the survey. The three major cost components included were the standing cost for the truck for the day, labor cost for the driver and operating costs incurred during the trip.

Results of the benefit analysis indicate that the annual operating costs of permitted trucks are reduced by nearly $690 million from what they would be if forced to operate under the current federal limits. The error in this estimate is believed to be less than 10 percent based on a statistical analysis of the survey data. The construction industry is most benefited by the permit program, with savings of over $400 million. Additional data analysis showed that four axle trucks are most benefited, presumably as a consequence of the favorable treatment of tridem axle arrangements.

Secondary Economic Benefits

The primary benefits analysis just described implicitly assumes that the volume of delivered goods remain constant. The benefits enumerated accrue solely to the affected industries and cannot be claimed to be statewide benefits without further analyses. For example, the movement of a constant volume of goods with fewer trucks means fewer drivers with a resulting loss of wages to those displaced. On the other hand, decreasing delivery costs implies decreasing prices which may result in a stimulus to the economy. The purpose of the secondary benefit analysis is to quantify these effects and determine the net effect on the State's economy resulting from the permit legislation.

In addition to the analytical complexities involved in determining secondary impacts, the economic data requirements are formidable and not fully satisfied by existing sources. Despite these difficulties, the secondary benefit analysis was completed successfully and showed that the weight permit program will result in a net increase in output of $4 million and a $1 million increase in earnings in New York State annually. Employment is also predicted to experience a modest increase of 49 jobs.

These secondary benefits are in addition to the substantial $690 million reduction in direct costs expected to be experienced by consumers of New York State's products.

The reliability of these estimates of secondary benefits is compromised by evidence of high sensitivity to changes in the input to the analyses. In addition, because bridge and pavement costs have not been subjected to this type of analysis, only direct benefits should be included in a numerical benefit-cost analysis of the permit program.

Safety Consequences

As stated previously, there is no information on the accident involvement and safety risks of the weight permit trucks in particular, or heavy trucks in general. Accident data involving trucks in New York was obtained, but the necessary cross-tabulation required to determine exposure levels and to stratify the accidents by vehicle weight was not obtainable in the time frame of this study. Consequently, conclusions drawn are based on data for the total truck population, with the further limitation that the validity of the data gathering and statistical procedures producing this information could not be independently confirmed by the research team. Despite these limitations, the research team believes that meaningful conclusions have been made about the safety consequences of the permit program.

The major finding is that greater accident severity and involvement for heavy trucks (gross vehicle weight greater than 26,000 lbs.) cannot be conclusively attributed to vehicle weight. The consequences of mass differences in truck/car accidents change insignificantly beyond ratios of 5:1 or 6:1. These mass differences are well below the range associated with the weight permit fleet. It was also found that rigid trucks, the most common in the weight-permit fleet, have the lowest accident rate of all vehicles. The overall conclusion is that the reduction in miles driven by the truck fleet affected by the permit system has resulted in a decrease in fatalities, injuries, and property damage.

Recommendations

The consultant made several recommendations relating to data requirements and analysis tasks that should be implemented to improve the reliability of their assessment of the economic and safety consequences of the weight-permit system. These include:

- Repeat the weight-permit usage survey across all seasons,
- Augment the permit application file to provide data on the composition of the permit fleet,
- Encourage the development of detailed economic data for the State for use in secondary economic impact studies, and
- Encourage improvements in truck accident investigation and reporting.

C. Impacts on Bridges and Pavements

The objective of research project TWC-2 was to provide a comprehensive review of the state of the art knowledge on the effect of increased truck weights on the deterioration, operation, and design of highway bridges and pavements. To accomplish this objective the contractors were directed to review domestic and foreign practice and research findings, to estimate pavement deterioration rates due to heavy trucks, to predict the consequences to highway bridges of increases in truck weights and frequencies, and to estimate the cost of increasing the load capacity of the State's bridges and highways. Significant findings are summarized below.

Existing Information

There has been extensive research into the effects of increased truck weights on roads and bridges. This research supports the conclusion that heavier vehicles can cause greater pavement damage but that it is difficult to determine the damage caused by a particular class of vehicles. The difficulty in measuring traffic and loadings is cited as a

major difficulty in estimating damage and costs. It has also been found that the effects on bridges is influenced by the structure type.

With respect to administration, it has been found that detection of overweight vehicles and enforcement increase the effectiveness of weight laws. Fee structures, including penalties, play an important role because there are economic incentives for operators to use overweight trucks. Seasonal permits are used in some states to reduce pavement damage.

Conditions in New York

The evaluation of the effect of the weight permit system requires knowledge of the frequency and magnitude of truck traffic. This information was obtained through examination of truck weight histograms obtained in weigh in motion (WIM) studies performed by the Department of Transportation, the results of the usage survey performed under project TWC-1, and census data on truck registrations. The histograms were modified by redistributing the excess weight carried by the permit trucks to a greater number of trucks carrying the same total load at the non-permit weight limits.

The modified histograms show that a significant proportion of trucks operating in the State exceed federal limits, but do not have annual divisible load weight permits. It is not possible to identify the proportion of these overweight trucks operating under trip permits or the non-divisible load provisions of the Vehicle and Traffic laws. These heavy trucks, whether legal or illegal, tend to mask the effect of the annual weight permit program.

Effect of Permit Loads on Pavements

Existing research has established a relationship between pavement damage and 'equivalent single axle loads' or ESALs. ESALs represent the number of 18-kip axle loads which would produce the same pavement damage as the actual traffic stream. The ESALs for existing traffic were determined from the WIM data for each permit truck type. ESALs for permit trucks were then removed from the existing traffic and redistributed to a greater number of non-permit trucks. These calculations were performed for all truck types and the data were sorted by functional class highway grouping. Because of the relatively large numbers of overweight trucks and the small proportion of these that have annual permits, the change in pavement damage resulting from the weight-permit program is small.

The operation of annual permit vehicles on principal arterials results in a 2.2 percent decrease in truck traffic and a 3.0 percent increase in pavement damage, the largest increase found for any functional class grouping of highways. This magnitude of change is considered below the accuracy of

pavement design methods and presents a change in asphalt thickness of approximately 0.1 inch. In practice this change would be ignored, but for the purposes of this study was converted to an estimated annual cost of $500,000.

Effects on Bridges

The most serious impact of the weight permit program on highway bridges is metal fatigue, a property of steel causing it to fail under repeated applications of load. While fatigue can damage any steel structure it is of particular concern to small and moderate span bridges that include details that are fatigue prone. One specific type of structure that is fatigue prone to the point where its fatigue life can be reduced well below its normal 50 to 75 year design life on highly traveled highways is the simple span, rolled beam bridge with partial-length cover plates. These bridges represent 19 percent of the bridges on the state system and were used as the indicator structure for this study.

The gross vehicle weight, as opposed to the individual axle weights, is critical for bridges. Accordingly, the distributions of gross weights obtained from the WIM data were analyzed to determine the fatigue damage produced by existing traffic. These distributions were then modified by redistributing the permit trucks. The difference in the fatigue damage associated with the actual and modified distributions represents the effect of the permit system. This difference was found to be small. Additional costs resulting from this difference were attributed to the increased frequency and sophistication of inspection required, and the anticipated need for repair of fatigue damage. This annual cost was estimated to $23,000.

Although the annual cost of fatigue damage attributable to the annual permit program is low, it is incorrect to conclude that heavy loads have a minimal effect on the State's bridges. The weight-permit fleet represents only a small proportion of truck traffic stream that can be shown to be large both in terms of effective weight and volume. The potential exists for rapid fatigue damage to the State's bridges.

The replacement cost of all restricted bridges was also calculated. There are currently 797 restricted bridges on the State system with span lengths ranging from 20 to 379 feet. Replacing these bridges with structures meeting State standards for load capacity and width was estimated to cost $546 million. This amount is based on an average construction cost of $60 per square foot. The annualized cost of these replacements assuming construction over a 10 year period and a 50-year life is $18.6 million.

Recommendations

The consultant's recommendations relate to evaluating and mitigating the effects of fatigue on New York bridges. These are:

- Data on truck weights using WIM equipment should be collected in downstate counties,
- A regular and comprehensive fatigue inspection program should be implemented as an extension of the efficient existing bridge inspection program,
- The benefits of increased effort in the weight enforcement program should be examined.

D. Summary and Conclusions

The research performed has provided information on the costs and benefits of the weight-permit program based on the actual usage of the permit trucks. The benefits of the program have been shown to be largely savings in direct operating costs amounting to $690 million. The construction industry is the prime beneficiary of these savings. An analysis of secondary benefits to the New York economy was hampered by the deficiencies in data on the State's economy. These benefits were, however, estimated to be positive.

Costs to the State resulting from the permit system were estimated to be small. It should be noted that this conclusion deals only with the Overweight Divisible Load Permit program and not with the high volume of other permit or illegal trucks exceeding the federal weight limits. The estimated annualized cost of pavement and bridge repairs related to the program together with the cost of a bridge replacement program for weight restricted bridges is $19.1 million. No evidence could be found to suggest that the safety of the traveling public is compromised by permit trucks.

The methodologies used by the research contractors to evaluate the magnitude of the payloads carried by the permit trucks in excess of the federal limits differed. These differences resulted from a difference in the data needs of the contractors in their analysis of effects which were not possible to resolve in the rigid time schedule of these projects. Logistical and professional considerations compounded the difficulty of achieving full coordination between contractors. The consequences of these differences on the conclusions of the Permanent Advisory Committee for Truck weights is believed to be small because of the relatively

large benefits and low costs estimated to result from the permit program. It should be clear, however, that a rigorous evaluation of the general question of the effect of changes in truck weight limits should only be performed with a strict consistency of methodologies for both cost and benefit analyses.

V. PERMITS AND ENFORCEMENT

A. Overweight-Divisible-Load Permit Program

To determine the scope of the administrative process necessary to implement the permit program, motor vehicle registration data was used to identify the potential population for overweight-divisible-load permits. The projected workload volume dictated computerization as the most reasonable method of processing the permits.

A computer program was developed, and equipment was purchased and ready for operation within three months of the time the decision was made to computerize. The volume of permit requests was overwhelming during the first few months of eligibility and a considerable backlog resulted. To cope with the backlog several steps were taken, including adjustments to the computer program, realignments of staff for improved efficiency, and extensive use of overtime.

In addition to the heavy volume of requests, the program was further impacted by the introduction of refinements identified by the Truck Weight Committee and recognized as being reasonable and desirable. As these various elements surfaced, it became increasingly evident that the initial computer program was not adequate. The Department of Transportation Computer Services Bureau was requested to conduct a thorough study of this permit activity and design a computer system more suited to the needs of this program. The initial study results confirm the need for the development of a new system. According to the latest projection, it is anticipated that the new system will be in place by mid-1988.

From January 1, 1986 through October 31, 1987, 60,907 permits have been issued and $11,327,814 in fees have been collected.

Insurance coverage, required under the divisible load permit system, presented a serious problem. Many small companies and individual truck owners experienced extreme difficulty in obtaining the required protective liability insurance coverage. The Department of Transportation worked with the Insurance Department to develop an alternative option through use of basic motor vehicle liability insurance, with a specific endorsement to include the required protection that would parallel coverage provided through the protective liability policies.

B. Weight Enforcement Assistance Program (WEAP)

The Weight Enforcement Assistance Program evolved from the enactment of Chapter 549 of the Laws of 1985. This law made funds available to counties and other municipalities (which has its own independent program), other than the City of New York, for the purpose of strengthening local weight

enforcement programs. The intent was to reduce the number of vehicles traveling the State's highways that exceed the weight limits prescribed by law. This was to be accomplished by substantially increasing the number of trucks weighted, thus increasing the likelihood that overweight vehicles would be apprehended.

For the 1986-87 Fiscal Year, the Legislature appropriated $1.5 million to this program. The Department of Transportation in turn allocated the funds to 57 counties based on a funding formula that included each county's number of registered commercial vehicles over 10,000 pounds, total number of highway miles, and 1980 population.

During the program's first year (FY 86-87), there were eleven (11) counties with thirteen (13) local police agencies participating in the program. Funds awarded to the participants amounted to $1,038,886.

As with any new program, the enforcement efforts were delayed due to start up operations and time required for the purchase of truck weighing equipment. Significant expansion of the weight enforcement program will be realized the second program year (FY 87-88) with twenty-two (22) counties desiring to participate. The grant period began December 1, 1987, and will end November 30, 1988. Funds allocated for the second year amount to $911,000.

Funding allocations for each county and funding allocation formulas can be found in the Appendix.

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VI. CONCLUSIONS AND RECOMMENDATIONS

The Permanent Advisory Committee on Truck Weights has expressed its sentiment that it has satisfactorily addressed the legislative purpose and requirements of Chapters 549 and 929 of the Laws of 1985. The forum provided through this Committee was very useful in providing recommendations to increase the efficiency of the permit program and to share the respective views of all parties concerned with maintaining a healthy and safe trucking industry in New York State.

The Committee offers the following conclusions and recommendations for the consideration of the Governor and the Legislature.

A. Summary of Conclusions

The extent of the research which was undertaken to investigate the economic, operational and safety impacts of the overweight divisible load permit provisions and the effects of truck weight on pavement and bridges was limited by fiscal, time and data availability constraints. However, it is the Committee's consensus that the following conclusions can be made:

1. There are significant net positive benefits to the State's economy associated with the Overweight Divisible Load Permit Program.

2. There is no conclusive data available which can be used to determine the safety impacts of the Overweight Divisible Load Permit Program in New York State. However, the Permit Program does reduce truck accident exposure due to the reduced number of truck miles which must be travelled. Research which was carried out at the National level has shown that there is no indication that marginal increases in truck weight result in an increase in accident rates or accident severity.

3. The annual cost of bridge fatigue and pavement damage which is attributable to vehicles which operate pursuant to an Overweight Divisible Load Permit is small due to the small proportion of the overall vehicle population that these vehicles represent. However, it would be incorrect to conclude that heavy loads have a minimal effect on the State's highway pavement and bridges. The potential exists for accelerated fatigue damage to the State's highway pavement and bridges due to heavy loads.

B. Committee Recommendations

The Committee submits the following recommendations for consideration:

1. The Overweight Divisible Load Permit Program provisions which are outlined in Section 385, subdivision 15, paragraph (f) of the Vehicle and Traffic Law, should remain unchanged at this time. The Committee will continue to monitor the Program and consider recommendations for future changes.

2. The Department of Transportation should implement a regular and comprehensive fatigue inspection program as an extension of its existing bridge inspection program.

3. Truck safety conditions should be added as required conditions for the issuance of divisible load overweight permits as follows:

    a. Braking;
    b. Mechanical inspection;
    c. Front and rear under-run;
    d. Coupling strength.

4. The Department of Transportation, in cooperation with other appropriate State agencies, should address concerns regarding increased truck weight and size as part of a comprehensive truck safety platform which would include improved equipment, weight and other safety enforcement initiatives. In addition, the State Police Weight Enforcement Program should be strengthened to insure compliance with weight limits allowed under the permit system, bridge related weight violations and other associated commercial vehicle statutes.

5. The Departments of Transportation and Motor Vehicles and the Division of State Police should undertake a cooperative effort to improve the quantity and the quality of truck accident data to improve the reliability of future truck safety analyses. In addition, the Department of Transportation should implement a mechanism to improve the quantity and quality of data related to Overweight Divisible Load Permit usage and expand Weigh-in-Motion data collection efforts to Downstate counties.

DUMP TRANSPORT
INDUSTRIES ASSOCIATION

5000 MARKET STREET, SUITE 105
YOUNGSTOWN, OHIO 44512
(216) 788-2600

April 24, 1990

THE FEDERAL BRIDGE FORMULA

ITS EFFECTS ON THE DUMP TRUCK INDUSTRY

AND

A PROPOSED SOLUTION

Presented to the

U. S. House of Representatives
Committee on Public Works and Transportation
Subcommittee on Surface Transportation

Washington, D.C.

by

Gerald Heavener
Chairman

DUMP TRANSPORT INDUSTRIES ASSOCIATION (DTIA)

****
* To be included as part of the statement submitted by *
* Louis G. Nappi, Chairman *
* National Truck Weight Advisory Council (NTWAC) *
****

DTIA vs. FBF
U.S. Public Works and Transportation
Subcommitte on Surface Transportation April 24, 1990

The Dump Transport Industries Association (DTIA) is a non-profit organization based in Youngstown, Ohio, and representing the interests of those involved in the dump truck industry throughout the Nation. We primarily aim towards serving the interests of those companies that operate fleets of trucks using end-dump semi-trailers in interstate commerce. Our membership includes fleets, manufacturers, and suppliers to the dump truck industry from more than a dozen states.

DTIA was formally organized in 1980 as the answer to the growing dissatisfaction within the dump industry over the lack of representation of the industry's unique problems. DTIA is very active in promoting fair size and weight standards, safe and responsible operations of dump equipment and accurate and equitable enforcement at both the Federal and state levels. In addition to achieving respect in the legislative and enforcement areas, DTIA has also been the strategic influence in promoting dumps and their unique versatility for such major projects as the Tennessee-Tombigbee waterway system.

BACKGROUND

Please be advised that our segment of the motor carrier industry, specifically the end-dump semi-trailer user, has many serious problems with the existing Federal Bridge Formula (FBF). The effects of length for weight have been ignored for our industry. It is a very large and controversial issue for the end-dump semi-trailer user.

At the time that the FBF was made a required national law, it was generally believed that this legislation was passed in an attempt to restore to the industry the productivity lost due to the imposition of the 55 mph speed limit in December of 1973. This intent may have been there, but for our industry there was no restoration of productivity; it was destroyed as <u>we were forced to purchase new, more expensive, larger and heavier trucks to carry the same GVW under the FBF and usually less payload</u>. See the attached page (Exhibit A) for a visual sense of the vehicle change required to attempt to maintain payload weight.

End-dump semi-trailers and short contruction vehicles that have to operate on the Interstate System are among the ones who are suffering the most as the result of the emphasis on weight enforcement related to the distance between axle groups. Payloads have been severely reduced, and all we get to share in is the increase in taxes! To add insult to injury, dump trucks, because of their heavier than normal tare weight, actually get to spread the taxes over less payload which raises the cost even more. Dump trucks pay a disproportionate part of the increased taxes for which they received no benefit in the first place.

Safety and equity are destroyed for the end-dump as long as increased weight is related to increased length. An end dump, due to its need to be raised into the air to unload, must be as short as possible, for safety's sake, since the longer it is the higher it goes into the air while unloading. The higher into the air it goes, the more likely it is to fall over, whether due to imperfect loading, imperfect unloading conditions or wind.

The current FBF further requires the front loading of the dump body so as to be able to transfer weight forward to the steering axle to meet the 12,000 pound steering axle weight needed to achieve 80,000 pounds GVW, unless you are willing to accept the risks of a much longer trailer that violates safety considerations. See the attached page of diagrams that show some of the current options available to us, none of which are satisfactory (Exhibit B):

Figure 1 shows a standard five axle combination with a frame type end-dump semi-trailer. It is generally too heavy, too long and too unstable since it needs to be front loaded to achieve a 12,000 pound steering axle for an 80,000 pound GVW and towers nearly forty (40) feet into the air while unloading.

Figure 2 shows a standard five axle combination with a frameless end-dump semi-trailer. It is generally lighter and a little more stable since the "scissoring" action and lower hinge point keeps the unloading height lower, and the "A Frame" support attached near the midway point provides some added stability. It is still too long and unstable due to the front loading requirement. There are also those that question its durability.

Figure 3 shows a new popular idea, the "Six Axle Concept" that this Association strongly supports for its many benefits, some of which include: a shorter body for less unloading height and more stability; a three axle trailer group that permits the shorter body, reduces axle loadings, and provides a more stable base for dumping support as well as better tracking and braking. However, the current FBF still requires that this vehicle be front loaded to achieve the 12,000 pound steering axle. We believe such a superior vehicle should be given exceptional consideration at least equal to the thirty-six (36) foot "tandem - tandem" exception provided in the current FBF, and have introduced legislation accordingly.

Figure 4 shows the truck and trailer combination popular in the West. Although it will comply with the FBF quite nicely, it is not the standard vehicle in the eastern part of the Nation and represents many major problems, some of which include: a major economic loss to convert to such vehicles, less flexibility since the truck cargo body cannot be detached and interchanged, less efficiency since two cargo bodies must be loaded and unloaded each time, more maintenance expense since there are more moving parts

to wear in the body transfer mechanism and two covers that would need to be maintained, and more risk involved for personnel in covering and uncovering two cargo bodies as well as transferring the transfer box.

Operations in the eastern part of the country also are severely restricted due to the fact that many of the facilities that the dump industry serves are much older and designed around much smaller equipment. The very large vehicles demanded by the FBF have a very difficult time negotiating in and around these facilities. In fact, some sites require inside unloading, with the obvious troubles that result from a trailer designed to be raised many more feet into the air to unload than what the building's interior design will allow.

The dump truck transportation segment of the motor carrier industry is generally recognized to be about five percent (5%) of the truck population. Yet, because of the nature of most dump truck work this small number of vehicles can have a significantly greater impact. Dump trucks usually make numerous trips per day within a smaller geographic area, compared to other trucks just passing through. To not allow this segment of the trucking industry to realize its maximum productivity exposes many more vehicles than necessary to the hazards of highway travel and increases any detrimental environmental impacts that trucks may contribute to. It also greatly increases the costs of those industries dump trucks serve. Dump truck transportation costs are a significant part of highway, bridge and general building costs.

PROPOSED SOLUTIONS

DTIA believes that the Nation needs a method of measuring and enforcing truck sizes and weights that takes into consideration the present and future, not so much the past, and overall highway safety as it relates to total vehicles of various sizes on the road. The current highway and bridge construction standards are superior to the ones on which the current FBF is based. Future standards will most likely be even more superior. Inferior structures should be posted and scheduled for replacement, while the trucking industry should be able to make the most efficient use of a system of which the majority of its structures are designed for loads greater than currently allowed.

Dump trucks of all types should be included in any Specialized Hauling Vehicle (SHV) definition that may allow for improved productivity for the group. They share the characteristics of disproportionately heavy tare weights necessary to provide the structural strength for on-off highway usage and hydraulic systems for unloading. They frequently run empty on the return trip. They must frequently maneuver in close clearance environments, and, most importantly, they must undergo the hazardous process of being raised into the air to unload.

DTIA has participated with NTWAC for several years in their effort to achieve a national permit system for SHV's. We believe that such a system would go a long way towards solving our problems with the FBF. We recommend that NTWAC's proposal to allow the states to create a SHV permit system, regardless of existing grandfather rights, for the Interstate Highway System and other federally funded highways be accepted.

Such a permit system with reciprocity among the states would contribute to the improvement of the total motor vehicle environment. It would allow the most efficient usage of existing vehicles which would in turn reduce the number of vehicle trips required to do the same job. This would then result in improved safety due to less exposure on the highway and the removal of the need to modify sound vehicle designs to attempt compliance that many times actually decreases a vehicle's ability to be operated safely. It would also reduce environmental damage due to less trips, improve the balance between infrastruture wear and tear and funding through the cost of permits and enforcement penalties, improve highway congestion, and reduce transportation costs that should be passed along to the consumer by the transportation users.

CONCLUSION

We believe that the entire "Bridge Formula" issue should be re-evaluated with every segment of the motor carrier industry represented and involved. Our segment of the motor carrier industry is tired of paying the price for "productivity increases" for the rest of the industry. Our operating safety is being compromised and our productivity destroyed.

DTIA requests that you adopt a new size and weight standard the takes all segments of the trucking industry into consideration. Increased costs should not be borne by all trucks when not all trucks share in the increased benefits of those costs. Current and future highway standards and capabilities should be recognized while inferior segments are protected and upgraded. All aspects of sizes and weights should be evaluated, especially the potential to reduce vehicle trips and exposures and the resulting impact on safety, the environment and costs. Specifically, NTWAC's permit system proposal should be accepted as one very important part to any new size and weight standard. Thank you.

Respectfully Submitted,
DUMP TRANSPORT INDUSTRIES
ASSOCIATION (DTIA)

Gerald Heavener

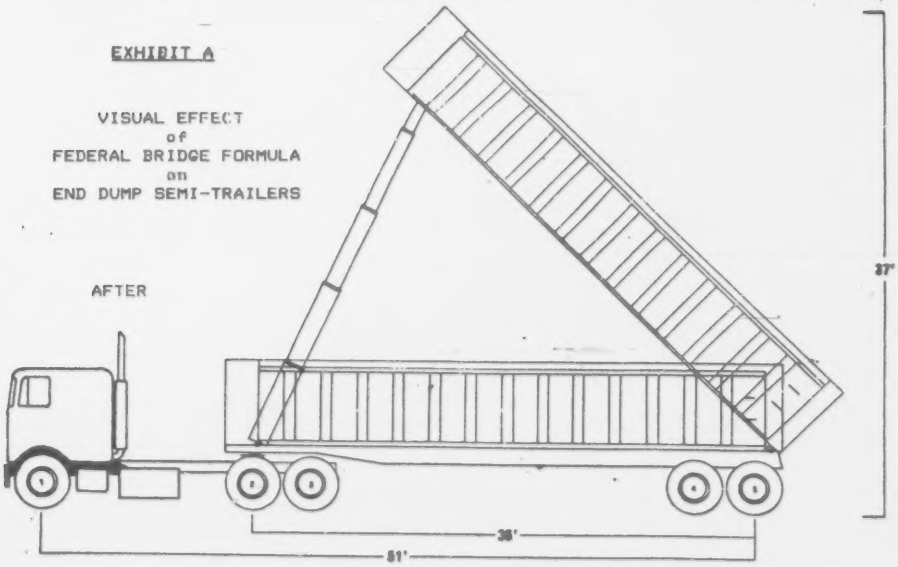
Gerald Heavener
Chairman

DTIA vs. FBF
U.S. Public Works and Transportation
Subcommitte on Surface Transportation April 24, 1990

EXHIBIT A

VISUAL EFFECT
of
FEDERAL BRIDGE FORMULA
on
END DUMP SEMI-TRAILERS

AFTER



BEFORE

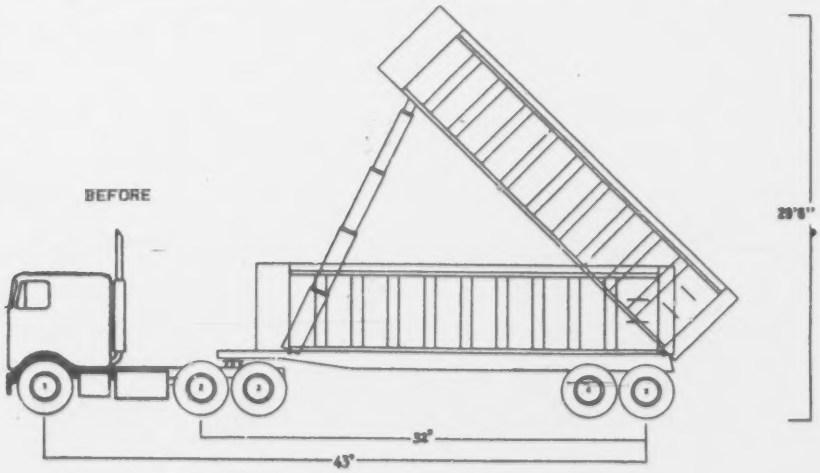


EXHIBIT B

FIGURE 1

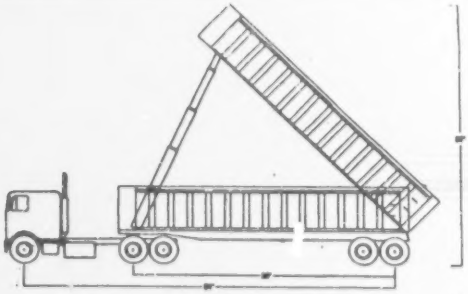


FIGURE 2

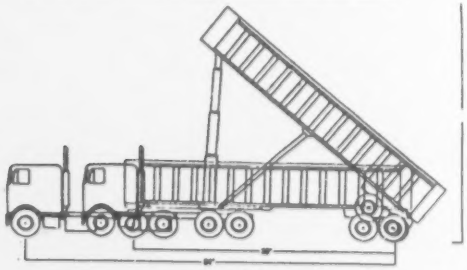


FIGURE 3

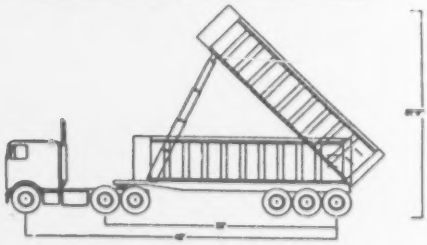


FIGURE 4

NAGHSR

National Association
of Governors' Highway Safety Representatives

PETER K. O'ROURKE

Statement of the
National Association of Governors' Highway Safety Representatives
before the
Surface Transportation Subcommittee
Public Works and Transportation Committee
U. S. House of Representatives
April 24, 1990

My name is Peter K. O'Rourke, Governor's Highway Safety Representative from California and Chairman of the National Association of Governors' Highway Safety Representatives (NAGHSR). NAGHSR is a non-profit association representing state highway safety offices. Its members are appointed by the Governor of each state and are responsible for developing and implementing their states' highway safety program. The organization's mission is to improve the safety of our nation's highways through increased safety belt and child restraint use; reduced incidence of impaired driving; stricter enforcement of speed limits; improved truck, school bus, motorcycle, bicycle, and pedestrian safety; safer vehicle design and enhanced roadway safety.

It is my pleasure to appear before you today on NAGHSR's behalf to discuss the reauthorization of federal highway safety programs.

Highway Safety: A Persistent Problem

Currently, the United States enjoys the best highway safety record of any country in the world. Over a twenty-year period from 1967-1987, the mileage death rate in this country dropped from 5.2 deaths to 2.4 deaths per 100 million miles of travel. (The 1989 mileage death rate has dropped to 2.2 which is the lowest mileage death rate to date.) In the last eight years alone, the death rate from motor vehicle crashes has been cut by more than 25%. The National Highway Traffic Safety Administration (NHTSA) estimates that, in 1988 alone, 6,506 lives were saved by highway safety laws and programs: 4,500 saved by safety belts; 1,148 saved by minimum drinking age laws; 608 saved by motorcycle helmets; and 250 saved by child restraints.

Despite the positive impact federal assistance and state and local highway safety programs have had on highway safety, motor vehicle deaths and injuries continue to be a major problem in this country. 47,093 people were killed in motor vehicle crashes in 1988--the last year for which complete statistics were available--and an estimated 3.4 million people were injured. (Preliminary estimates for 1989 indicate that the number of fatalities has dropped to 45,000.) Every 10 minutes there is a

traffic fatality and every 10 seconds, a traffic-related injury. The annual death rate from motor vehicle crashes is the equivalent of crashing an airliner with 129 persons on board every single day.

In 1988, half of the fatalities were alcohol-related (including pedestrians, non-drivers, and drivers whose blood alcohol level did not exceed the legal limit), 17,500 were unrestrained occupants, 6,900 were pedestrian fatalities, 13,585 involved light trucks, and 3,661 were motorcyclist (and other motorized cycles) fatalities.

The magnitude of motor vehicle injuries represents a major public health problem for the country. About one-third of all the unintentional injury deaths are caused by motor vehicle crashes. The leading cause of death for children and young persons aged 1-34 is motor vehicle crashes. For all ages, the motor vehicle injury death rate is surpassed only by the rates for heart disease, cancer and stroke. Traffic injuries are the leading cause of paraplegia and quadriplegia, and are a major cause of epilepsy.

The estimated economic cost of motor vehicle-related fatalities and injuries to society is staggering. According to the Cost of Injury in the United States (1989), the cost of motor vehicle crashes to society is $48.7 billion a year. This estimate, which many in the highway safety community believe is very conservative, does not include the non-quantifiable costs associated with human suffering and trauma, or societal costs associated with the long-term loss of productivity. Traffic injury costs, according to Injury Prevention: Meeting the Challenge (1989), are second only to cancer in their economic cost. Unlike cancer and other disabling diseases, however, most of the economic costs associated with motor vehicle deaths and injuries can be avoided through prudent investment of governmental and private sector resources in proven highway safety countermeasures.

If traffic continues to grow at about 4% per year in the future, as the Highway Users Federation projects, and if the 1987 mileage death rate of 2.4 deaths per 100 million miles of travel is maintained, then annual fatalities may exceed 60,000 by the year 2000 and may be as high as 80,000 by the year 2020. The rate would have to be dropped to 1.4 deaths per 100 million miles of travel just to maintain a fatality frequency of 46,000 fatalities a year -- a level which, in itself, represents a totally unacceptable loss of human life.

Increased truck travel, greater reliance on the automobile for commute trips, increased suburbanization and a deteriorating highway system will adversely impact the safety of the nation's highways over the next decade. More federal, state, and local and

private sector resources will have to be devoted to highway safety to reduce the fatality rate and to offset some of the demographic, social and economic trends of the future.

Current Federal Assistance Programs for Highway Safety

Much of the progress that has been made in highway safety can be attributed to federal highway safety legislation of the past twenty years (such as the Highway Safety Act of 1966) and the federal grant funds authorized by that legislation. The federal State and Community Highway Safety grant program (23 U.S.C. 402, commonly known as the 402 program) is the major source of funding for state highway safety programs.

Two major features make this federal grant program unique and contribute to its effectiveness. First, unlike other federal grant programs, the 402 program operates as federal "seed money" for state and local highway safety programs. 402 grants are available over a three-year period, with a declining federal match of 75%, 50%, and 25%. Highway safety programs funded with 402 funds are expected to be self-sufficient by the end of the third year; therefore, the 402 program does not encourage state dependency on federal grant assistance:

- In Kentucky, 402 funds were used from 1982-85 to create a Traffic Alcohol Patrol whose purpose was to increase DUI arrests in the Lexington area. The program, which resulted in a 300% increase in DUI arrests and a 35.8% reduction in alcohol-related accidents during Patrol hours, is still operating in the area despite the fact that no federal funds are involved.

- In Ohio, $4 of each motorcycle registration fee is used to fund a motorcycle safety training and education program. The program, which is supported by over $1 million in state funds, was initially funded by a 402 grant.

- In Puerto Rico, highway patrols have been established to complement ten existing traffic divisions in the Commonwealth. The project has combined federal 402 and state funds over a three-year period and will provide substantially increased funding for traffic safety enforcement. By the end of FY 90, the state will provide all funds to this program.

Second, states use 402 funds to leverage other state and local funds, private sector contributions, or voluntary assistance. In some cases, the leveraged funds (or in-kind assistance) equal to or exceed the federal grant. As a result, the 402 program is probably one of the most cost-effective grant programs provided by the federal government:

- Under Pennsylvania's Corridor Safety Initiative Program, the state has targeted a 17-mile stretch of Route 65 for an intensive combination of safety programs including highway improvement projects, coordinated enforcement efforts, increased public information and education programs, and advanced emergency medical services. 56% of the funding from this project comes from 402 funds and 44% is funded by the state.

- During FY 89, Virginia began a program to train police officers in selected jurisdictions to recognize drugged driving behavior. By the end of the fiscal year, there were 23 trained instructors, 47 trained enforcement officials, and 100% increase in drugged driving arrests. $71,000 in 402 funds were expended for the project, while the states and localities contributed approximately $500,000 in police time and laboratory analysis costs.

- In California, the state developed the "I'd Rather Drive" public information campaign with $150,000 in FY 89 402 funds and $125,000 in state funds. The campaign was designed to make young people aware of a new driver's license suspension law which affects those between the ages of 13 and 21 who have committed any drug and/or alcohol offense. The campaign has been so well received by the schools that the state plans to broaden distribution to theaters and private schools.

Federal 402 funds may be used to fund a wide range of projects including: occupant protection, impaired driving, police traffic services, motorcycle safety, roadway safety, traffic records, and emergency medical services. States may fund other types of highway safety projects, such as pedestrian and bicycle safety, if they submit additional justification and explanation to NHTSA.

Additional federal assistance is provided to states under the Federal Highway Administration (FHWA) 402 program which provides funds for traffic control device inventories, improved safety data collection and analysis systems, training and technical assistance and other activities.

Funds are also provided under the 403 program (23 U.S.C.403) for highway safety-related research and demonstration programs (which is a discretionary assistance program available to states, localities, universities, non-profit associations, etc.), and under the 408 and 410 incentive grant programs (23 U.S.C. 408, 410) for state drunk driving prevention programs. A small number of state highway safety offices receive truck safety assistance through the Motor Carrier Safety Assistance Program (MCSAP) and the Commercial Driver License (CDL) implementation grant program

which are administered by FHWA. A few state highway safety offices receive funds for drugged and drunk driving prevention programs under federal drug legislation.

Federal Highway Safety Program Impact

Over its twenty-year life, the 402 program (and other related programs) has had an extremely positive impact on highway safety in states and localities. In Missouri, for example, the fatality rate fell from 5.2 in 1971 to 2.4 in 1988 despite the fact that vehicle miles of travel increased 67.8%, population grew by 405,000 persons, registered vehicles increased by over 1 million, and licensed drivers increased by nearly 800,000 during that same time period. Although many factors have contributed to the decline in the fatality rate, the federal highway safety program has had a lasting and positive impact on traffic crashes in that state.

The 402 program has enabled Missouri to substantially upgrade its emergency medical services to a point where 88.1% of the most serious injuries were treated by paramedics in FY 89. Before the infusion of federal funds, emergency medical service in the state was little more than a "horizontal taxi" for victims of traffic crashes.

The program has also enabled Missouri to significantly improve its traffic record systems to better identify highway safety problem areas so that federal, state, and local resources could be targeted to those areas. With 402 and 403 funds, Missouri has been able to develop statistical programs which correlate emergency medical services, alcohol involvement, and traffic crash data. This has helped the state better evaluate the effectiveness of its highway safety programs and its emergency medical services.

The state has also successfully used 402 funds to leverage local funds for highway safety purposes. This has resulted in sustained local funding of highway safety programs, even after the federal funds are terminated. For example, in Cape Girardeau, 402 funds were used to establish a local highway safety committee which reviews and coordinates projects. The committee identified a particular pedestrian safety problem, obtained donated labor and materials which were used to address the problem, and did not utilize any federal funding. The federal funds created a permanent highway safety structure at the local level which, in turn, was instrumental in identifying a safety problem and solving it on its own.

Nearly every state can point to successes such as these. Without the federal funds, with shrinking state budgets, and with all the competing demands on state funds, few states would have the necessary resources to devote to highway safety. Highway safety

would simply not appear on most states' agenda if it were not for the federal grant programs.

Highway Safety Program Needs

1. Federal Role: NAGHSR believes that federal highway safety grant programs must be continued and expanded, given the projected future rate of fatalities over the next decade and the past successes which have been achieved as a result of those programs. An expanded federal commitment, along with support by the state and local governments and the private sector, will enable the implementation of improvements across the entire spectrum of highway safety.

We believe that the federal government should continue to provide leadership, as it has done this past year, in establishing highway safety goals and objectives. This would give the federal highway safety programs clearer direction and purpose and would more closely tie the efforts of the states and localities into a nationally coordinated program. We recommend that goal-setting should be done collaboratively with states, localities, highway safety organizations, and the private sector. We also suggest that the federal government should continue to be responsible for developing standards and criteria for programs and activities which will advance the national goals and objectives.

2. Non-construction highway safety programs: NAGHSR recommends that the NHTSA 402 program should be continued with no major programmatic changes. Federal funding should continue to be directed to highway safety information and education programs, program evaluation, data collection and analysis, training programs, and enforcement programs. The federal government should continue to set highway safety priorities but should be required to periodically review those priorities in order to address new and emerging highway safety issues and priorities. States should continue to be allowed to fund programs in non-priority areas.

We do recommend, however, that there should be some significant structural changes in the 402 program. We believe that the 402 program should be available on a two-tiered basis: a base tier and an incentive tier. The current 402 program should constitute the base tier. The incentive tier should be structured by combining and significantly expanding existing incentive grant programs (408 and 410) to provide financial incentives for a range of priority highway safety issues including, but not limited to, occupant protection, speed enforcement, impaired driving, pedestrian safety, motorcycle safety, trauma system development, and uniform data collection and analysis. Base program and incentive funds should be allocated to states according to the current population and road mileage-based formula.

In the first year, a state should be eligible for incentive funds if it qualifies under two or more of the incentive categories. A state should be eligible for subsequent funding if it continues to implement the previous year's program and qualifies under an additional incentive category in each subsequent year. We recommend that the two-tiered 402 program should be funded at **$250 million a year, $125 million in each tier.**

NAGHSR strongly supports the incentive approach and opposes sanctions. We believe that sanctions are counterproductive, are usually not targeted to the entity that is responsible for the failure to satisfy the mandated requirement, and generally do not relate to the programs that are being sanctioned. Incentives, on the other hand, would allow states to satisfy national performance criteria in a manner best suited to their needs and resources and would reward them for actual achievements in highway safety.

We also recommend that the Federal Highway Administration's 402 program should be continued and expanded. Since the proportion of mature drivers is expected to significantly increase in the next decade, funding for this program should be commensurately increased to at least **$25 million a year**, and the program should be focused more on the roadway safety needs of the mature driver (e.g. improved signage and improved roadway markings.)

3. Motor carrier safety programs. NAGHSR recommends that the federal motor carrier safety grant programs (MCSAP and the Commercial Drivers' License program) should be continued and funded at **$100 and $25-50 million a year, respectively.** We recommend that the MCSAP program should be adjusted to allow the funds to be used for motor carrier traffic safety enforcement purposes. This would help ensure that motor carriers obey the posted speed limit, do not drive impaired, are properly protected with occupant restraint systems, and comply with the rules of the road.

NAGHSR also suggests that MCSAP program administration should be shifted to NHTSA, the program should be incorporated into the base 402 program with no reduction in funding (bringing total funding up to $350 million), and the state highway safety office should be responsible for program implementation. This would allow states to address truck and passenger car safety issues within one program, would enable the MCSAP motor carrier traffic enforcement programs to be coordinated with other state traffic enforcement efforts in a state, and would eliminate the enormously frustrating problems of inter-agency coordination that exist at both the federal and state levels.

4. Data collection and analysis. NAGHSR recommends that a national data center should be established for the collection,

analysis and dissemination of uniform accident, injury and fatality data. In the long term, the center could integrate into a unified data system registration and licensing information, roadway engineering data, traffic volume data, traffic citation and conviction data as well as other data relating to driver characteristics. We recommend that **$25 million a year** be authorized for this purpose.

All states collect fatality and accident data and report it to NHTSA through the Fatal Accident Reporting System (FARS). However, the reliability and consistency of the data varies considerably from state to state. Most states have statewide data systems for some injury statistics (such as hospital discharge diagnoses). But not all states support a statewide EMS data system and no state presently supports a statewide computerized hospital emergency department data system. Only a handful of states have attempted to link accident and injury data bases.

A national data center could help the states address many of these problems. A center could improve the quality, standardization, and development of data reporting and analysis systems. A center could help states computerize their injury data and could provide technical assistance to states that wish to link data bases. A center could integrate existing data systems into one large unified system. A center could develop training programs to help state and local highway safety personnel in data collection and analysis and in new data processing technology.

5. Highway safety research. NAGHSR recommends that NHTSA's highway safety research efforts under the 403 program should be accelerated and funded at **$75 million a year**. The funds should be used, among other things, to evaluate the effectiveness of existing highway safety programs and countermeasures, to evaluate the effectiveness of vehicle safety standards already in place, and to develop future vehicle safety standards. Funds should also continue to be used to develop and demonstrate new highway safety program ideas, new countermeasures, and new and advanced highway safety technology.

Increased funding should also be provided to FHWA's 403 highway safety research program. The funds should continue to be used to identify roadway improvements which benefit safety. The research program should examine ways to more safely accommodate the changing vehicle mix through traffic control devices and other safety features. Additionally, the program should develop and demonstrate engineering projects which would improve pedestrian and bicycle safety and should address special issues such as the problem of parked vehicles on Interstate access roads.

6. Program administration. NAGHSR strongly recommends that there should be a single state agency that is responsible for

developing and implementing the federal highway safety programs. To this end, the state highway safety offices and Governor-appointed Highway Safety Representatives should continue to have primary responsibility for administering federal highway safety programs. They should continue to work cooperatively with local governments and private organizations to fund comprehensive highway safety programs at the state and substate levels.

Over the last twenty years, the Governor's Representative has changed from a grant administrator to a leader and coordinator of most of the highway safety activities within the state. In nearly every state, the Governor's Highway Safety Representative has become the keystone to highway safety in the state. GR's in the majority of states have taken on this broadened role and have done so successfully. For this reason, we believe that the Governor's Highway Safety Representative should continue to have primary responsibility for administering the federal grant highway safety grant programs.

Financing Federal Highway Safety Grant Programs

Presently, most of the federal highway safety grant programs are funded with revenues from the Highway Trust Fund. NAGHSR recommends that there should be no change in the funding source for these programs.

The Association strongly recommends that the unobligated balance in the Highway Trust Fund should be drawn down in order to allow the federal highway safety grant programs to be authorized at the levels we have recommended. Recent analysis by the Congressional Budget Office, the Federal Funds Information for States, and the Department of Transportation indicate that the Highway Trust Fund could support a much larger federal highway program without triggering the Byrd amendment or damaging the integrity of the program. We urge Congress to raise the obligation ceiling on the Highway Trust Fund and increase the level of spending so that needed highway safety programs can move forward and be implemented.

NAGHSR also strongly opposes efforts to use federal motor fuel tax revenues to support other non-transportation programs or to reduce the deficit reduction. Highway users pay federal gasoline taxes with the expectation that the revenues generated will be used for highway construction, maintenance and safety purposes. By allowing the diversion of federal motor fuel tax revenues, the federal government is violating the user fee principle upon which the federal highway and highway safety programs are based. This sort of diversion also weakens the ability of the Highway Trust Fund to support highway improvement and safety programs at a time when the need for increased investment in our nation's infrastructure and increased spending for safety is becoming more and more obvious. We support efforts to put the "trust" back

into the Trust Fund by spending the highway tax revenues for surface transportation improvement and safety purposes only.

Enforcement of the National Maximum Speed Limit

One of the issues which may be addressed in the reauthorization legislation concerns compliance with the national maximum speed limit. Current law considers states out of compliance if more than 50% of a state's motorists exceed the posted 55 mph speed limit. Noncompliant states may be forced to forfeit up to 10% of their primary, urban and secondary system funds. The sanctions do not apply to the forty states that have increased their speed limit to 65 mph. Furthermore, 55 mph states are required to monitor and report speed data to the Department of Transportation, while 65 mph are not.

This bifurcated approach to compliance has caused two inadvertent, potentially harmful consequences. For one, it has created a disincentive for states to retain their posted speeds at 55 mph and an incentive for states to raise their speed limits. Second, it has caused states with some of the lowest fatality rates in the nation to face severe sanction for failing to promote highway safety. In NAGHSR's viewpoint, the current compliance formula is not working and needs to be altered.

NAGHSR urges Congress to address this inequitable situation by:

- requiring <u>all</u> states to monitor and report speeds on all Interstate miles and to submit speed-related statistics to the Department of Transportation. This would generate the necessary data with which to determine whether or not increased speeds adversely impact safety;

- setting the compliance threshold on a state-by-state basis rather than a national basis. This would allow each state to measure progress against itself rather than against neighboring states whose conditions and resources may or may not be similar;

- developing a weighting scheme which would take into account the vehicle miles of travel within each state, the seriousness of the speed violation, the enforcement efforts undertaken by the state, and the relative safety of different types of highways. This would allow the formula to take other factors into account which affect speed compliance;

- giving the states maximum flexibility in the implementation of a compliance program, either by phasing in the compliance threshold over a multi-year period, or by adjusting the threshold by a fixed

percentage (e.g. 10 percent) in order to compensate for monitoring and sampling errors, or both strategies. This would give the states the flexibility they need to adjust to a revised compliance formula;

- establishing speed incentives encouraging states to increase and strengthen their efforts to enforce the national speed limit instead of sanctions for failing to enforce it.

This approach is consistent with the one recommended by the Government Accounting Office in its 1988 report to Congress and with the approach that was earlier considered by the Surface Transportation Subcommittee. NAGHSR believes that it would eliminate the inequities in the current formula while encouraging greater compliance.

Mr. Chairman, this concludes my remarks. I greatly appreciate the opportunity to appear before the Subcommittee and express NAGHSR's views on highway safety reauthorization issues. The Association has had an excellent working relationship with you and your capable staff, and we look forward to working collaboratively with you as a reauthorization proposal moves through the legislative process.

TESTIMONY
OF
AMERICAN INSURANCE ASSOCIATION
ALLLIANCE OF AMERICAN INSURERS
NATIONAL ASSOCIATION OF INDEPENDENT INSURERS
ON THE HIGHWAY REAUTHORIZATION BILL FOR 1990
BEFORE THE
SUBCOMMITTEE ON SURFACE TRANSPORTATION
OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
UNITED STATES HOUSE OF REPRESENTATIVES
APRIL 24, 1990

PRESENTED
BY
DAVID F. SNYDER
AMERICAN INSURANCE ASSOCIATION

Mr. Chairman and Members of the Subcommittee:

My name is David Snyder, Counsel for the American Insurance Association. This testimony is submitted on behalf of the Alliance of American Insurers, the National Association of Independent Insurers, and the American Insurance Association which together represent more than 870 insurance companies providing approximately 2/3 of the commercial automobile insurance in the United States. Our associations and the insurance companies we represent have a direct humanitarian and economic stake in preventing commercial motor vehicle accidents and reducing the losses and rates that result from them. While this Subcommittee, the full Committee and the Congress, in general, have reason to be proud of the record on commercial motor vehicle safety, more needs to be done. That is why we are here today.

Consumer groups and insurers are united on the issue of truck safety. The combined program of major consumer and insurance groups, called the Agenda for Consumer Health and Safety includes these objectives: full implementation of the

commercial drivers' license program; enforcement of existing vehicle size and weight; mandation of antilock brakes and on-board recorders.

The public is concerned about the rising cost of auto insurance in some areas. So are we. Commercial auto insurance losses have increased 55% from 1984-1989. Liability losses, reflecting medical and lawsuit costs, increased a staggering 73% over the past 5 years. See charts 1 and 2. These losses simply must be reduced if we are to achieve stable or lower rates. Preventing the accident, death, injury and property damage in the first place is the best remedy for these rising losses and rising rates.

Insurers provide loss control services, base premiums on safety experience and support research on safety. For example, fleets are eligible for various forms of experience rating. Under these programs the premium is based on the actual experience of the policyholder and provides an immediate reward to the policyholder via lower premiums for good safety experience. Smaller risks are eligible for schedule rating, which can allow a big discount for such items as safety equipment. Insurers also fund the Insurance Institute for Highway Safety.

Insurers are required under state law to set up pools to insure virtually every applicant regardless of its condition or safety record. The losses in these pools are shared. So,

there are severe limits on our ability to police motor carrier safety. For this reason, government must help by setting minimum standards of motor carrier safety and equipment design and by assuring that they are enforced.

Each year nearly 4,500 people die and 170,000 are injured in tractor trailer crashes. If you are an occupant of a car involved in an accident with a tractor trailer, you are 38 times more likely to be killed than the truck occupants. Almost one third of truck drivers killed in accidents were found by a recent study to be under the influence of drugs, alcohol or both and fatigue was found to be an even more frequent contributing factor in the accidents. Partly as a result of this carnage, commercial auto insurance losses have increased 55% over the past five years. But as graphic as the numbers are, they pale in comparison to the human stories they represent. Here are just a few:

- I-90 Crash Kills Trucker -- Cab Separates From Trailer, Pitches Over Bridge. A truck driver was killed when the cab of his semi-trailer truck separated from its frame and pitched over a wall on the East Channel Bridge between Mercer Island and the East side. The cab landed 75 feet below the highway. There had been light rain just before. "He was sliding in the rain, he was trying to correct ..." according to a witness. (Excerpted from the Seattle Times, April 12, 1990.)

- Gloria Estefan Breaks Back in Crash. Gloria Estefan suffered a broken back ... when a tractor trailer plowed into their tour bus on a snowy highway in the Poconos. "The indirect cause was a tractor trailer which had jackknifed and blocked the road," said Corporal Joseph Kearney of the Pennsylvania

State Police in Scranton. "Everybody behind had to stop. It was like dominoes." A second tractor trailer moving at 45 mph came to a halt behind the first. Estefan's bus, directly behind, had stopped for about three minutes when a third tractor trailer plowed into her bus, state police said. Estefan's bus "took a pretty big hit. Their bus was pretty heavily damaged." "The trailer behind Gloria's bus just couldn't stop on the icy snow." (Excerpted from the New York Post, March 21, 1990.)

- Fiery Crash Kills Trailer Driver. A gasoline tanker driver was killed after he hit a dump truck... The 4:00 p.m. wreck closed 2 1/2 miles of U.S. 360 during the afternoon rush. The heavily traveled stretch was expected to open after 1 a.m. ...Fire rode the crest of the gasoline pouring from the tanker -- and enveloped a nearby restaurant. "He [the driver] was struggling to get through the broken windshield ... but the flames and heat were just too much ... we just had to let him go." The dump truck appeared to be slowing for a left turn when the tanker slammed on its airbrakes ... They locked together and that flipped [the gasoline tanker] and the dump truck. (Excerpted from the Richmond Times-Dispatch, April 19, 1990.)

- Siblings Die In Fire After Truck Hits Stalled Car on Interstate 95. As a Philadelphia mother watched helplessly, her two children, sitting in a stalled car on Interstate 95, were killed yesterday when a tractor trailer struck the vehicle from behind, dragging it 200 yards before the wreckage erupted into flames. A witness saw the mother running up the median of the Interstate toward the wreckage. "I heard her yelling, 'my babies, my babies, my children,'" he said. The two children were trapped inside the car, one in the front seat, one in the back. By the time firefighters extinguished the flames, the Honda was a shell. [The driver] escaped his flaming cab and hobbled to the side of the road. A witness and another bystander sat the driver down on the pavement. "His leg was hurt, and he kept saying, 'Oh my God, anybody in the car? Anybody in the car?'" The witness said "naturally, we didn't tell him ..." (Excerpted from The Philadephia Inquirer, April 12, 1990)

Although the goverment and private industry have worked to prevent these tragedies, still more must be done. In recent sessions, Congress has acted to improve truck and bus safety by passing the Surface Transportation Assistance Act of 1982, the

Commercial Motor Vehicle Safety Act of 1986, and the Truck and Bus Safety and Regulatory Reform Act of 1988. But speeds were also allowed to increase. The Federal Highway Administration has moved effectively to implement the 1986 law. But, there are apparently serious flaws in the U.S. DOT safety rating program and research and implementation of new technology by the Department is too slow.

Many states have responded well to the commercial drivers' license program, but the deadline for compliance threatens to overtake some major states which have not yet acted. The trucking industry has also done some positive things, such as joining in a petition to ban radar detectors from large trucks, and supporting anti-drug efforts, but has opposed required installation of new safety technology. Consumer groups have supported a host of safety measures. Insurers have worked for these same measures.

But, as the numbers and the human stories behind them illustrate, none of us have the right to be complacent. Here are a few necessary additional steps to help prevent, once and for all, the tragedies, the economic losses, and the higher insurance rates that result from avoidable big truck crashes.

Fully Implement the Commercial Drivers License Program

Four years ago the Congress enacted the Commercial Motor Vehicle Safety Act of 1986, a comprehensive law to: establish

a national commercial drivers' license system (CDL), prohibit truck and bus drivers from carrying more than one license, and severely punish serious moving violations such as driving under the influence of alcohol. The law reduced acceptable blood alcohol levels from .10 (the level in most states) to .04. We worked with the American Association of Motor Vehicle Administrators in drafting a model law for state implementation of the CDL statute and have worked for its passage. But because the federal law supplements, but does not supplant state licensing, the CDL program could collapse, without state action.

So far, more than 40 states have passed the necessary state CDL legislation and 12 are already issuing licenses. Despite this progress, ongoing Congressional oversight program is critical if the full benefits of the CDL program are to be realized. This oversight must be concerned not just with the quantity of states implementing the CDL program, but the quality of state efforts as well. For example, the CDL testing program would be worthless if the integrity of the testing process is not maintained.

Congress should keep the pressure on by preserving the 1993 and later year highway funds reductions for noncompliance as provided in the CDL law. Any indication of even the slightest possibility of extending this deadline could doom efforts to obtain 100% state participation in the CDL program by September 1992. We, therefore, ask the Congress to maintain

the deadlines and continue its oversight of the CDL program.

Freeze Allowable Truck Size and Weights

According to the Insurance Institute for Highway Safety, double trailer trucks are two to three times as likely as other configurations of big trucks to be in crashes. Double trailer trucks are also more likely than singles to jackknife in a crash. To function safely, longer and heavier trucks require longer stopping distances (thereby leading to more traffic congestion) and need much longer entrance and exit ramps (possibly requiring new highway construction). There is also strong evidence that heavier trucks will mean more damage to the roadways, further straining already stretched resources available to maintain our highways.

The public is strongly opposed to longer trucks being permitted on our highways. According to a public opinion survey, 92% of the public oppose allowing triple trailer trucks on the highways. Also, because of the insurance pools established in each of the states, the insurance industry, and indirectly all other commercial auto insurance policyholders, may have to pay for the increased numbers of accidents, damage, deaths and injuries that will surely result from longer vehicles.

For all of these reasons, we urge the Congress to block

any attempts to further increase allowable vehicle size and weight.

Improve DOT Safety Ratings Enforcement Program

State inspections are still turning up unsafe trucks with numbing frequency. For example, in a recent case, police ordered 60% of the pulled over trucks removed from service in one 12-hour period. While 70-80% had some sort of safety violation, one truck had only one working brake while hauling a 60,000 pound load (Chicago Tribune, February 5, 1990). The current DOT safety ratings program is not living up to its potential. Resources may not be adequate to the task and there may be insufficient follow-up with unsafe carriers to assure that problems are corrected.

S. 819, already passed by the U.S. Senate, contains language to improve the ratings program and to follow-up on unsafe operators. We urge the Congress to improve this safety program by enacting S. 819.

Mandate Antilock Brakes

A 1987 U.S. DOT report found that brakes may contribute to up to 1/3 of truck accidents. The remedies include antilock brakes, better maintenance and compatible systems. Antilock brakes are computer controlled barking systems that deliver the correct amount of braking power to each wheel, assuring

straight stops on even wet surfaces, while virtually eliminating jacknifing. The experience with current antilock brakes is so good that the European Economic Community will mandate antilock brakes on trucks by the end of 1991. The manager of a large truck fleet in the United Kingdom with years of experience using antilock brakes said "If we've lost a truck [with antilock brakes], we know nothing on earth would have saved it."

The initial cost of antilock brakes may be recovered in as little as two years because of fewer reportable accidents and related accident repairs, less down time and reduced insurance costs. In addition, tire wear can be reduced by antilock brakes -- in some cases by 15 to 20 percent. According to a manufacturer of antilock brakes: "One ... of our largest fleet customers has seen a total elimination of jackknife incidents and a 67% reduction in reportable accidents on his tractors equipped with ABS (antilock brakes) since the middle of 1988. That motor carrier told us that it will only buy ABS equipped tractors in the future and is looking at equipping all of its trailers with ABS." Tests on current antilock brake systems for tractor trailers confirm that they can bring a truck to a stop quickly and in a direct line, under conditions which would virtually guarantee a jackknife with other braking systems.

Yet, progress on mandating antilock brakes in this country has been far too slow. The Truck and Bus Safety and Regulatory Reform Act of 1988 required the United States Department of

Transportation (U.S. DOT) merely to report back to Congress after conducting studies. At the present time, the U.S. DOT will not even get around to considering whether antilock brakes ought to be required until well into the 1990s. Even at that point, there may be no action by the Department.

In view of the documented experience with antilock brakes in this and other countries, a timetable should be established by the Congress for mandating the installation of antilock brakes at least on new trucks. A regulatory deadline would be set by S. 819 and by amendments to S. 2393. We ask the House of Representatives to pass S. 819, as soon as possible.

Mandate On-Board Recorders

The National Transportation Safety Board (NTSB) recently concluded a study of the causes of accidents fatal to truck drivers. It found fatigue to be the most common probable accident cause (31%). Some truck drivers are under intense pressure to drive further, faster or longer than they can reasonably or safely do. Current hours of service regulation and record keeping are simply not protecting the drivers or the public.

A better way to validate and enforce hours of service and driver performance is clearly needed. Once again, the technological remedy is here, and is thoroughly validated: on-board recorders. These computer devices, which monitor

speed, braking and engine performance can help management achieve more productivity and fuel savings while providing drivers with protection against inappropriate pressure. Based on its findings in the truck driver fatal accident study, NTSB recommended that on-board recorders be required. We urge the Congress to set a regulatory deadline for mandating on-board recorders.

Conclusion

We urge the Congress to stand firm on the deadlines in the Commercial Motor Vehicle Safety Act of 1986, to continue oversight of the CDL program, and to hold the line on allowable vehicle size and weight. We urge the House of Representatives to approve S. 819, which includes important provisions on antilock brakes, drug use and U.S. DOT's safety rating and enforcement program. Finally, we urge the Congress to consider mandating antilock brakes and on-board recorders at least on all new commercial motor vehicles. In total, these measures will go a long way toward reducing the significant economic loss and countless human tragedies that result from preventable commercial motor vehicle accidents.

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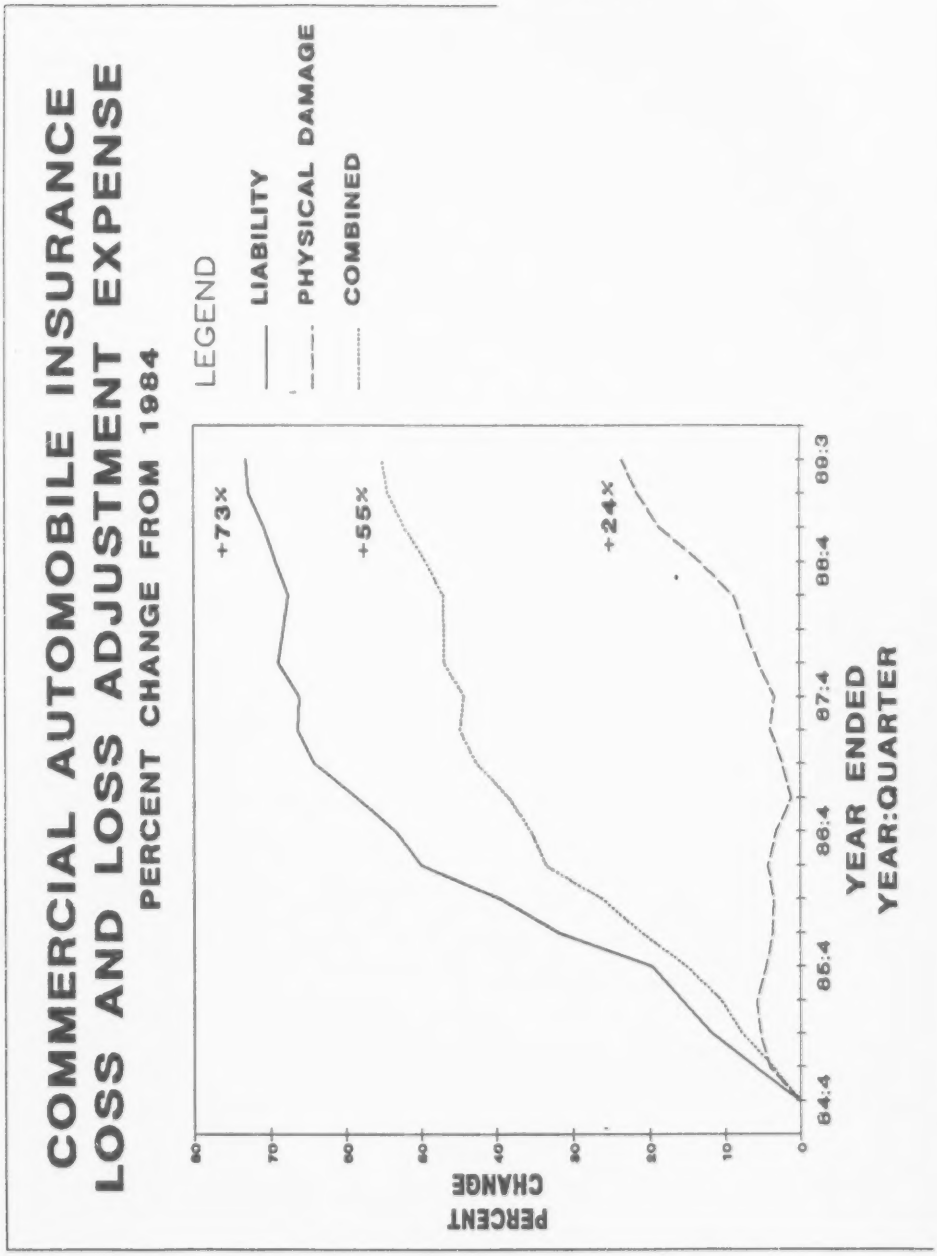
CHART 1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LIABILITY
PHYSICAL DAMAGE
COMBINED
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+24%
PERCENT CHANGE
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85:4
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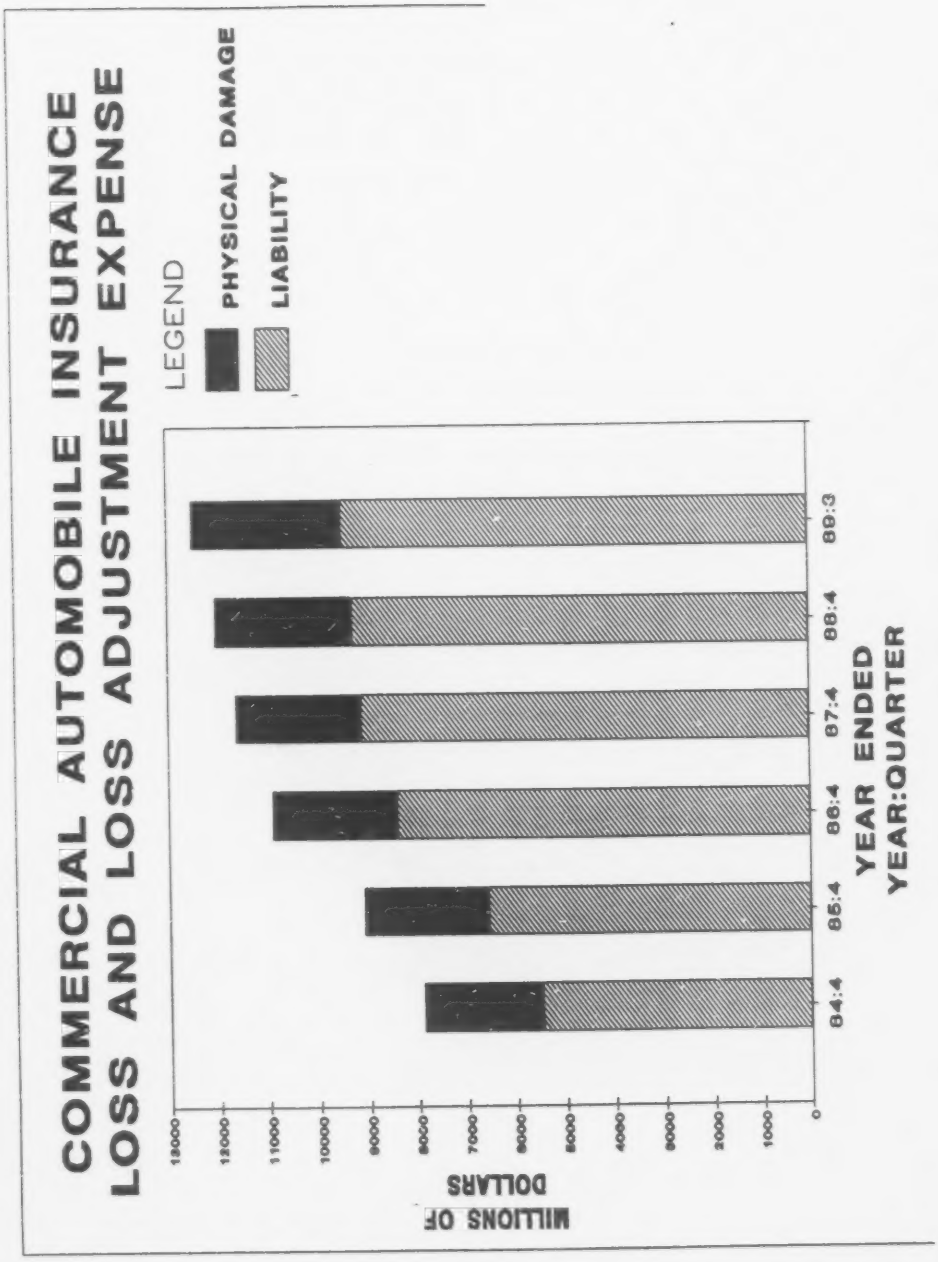
87:4
88:4
89:3
YEAR ENDED
YEAR:QUARTER

CHART 2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LIABILITY
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87:4
88:4
89:3
YEAR ENDED
YEAR:QUARTER

TESTIMONY BEFORE THE SURFACE TRANSPORTATION SUBCOMMITTEE

BY
DAVID SOILEAU
FEDERAL PROGRAMS ANALYST
TEXAS STATE DEPARTMENT OF
HIGHWAYS AND PUBLIC TRANSPORTATION

Good afternoon, Mr. Chairman and distinguished members of the Committee. The Texas State Department of Highways and Public Transportation appreciates the opportunity to participate with you in this important process of resshaping our federal surface transportation programs.

My name is David Soileau. I am Federal Programs Analyst for the Texas State Department of Highways and Public Transportation. We are responsible for the 77,000-mile state highway system in Texas, as well as for the State and Community Highway Safety (or Section 402) Program and the state-administered portions of the federal assistance program for public transportation. We also have responsibilities concerning the Gulf Intracoastal Waterway in Texas.

Texas today has a population of about 16 million people. We expect to reach a population of about 20 million during the next decade. Until 1940, we were a predominantly rural state -- about 80 percent of our people lived in rural areas. Today, however, that picture has reversed. About 80 percent of all Texans are urban residents. That means that we are about 5 percent more urbanized than the national average.

Texas has the largest highway system in the country -- about 305,000 miles of highways. We have about 14 million registered vehicles -- almost 1 vehicle for every Texan. Our highways carry about 150 billion vehicle miles of traffic annually.

We have as many miles of farm-to-market roads -- about 43,000 miles -- as there are miles of Interstate highways in the nation. The future of South Texas, as well as that of many rural areas in east and west Texas, rides on our farm road system. The people and products moving on this system bring the American values of mobility and economic prosperity to millions of Texans.

We also have more bridges -- about 46,500 -- than any other state in the country. Many of our rural areas are laced with rivers, creeks, and streams. Even in arid West Texas, many bridges cross areas that flood during heavy rainfall. Too many of those bridges -- particularly those on local roadways -- have deteriorated or are obsolete. We are concerned about the increased costs to our businesses from lengthy detours around these bridges. But we are perhaps more concerned about the increased risks our children and our sick families and friends face when our school buses and our emergency vehicles have to take these same detours.

As you all know, Texas had tremendous growth in the 1970's and early 1980's. In the mid-'80's, we suffered severe economic setbacks. Our oil industry suffered major losses, and freezes severely damaged the agricultural industry in our Rio Grande Valley. The last few years have brought new vitality to the Valley, however, in the form of the "maquilladores" or "twin plants" that have sprung up along the Texas-Mexico border.

The increasing urbanization of Texas, and the changes in our

Rio Grande Valley, demonstrate why we must continue to provide federal assistance to surface transportation, and why that assistance must reach out beyond today's Interstate highways. It also points up why Texans must receive a fairer return on their federal highway user fee dollar.

We agree with the American Association of State Highway and Transportation Officials (AASHTO) that the first federal priority should be to preserve the highway system we now have. To replace our 77,000 mile state-maintained network would take more than $100 billion. We can't afford to start from scratch. A national focus on preservation of our einvestment would allow state and local governments to concentrate on routine maintenance.

To better enable Texas to meet the challenges facing us, we believe that the new Federal-Aid Surface Transportation Assistance Act must do three things:

* RESTRUCTURE THE FEDERAL-STATE PARTNERSHIP AND THE CURRENT FEDERAL-AID PROGRAM
* REVISE THE FORMULAS THROUGH WHICH FEDERAL FUNDS ARE DISTRIBUTED TO THE STATES.
* INCREASE THE LEVEL OF FEDERAL TRANSPORTATION FUNDING BY PROTECTING THE FEDERAL TRANSPORTATION USER FEE CONCEPT.

We must have a simpler, more flexible federal program structure. The underlying responsibilities of the federal government for national defense, interstate and international commerce, and the safety and mobility of our people must

shape the federal role in transportation. However, federal involvement should support, not inhibit, the unique creativity and expertise that marks each of our states. Federal "red tape" should not keep our roadsand bridges from being upgraded. We have $5 billion in bridge work alone waiting to be done in Texas. We would like you to let us get on with it quickly.

We also agree that we must look at transportation more comprehensively. Highway planning must coordinated with rail and air systems, so that travelers can more efficiently move between transportation modes.

We join with the American Association of State Highway and Transportation Officials (AASHTO) in recommending a two-part program structure -- a "categorical" or "focused" program, and a "flexible" program -- for both highways and public transportation. This two-part structure would continue to address national needs, but would also allow states the flexibility to determine and address local needs.

We support the proposal for the designation of a highway System of National Significance, with the existing Interstate Highway System as its heart. That System of National Significance would connect our major cities and our seaports, border crossings, recreational areas, and defense facilities. It would also extend our principal national highway network to our new population and economic centers. The highway segments which make up that national network should be designated according to uniform national criteria,

and should meet uniform design and construction standards.

National interests in transportation extend beyond this national highway network, however. We also support AASHTO's proposal for a Flexible Highway Program providing support to the states to bring consistent safety and quality standards on those highway systems supporting the principal national network, and to provide smooth connections between the different transportation modes. Our highly competent state highway agencies should be given the flexibility to determine the best uses of limited resources to preserve and expand our transportation infrastructure.

As an aside, the Clean Air bills now being considered by Congress contain serious limits to state flexibility. Last week you heard from several sources, including AASHTO and the National Association of Regional Councils, concerning those dangers. We urge you to consider their testimony. Beyond that, ws can only ask you to remember that our national policies concerning clean air and transportation should be mutually re-enforcing, and should seek to meet clean air and energy goals in ways that are consistent with transportation's primary contribution to mobility and economic competitiveness.

Texas agrees with AASHTO's recommendation that federal transportation funds should be divided equally between the System of National Significance Program and the Flexible Highway Program.

The Flexible Highway Program pursues objectives that are predominantly related to the state and local transportation system. Thus, Texas agrees with AASHTO that transfer of funds between states is inappropriate for that program. Each state should simply be allocated a pro rata share of total Flexible Highway Program funds, based upon its share of total federal highway user contributions to the Highway Trust Fund.

The System of National Significance Categorical Program would be driven by national interests. Its funding should therefore be driven by factors that correlate well with those national interests. Texas supports AASHTO's recommendation that the formula for the state-by-state distribution of SONS Program funds use the following factors:

* Total statewide urban and rural lane miles
* Total statewide urban and rural vehicle miles travelled

However, we go further. With the other members of the Crescent Coalition -- from whom you have already heard -- we believe that the funding formula for the SONS program should reflect the network's contribution to interstate commerce. We believe that is reflected in the intensity of heavy truck travel, and we believe that the best measure of truck travel is diesel fuel consumption. We support the Crescent Coalition's distribution formula based on those three factors.

We also believe it is critical that the factors in the SONS funding formula be "decoupled" from the specific roadway

segments included in the SONS.

Texas agrees with AASHTO that the level of federal investment in highways and public transportation must be increased. Almost 80 percent of Texans oppose any reduction in highway expenditures.

Today, Texas receives almost a billion dollars a year in federal highway funding. But that's only about 80 percent of our federal user fee payments into the Highway Trust fund, and only about a third of my department's annual budget. And our total funding from all sources -- state and federal -- will cover only about 60% of our identified highway needs.

We do not believe, however, that an increase in federal highway user fees is necessary at this time to increase the federal investment. We believe with AASHTO thatthere should be no increase in federal highway user fees until four conditions are satisfied:

* REAFFIRM THE DEDICATION OF CURRENT AND FUTURE FEDERAL HIGHWAY USER FEE RECEIPTS TO TRANSPORTATION PURPOSES. KEEP "TRUST" IN THE HIGHWAY TRUST FUND. More than 70 percent of Texans oppose using highway funds for non-highway purposes. A record number of voters agreed to amend the state constitution to dedicate federal highway reimbursement dollars to highway use.

* MAKE THE FULL BALANCE OF THE HIGHWAY TRUST FUND AVAILABLE TO THE STATES FOR OBLIGATION.

REPEAL THE EXEMPTION OF ETHANOL-BLENDED GASOHOL AND OTHER ALTERNATIVE FUELS FROM THE FEDERAL EXCISE TAX ON MOTOR FUELS. This "free ride" for certain highway users has cost the Highway Trust Fund more than $3 billion since 1979. The Clean Air bills you are now considering would only increase that diversion.

* IMPROVE THE EFFECTIVENESS OF FEDERAL MOTOR FUEL TAX COLLECTION.

Thank you, Mr. Chairman and members of the Committee. We appreciate the opportunity to testify before you today, and will be happy to answer any questions you may have.

TESTIMONY OF FRANKLIN WHITE, COMMISSIONER
NEW YORK STATE DEPARTMENT OF TRANSPORTATION
BEFORE THE
SURFACE TRANSPORTATION SUBCOMMITTEE
HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

We want to thank the subcommittee for giving us the opportunity to present our views on the reauthorization of the Federal Surface Transportation programs. New York State has been extremely active in the activities undertaken as part of the American Association of State Highway and Transportation Officials (AASHTO) Transportation 2020 Program. We support the recommendations which have been developed and agreed to by AASHTO on reauthorizing Federal transportation programs. We have also created a group of chief transportation officials in the New York Metropolitan area - called the Bi-State Forum - to emphasize to this committee and others the transportation concerns of our nation's largest urbanized area. While we generally support the views and recommendations of both these groups, I am here today to highlight the issues of particular concern and importance to New York State.

The imminent completion of the Interstate Highway System and the issuance of Secretary Skinner's National Transportation Policy Report make this an opportune time to review and restructure the Federal transportation programs to meet the nation's changing surface transportation needs. Discussion of the Federal role and participation in transportation funding and the other major issues which must be addressed in hearings such as these will allow ample time for analysis, public debate and development of a consensus before Congress must act on the reauthorization.

Let me begin by commenting on the National Transportation Policy issued by Secretary Skinner last month. That policy was expected to define the direction and goals of our vital transportation systems and present the objectives that would underlie the reauthorization of the Federal Surface Transportation Act.

We, in the transportation field, have great admiration for Secretary Skinner's willingness to undertake a task this large in so difficult a political and budgetary environment. Irrespective of the outcome, and whatever your view of the outcome, the Secretary clearly deserves credit for engaging the debate. Having said that, those of us who work with the Federal transportation programs also had high expectations for the policy statement. While there is much in the statement that lives up to our expectations and that we can strongly endorse and support, there are also aspects that give us concern.

Although the policy calls for a healthier partnership with the states and localities, we are concerned that implementation of such a policy will certainly make the state and local partners ill. That is so for a couple of reasons. The first is the continued decline in the Federal commitment to shoulder an appropriate share of transportation costs. Over the last ten years, the Federal share of highway and transit expenditures has declined by one third. The net result has been a dramatic growth of over 160 percent in highway and transit expenditures

by state and local governments. In my own state, state funding for our highway and transit programs has increased from $350 million in 1980 to over $1.76 billion by 1989, while the Federal contribution has remained constant at about $1 billion in the face of growing needs. Thus, New York State, and most other states, are doing at least their share of maintaining the Federal-State-local partnership. Attached for the record is a copy of a report prepared for Governor Cuomo which documents this disturbing trend.

The second reason for concern with the policy is the lack of any strategy or commitment to arrest this disturbing trend. Nothing in the policy report suggests that this will happen.

In order to understand the implication of the national transportation policy, one has only to look at the administration's proposed budget for Federal fiscal year 1990-91. Under that budget, New York State would stand to lose nearly $200 million in Federal transportation aid, $15 million in highway aid and about $185 million in transit assistance. Under present budgetary constraints in New York, it will be virtually impossible to replace these needed transportation funds from state sources.

Turning from the general to the specific, there are a number of issues which must be addressed in the new Surface Transportation Act which are of particular interest and concern to New York State. The resolution of these few issues are critical for us to continue to rehabilitate our transportation infrastructure and provide safe and efficient transportation services.

Funding Levels

Although all of the states need additional transportation resources, in working with the other states through our Association of State Highway and Transportation Officials, we determined that it was irresponsible to simply ask for more money without considering the impact on the Federal budget deficit. So it was decided to take a very responsible middle ground. In a broad consensus with the other states, we believe that Federal highway and transit assistance should increase, but it should increase gradually over a four to five year period. We view the next Surface Transportation Act as a transition from present programs and funding levels to the new programs and financing that will be needed in the 21st century.

The preferred method of providing the increased Federal funds would be by spending down the balances in the Highway and Mass Transit Accounts of the Highway Trust Fund to the extent the Byrd Amendment allows. However, the National Transportation Policy does not promise to do so. The most reasonable approach was rejected for obvious reasons unrelated to transportation finance.

We do not have to spend much time discussing the Trust Fund balances. All of you are aware that a total of $16 billion has been accumulated for highway and transit. These funds were provided by the users and should be returned to them. You have heard from the nation's Governors asking that highway and transit authorizations be increased to spend the accumulated revenues in these trust funds. We in New York believe that this, at a minimum, should be done.

Highway Funding Formulas

Just as important as funding levels for Federal programs are the formulas used to allocate this funding to states or localities. Funding formulas should equitably meet highway needs. Given the amount of Federal funding to be allocated and its importance, formulas should be based on accurate, easily collected and verifiable statistics. Simple formulas which are fair and equitable are much preferred over complex formulas with many factors based upon statistics which may not be reliably or consistently reported or bear a relationship to transportation needs. If formulas are developed to allocate funds for a National System of Highways, we believe it would be appropriate for these formulas to reflect the needs and use of the highway system to be financed.

However, if the formulas are not tied to a specified highway system, then formulas based on statewide, verifiable and easily obtainable data should be used. We strongly support formulas that include available, verifiable and consistently reported factors such as population and highway mileage although we are concerned with the potential for large scale underreporting of population in our major urban areas in the 1990 census. My staff is currently working on development of such a formula.

There are proposals currently circulating which advocate placing a disproportionate weight on a factor to represent truck usage. While no one disputes the fact that trucks contribute to the wear and tear on our highways, there currently is no accurate, consistently reported and verifiable measure of truck usage which is being collected at the state level by FHWA or anyone else. As a surrogate for truck usage, it has been proposed that diesel fuel sales be used as a major factor for apportionment of funds. We believe diesel fuel sales is not a reliable measure of truck use or location of truck travel, and should be dismissed because of its inaccuracy and the inconsistency of reporting.

There are several reasons diesel fuel sales is not an accurate measure for transportation purposes. It is difficult to accurately separate diesel fuel use for home heating purposes from transportation purposes. Diesel fuel can be used for a number of non-highway transportation or tax exempt purposes, such as for farm use, buses or municipal government vehicles. Location of sales does not match location of use; diesel sales in one state are often miles traveled in another state. Finally, the mileage tax on trucks, which attempts to allocate fuel usage based on mileage traveled, is not completely enforced or audited, resulting in inaccurate data.

If some measure of truck usage is eventually determined necessary in future apportionment formulas, then a more accurate and verifiable statistic than available today should be developed. Further, if the factor is being used to apportion funds to a particular system of highways in each state, then the factor should reflect the relative use of that highway system by trucks, rather than statewide truck usage. Before any measure of truck use is chosen to apportion funds, FHWA should be charged with developing a reliable and verifiable statistic on relative truck usage on the highway system for which the funding is intended.

Transit Funding Formulas

Formulas to allocate Federal transit assistance should reflect the varying needs of public transportation in our nation's urban and rural areas. The current formulas for allocating transit assistance, which represent a balance of existing transit service and population factors, should be retained. These formulas were developed after considerable negotiation leading up to the Surface Transportation Assistance Act of 1982.

The committee should be aware that the transit assistance received under these formulas is not totally equitable to New York. This state has one-third of all public transportation users in the nation and provides about one-quarter of national vehicle miles of service. New York's use of public transportation measurably lowers our nation's gasoline usage and vehicle emissions. While current Federal transit formulas do not fully reflect New York's public transportation needs, they are a reasonable compromise and should be continued.

Increase Federal Bridge Program

Although a significant number of bridges have been improved in recent years under the Federal bridge replacement and rehabilitation program and the regular Federal-aid programs, the nation's bridge improvement needs remain extensive. As of June, 1988, 135,826 were classified as structurally deficient and another 138,418 as functionally obsolete.

Despite the obligation of over $16 billion in Federal aid since 1982 for replacement and rehabilitation of bridges, we were barely able to keep up with the rate of deterioration over the 1982 to June, 1988 period. While there was a slight reduction in the total number of deficient and obsolete bridges during the period, the proportion of Interstate bridges classified as deficient rose from 10.6 percent in 1982, to 15.9 percent in June, 1988. On other arterial highways, 25.8 percent of bridges were classified as deficient in 1982, with the proportion rising to 28.5 percent by June, 1988. Clearly, the present Federal program, funded at $1.6 billion annually, is not keeping up with the rate of decay of our nation's most important bridges.

In New York we have programmed the rehabilitation or replacement of almost 1800 bridges at a cost of over $4.5 billion over the next five years. The Federal Highway Administration estimates that nationally, an investment of $4.9 billion annually (1987 dollars) is needed just to maintain the present overall conditions. If inflation is considered, the annual cost will be $6.3 billion by 1992. If Federal funds are appropriated to meet just one-half the identified needs, at least $3 billion annually must be appropriated for continuation of the Federal Highway Bridge Replacement and Rehabilitation Program.

While routine bridge needs can probably be addressed by each state using their formula apportionments of an expanded Federal bridge program, there is a need to ensure that the states can and will finance the needed rehabilitation or replacement of major structures, which, because of their high costs, might not be fundable under an annual formula apportionment.

Since 1978, the states have identified 217 large deficient bridges (total cost over $6 billion) which are too costly to replace or rehabilitate from formula apportionments of Federal funds and have requested funding for these projects from the existing Discretionary Highway Bridge Replacement and Rehabilitation Program. Through September 30, 1988, the FHWA was only able to provide initial funding for 107 of the identified projects in 42 states, leaving over 110 of these costly projects without an identified source of funding. The list of large, costly bridges which will age and deteriorate over the next few years and require replacement or rehabilitation can be expected to grow.

The present discretionary bridge program funded at $225 million annually, is clearly not enough to take care of these large bridges. The new legislation should set aside at least $350 million annually for a discretionary bridge replacement and rehabilitation program growing to $500 million. The rehabilitation or replacement of deficient bridges on any public highway costing more than $20 million or 20 percent of any state's annual apportionments for the proposed Categorical and Flexible Highway Programs, whichever is less, should be eligible for funding under the program.

Complete the Interstate Trade-In Substitution Program

The Interstate Trade-In Program was enacted by Congress to allow states and localities to substitute an alternative highway or public transportation facility in lieu of constructing a non-essential segment of the Interstate System. The program is nearing completion. By the end of 1991, only five or six states will still be owed major amounts of Interstate Trade-In substitute highway funding. This program will require about one additional year of funding in the new act at about current apportionment levels (about $750 million). These funds, as well

as previously provided funds, should be available for obligation until expended. As the program moves toward completion, it makes little sense to have funds lapse and be reallocated to other states which have substitute projects ready. The two year limit on availability should be removed.

In addition to the highway substitution program, it is likely that there will be several states still owed significant sums after FFY 1991 under the transit trade-in program. This program is vital to a number of major metropolitan areas for rehabilitating their transit infrastructure and relieving congestion and will also require an additional authorization to complete the promised program.

Payment for Unobligated Balances

Since the mid-1980's, annual obligation limits on the Federal highway program have been set considerably below annual authorization levels. This has resulted in the accumulation of significant unobligated balances by the states, which will reach about $10 billion by the end of FFY 1991. The Federal Highway Administration has indicated that they may suggest that the first year of the new Act be treated as a "Transition Year" to allow states to use these unobligated amounts. Under this proposal, it is suggested that the only new authorizations in FFY 1992 would be to complete the Interstate and Interstate Substitution Programs (about $4.5 billion). The states would also be allowed to obligate all of their backlogged unobligated balances, totaling about $10 billion, during the year. Balances not obligated in the transition year would lapse.

Implementation of this proposal would create havoc and would result in an even larger balance in the Highway Trust Fund. The states should be permitted to obligate these accumulated unobligated balances in a manner in which they can be appropriately used over the normal four year lapsing period on non-interstate balances. This will result in these unobligated balances being eliminated by the end of FFY 1994 through the normal programming process. Given the magnitude of unmet highway needs, these funds should be in addition to, and not in lieu of, full annual apportionments.

Flexibility in Use of Federal Funds

In the National Transportation Policy, Secretary Skinner calls for greater flexibility in the use of transportation funds so that the most cost-effective solutions can be implemented. He also cites the importance of maintaining our transportation infrastructure. We strongly support these objectives. States should have the flexibility to use Federal funds for preventive maintenance activities, where these activities preserve our bridges and pavements and help prevent later, more costly major reconstruction. A timely expenditure of a small amount of Federal funds for preventive maintenance will be returned many times over in the resultant increased life of facilities and reduced reconstruction costs.

Highway Safety

The safety of our nation's highways are of utmost concern to all of us. Studies have found that the 55 miles-per-hour speed limit reduces accidents and we in New York State are committed to maintaining this speed limit on our highways. We also support the national speed monitoring program to gauge compliance with the 55 miles-per-hour speed limit. However, the current sanctions imposed on states not complying the the 55 miles-per-hour speed limit are not equitable and, we believe, counterproductive.

The major reason for enforcing speed limits is to improve safety. There are a number of highway safety related programs which can have as much or more impact on saving lives as complying with the 55 miles-per-hour speed limit. Programs such as mandatory seatbelt use and child restraint, tough drunk-driving laws and their enforcement, and mandatory motorcycle helmet requirements all reduce the potential for serious accidents and save lives.

If highway safety is a main reason that Congress called for monitoring of the 55 miles-per-hour speed limit, then we believe that rather than measuring just compliance with the speed limit, a factor measuring the overall impact of a state's highway safety effort should be included. Also, rather than withholding funds from a state not in compliance, these funds should be transferred to safety related programs. We have been working with several other states on developing a way to include an overall highway safety measure in the national speed limit monitoring program.

In addition, there is no reason why speed limit monitoring and sanctions should only apply to highways posted at 55 miles-per-hour. Compliance on highways with speed limits above 55 miles-per-hour should also be included in the monitoring program.

Transit Must Be Given Equal Treatment With Highways

Nothing is more important to the New York Metropolitan area, and many other large urban areas nationwide, than an efficient transit system. We estimate that travel will increase 50% in the New York Metropolitan region between 1990 and 2015. It is not possible for the existing transportation system in the region to absorb this increase in trips. If we do not plan now to accommodate this travel demand, the growth in travel will paralyze the region.

The only way we can hope to cope with expected future travel in our densely developed urban areas is by getting people to use mass transit in place of automobiles. There just is not sufficient space to build the highways necessary to carry the expected travel growth. We need to make transit the preferred transportation alternative in large metropolitan regions.

To help allow this to happen, and to treat transit equally with highways, we must change the present law which allows unlimited automobile parking costs to be treated as business expenses and therefore tax deductible, but only allows a maximum of $15 per month to be deducted for employer provided transit expenses. We need to raise the transit incentive immediately to at least $60 a month as is proposed in H.R. 494 introduced by Congressman Rangel, so that people will voluntarily choose to use transit and thus help meet the growing travel needs of the future. Clearly to the extent that transit use can be encouraged, we will have the added benefit of improving the air quality in our metropolitan areas.

Summary

In conclusion, the major issues which confront this committee in reauthorizing Federal Surface Transportation programs consist of the following:

- Providing adequate highway, bridge and transit financing;
- Allocating this funding by formulas which are simple, based on accurate and verifiable data, and meet the transportation needs of states and localities;
- Increasing the Federal bridge program to reduce the number of deficient bridges and help states meet critical bridge needs;
- Funding the Interstate Trade-In Substitution highway and transit programs to completion;
- Funding the unobligated highway balances over the period of the next Act, rather than in a "Transition Year";
- Allowing Federal highway funds to be used for preventive maintenance activities;
- Adding a measure of overall safety to the national speed limit monitoring program; and,
- Treating transit on an equal basis as highways.

While there are many other issues which needed to be discussed as part of the reauthorization of our Surface Transportation programs, these are the major issues of concern to New York State. I would like to again thank the subcommittee for this opportunity to present New York's views. We stand ready to help this committee as we proceed through this critically important reauthorization process.

Memorandum

STATE OF NEW YORK
WASHINGTON OFFICE

March 8, 1990

TO: Governor Mario M. Cuomo

FR: Brad C. Johnson

RE: The Shrinking Federal Commitment to Highway and Transit Financing During the 1980's

Introduction

This memorandum analyzes the shift in funding for the nation's highways and mass transit systems during the 1980's.

Despite the general acknowledgment that the United States faces a potential transportation infrastructure crisis -- safety, capacity, and financing -- federal financial support for the nation's highway and transit systems increased only marginally during the 1980's. At the same time, state and local governments more than doubled the amounts they invested in those systems.

As the decade progressed we witnessed a shift in the actual amounts that each level of government invested in highways and mass transit. For example, in 1980 the federal government spent 39% more for highway capital improvements than state and local governments; yet by the end of the decade, states and locals were investing 36% more than the federal government.

There was an even greater erosion in federal support for mass transit. In 1980 federal transit funding exceeded state and local spending by 22%; eight years later, state and local transit outlays surpassed federal investment by 243%.

Overall, the federal share of highway capital and total transit funding was 34% higher than the state and local share in 1980; as the decade ended, state and local investment exceeded federal by 63%.

Federal surface transportation programs are scheduled for reauthorization in 1991. It will be imperative to effect a reverse in the decade-long retreat in federal transportation financing.

Highways

Recognizing the need to complete a national Interstate, Primary, and Secondary highway system to facilitate the safe, efficient transport of people and goods, the federal government assumed the major role in the federal/state/local partnership responsible for the construction and improvement of the nation's highways. By the end of the 1970's, the federal government was providing, from federal highway user taxes, approximately 58% of the funds spent nationally for the capital improvement of highways (Attachment A).

Even with the major increase in federal highway user revenues derived from the five-cent increase in gasoline taxes, by 1987 the federal government had become the junior partner in the partnership providing funding for the capital improvement of highways and bridges. By 1989, the federal share of funding for capital improvements had eroded to only 42%, and had fallen from 30% to 21% of total disbursements for highways. During the decade federal highway capital funding grew from $11.8 billion to $15.1 billion (28%) -- even though the federal gas tax had risen by 125%. Meanwhile, state and local investment increased by 141%, from $8.5 billion to $20.5 billion (Attachment B). In other words, in 1980 the federal government contributed 39% more for highway capital improvements than state and local governments; yet by the end of the decade, states and locals were investing 36% more than the federal government.

Attachment C illustrates the total amounts of highway disbursements, including maintenance and operation, throughout the decade. (The federal government provides capital assistance, but not funding for maintenance and operation.)

In their attempt to keep up with the increasing costs of operating, maintaining, and improving state highway systems in the face of a shrinking federal share of the cost, most states substantially increased motor fuel taxes. Between 1980 and 1990, 47 states increased motor fuel taxes an average of 88% (about 8 cents per gallon). Nineteen states more than doubled their gasoline taxes over the decade. In 1980 the highest rate in any state was 11 cents per gallon; ten years later the rate was over 20 cents per gallon in twelve states.

Rather than raising fuel taxes to make up for increasing costs and the shortfall in federal aid, some states, like New York, Alabama, and Louisiana, issued state bonds for financing substantial portions of their highway capital programs. The amount of highway bonds issued by the states each year more than quadrupled, from about $724 million in 1980 to a peak of almost $3.3 billion by 1987. New York alone has authorized the sale of about $4 billion in bonds to finance a substantial portion of the State's highway capital program.

Mass Transit

Beginning in 1964, the federal government assumed a lead role in financing public transportation. The landmark Surface Transportation Assistance Act of 1978 increased federal transit authorization levels to fund: rehabilitation and modernization of the long neglected transit infrastructure; needed new capacity in growing metropolitan areas; and expanded funding to small cities and rural areas. Needed federal support for mass transit increased until 1981, when it reached $3.3 billion for capital costs and 17% of transit operating costs nationwide; however, federal operating assistance now funds only 6% of operating expenses nationwide.

Since 1981, federal transit operating and capital aid have each declined annually except for the increase in capital funding in 1983 as a result of dedication to transit of one-cent of the five-cent federal gas tax increase. In 1980 federal aid comprised about 55% of total governmental funding for transit operating and capital needs; by 1988, the federal share had fallen to 23% (Attachment D).

Attachment E illustrates that point another way. While federal transit investment shrank by 23% during the decade, state and local contributions soared by 222%. This chart shows that in 1980 federal transit funding exceeded state and local spending by 22%; by 1988, state and local transit outlays surpassed federal investment by 243%.

The decline in federal participation over the past ten years has led to large increases in contributions by the other levels of government and transit users. The average transit fare nationwide in 1980 was about 31 cents. By 1988, the average fare had doubled. Over the same period, the state and local government share rose from 40% of operating cost coverage to 53% (Attachment F).

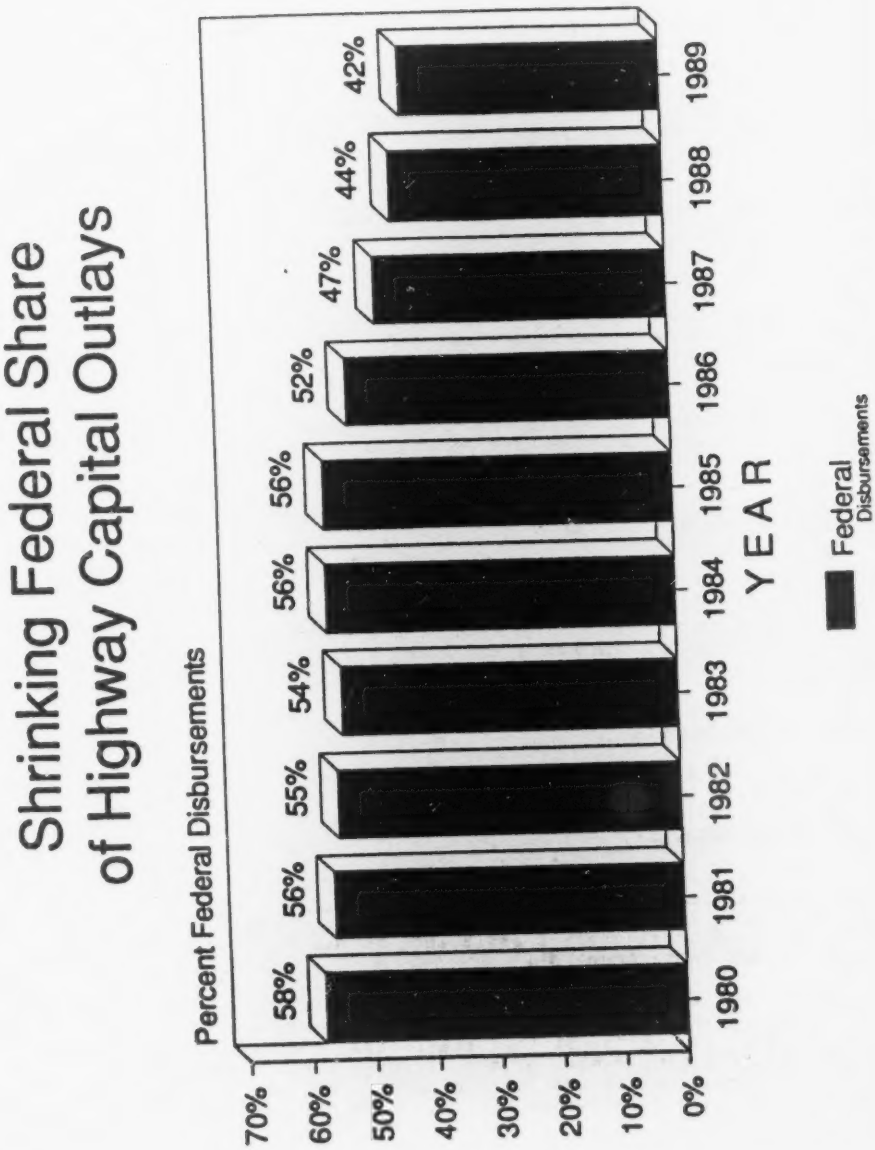
New York State Impact

Attachment G shows that the federal share of New York's highway construction program fell from 68% to 44% during the 1980's, while State spending increased by 254%: $161 million to $570 million (Attachment H).

New York transit funding in the '80's skyrocketed by an incredible 531%, but federal support for State transit systems shrank by almost 18% (Attachment I). During that same period, the federal share of total transit assistance in New York State dropped from 78% to 32% (Attachment J).

We are not asking the federal government to replace state and local transportation financing. Nor are we able to assume the entire burden. All we ask is that the federal government remain a full and participating member of the "stronger, healthier partnership among federal, state and local governments" that the National Transportation Policy envisions.

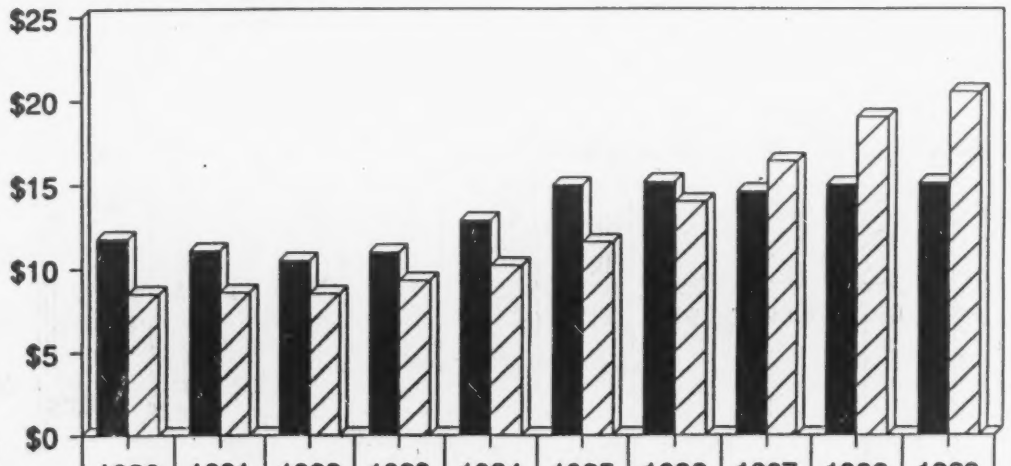
ATTACHMENT A



ATTACHMENT B

Changing Composition of Highway Capital Funding
Federal vs. State/Local Disbursements

Amounts in $, Billions



	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Federal	$11.8	$11.1	$10.5	$11	$12.9	$15	$15.2	$14.6	$15	$15.1
State/Local	$8.5	$8.6	$8.5	$9.3	$10.2	$11.6	$14	$16.4	$19	$20.5

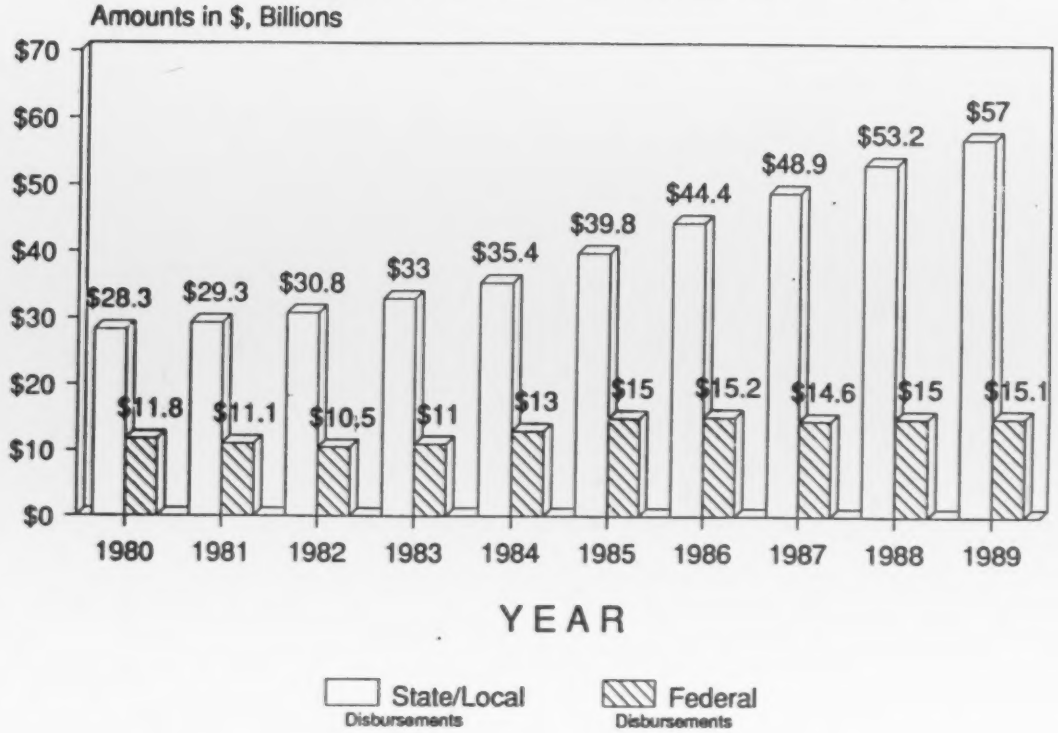
YEAR

Federal Disbursements

State/Local Disbursements

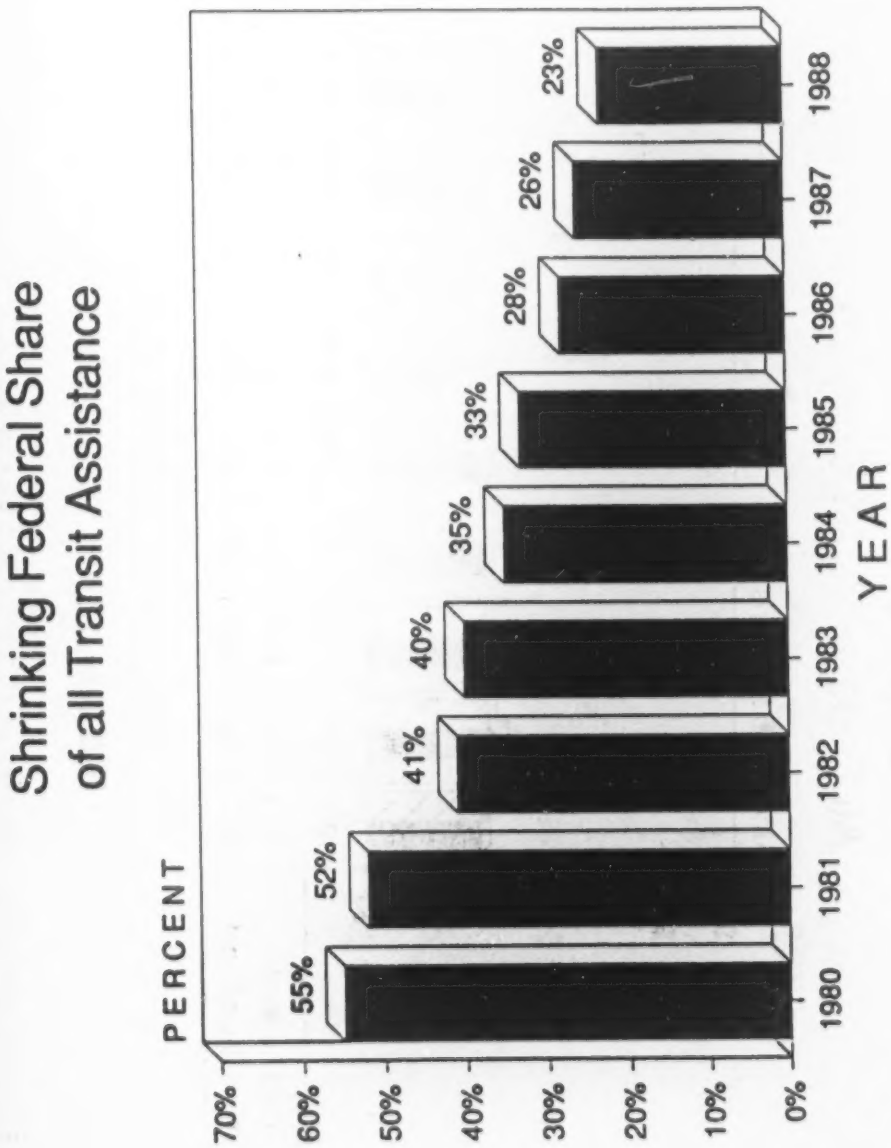
ATTACHMENT C

Changing Composition of Highway Program
Federal Disbursements vs. State/Local Disbursements *



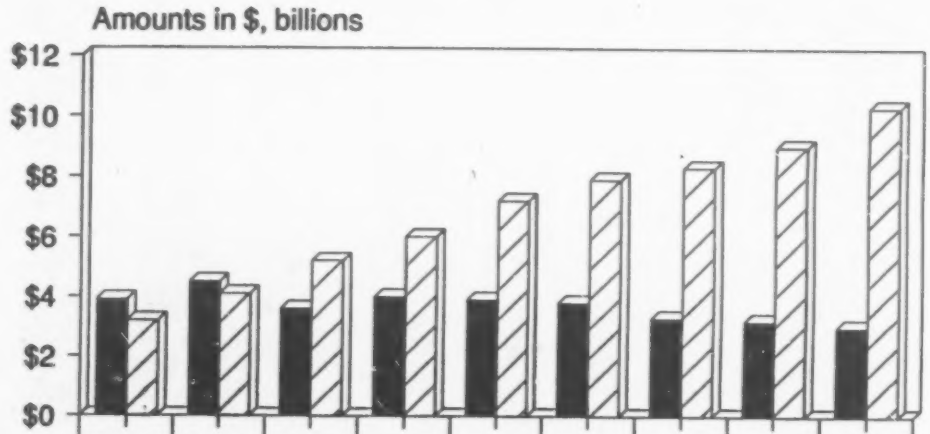
* Includes all disbursements by state and local governments for capital, maintenance and operating costs of highways. By contrast, federal disbursements are limited primarily to capital costs.

ATTACHMENT D



ATTACHMENT E

Composition of Transit Assistance
All Federal vs All State/Local Amounts *



	1980	1981	1982	1983	1984	1985	1986	1987	1988
Total Federal	$3.9	$4.5	$3.6	$4	$3.9	$3.8	$3.3	$3.2	$3
Total State/Local	$3.2	$4.1	$5.2	$6	$7.2	$7.9	$8.3	$9	$10.3

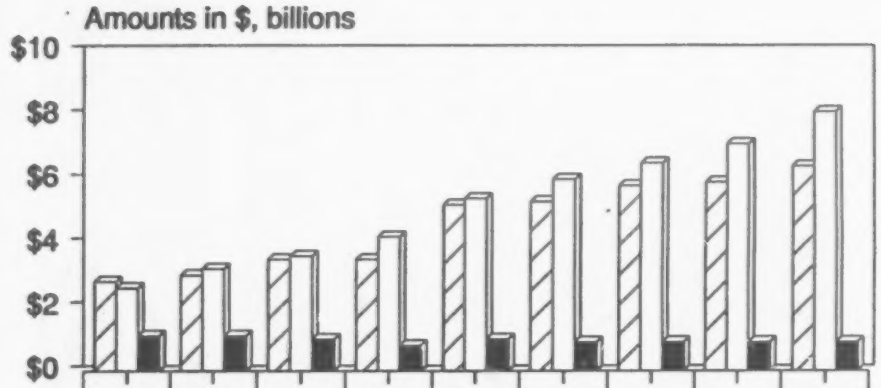
YEAR

Total Federal Total State/Local

* Amounts for federal and state/local include both capital and operating subsidies.

ATTACHMENT F

Composition of Transit Operating Costs



	1980	1981	1982	1983	1984	1985	1986	1987	1988
User Share *	$2.8	$3	$3.5	$3.5	$5.2	$5.3	$5.8	$5.9	$6.4
State/Local Subsidy	$2.6	$3.2	$3.6	$4.2	$5.4	$6	$6.5	$7.1	$8.1
Federal Subsidy	$1.1	$1.1	$1	$0.8	$1	$0.9	$0.9	$0.9	$0.9

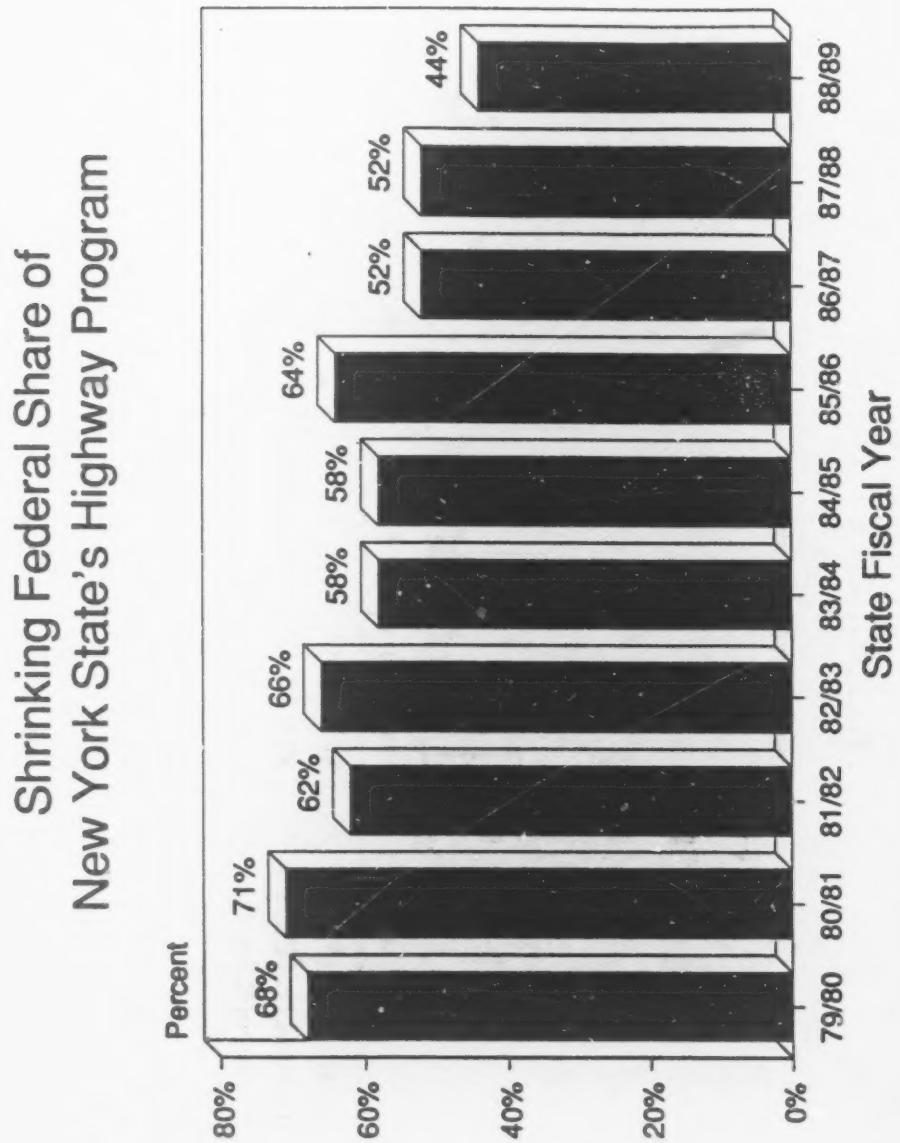
YEAR

User Share

State/Local Subsidy

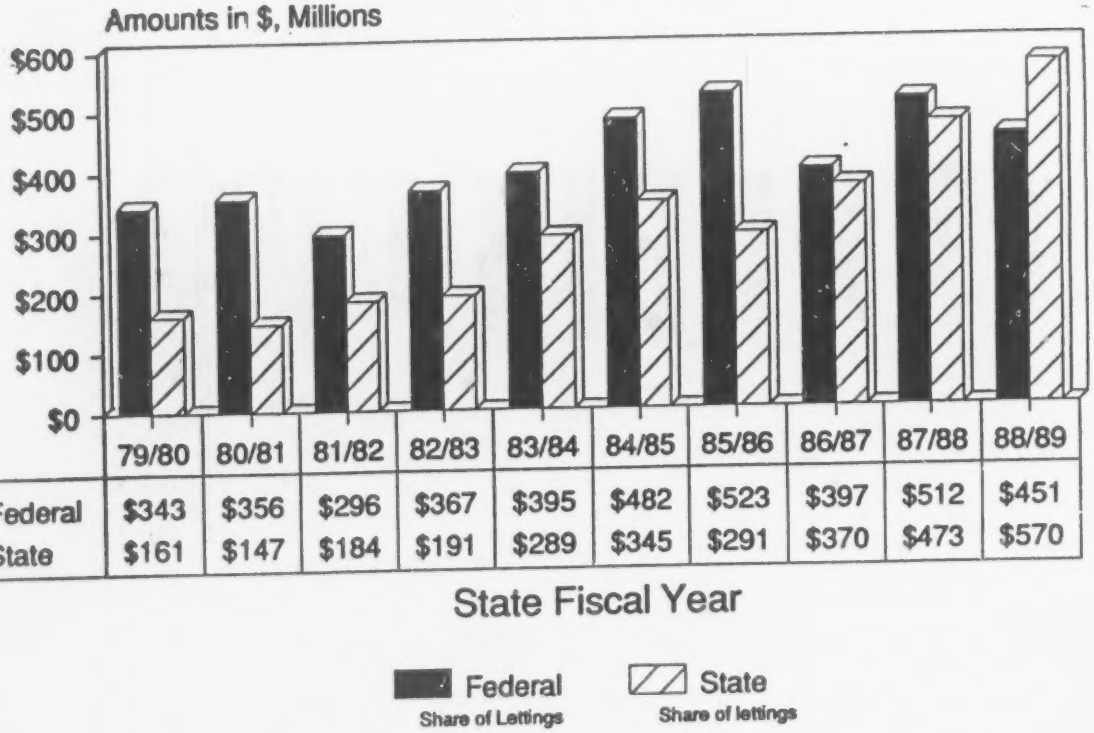
Federal Subsidy

ATTACHMENT G



ATTACHMENT H

Changing Funding for New York State Highway Construction Program

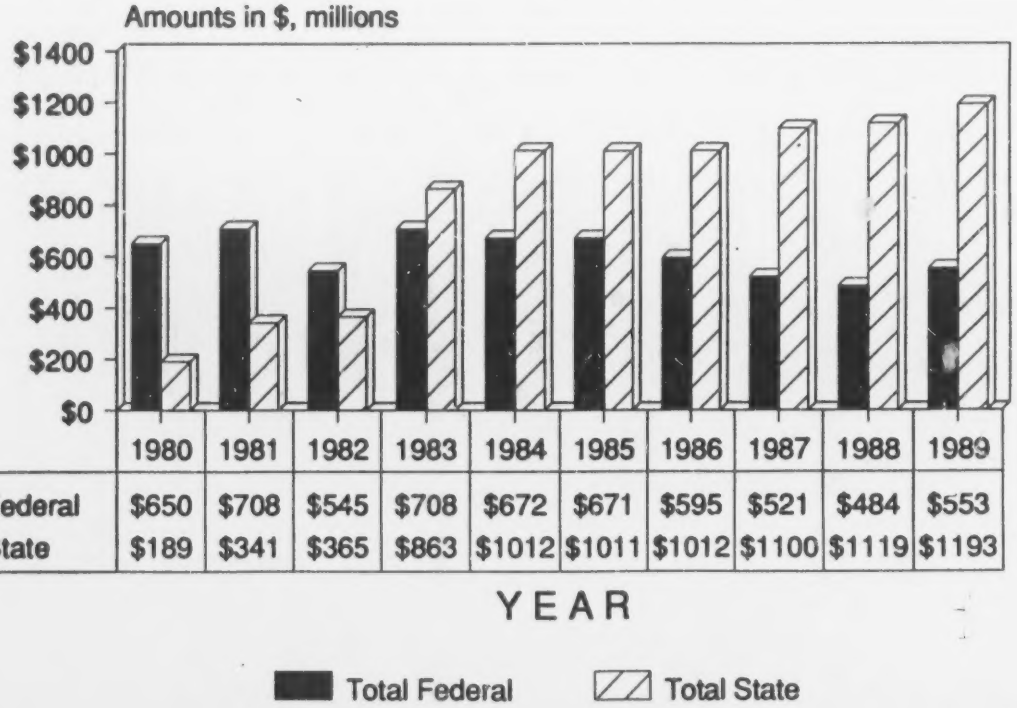


	79/80	80/81	81/82	82/83	83/84	84/85	85/86	86/87	87/88	88/89
Federal	$343	$356	$296	$367	$395	$482	$523	$397	$512	$451
State	$161	$147	$184	$191	$289	$345	$291	$370	$473	$570

State Fiscal Year

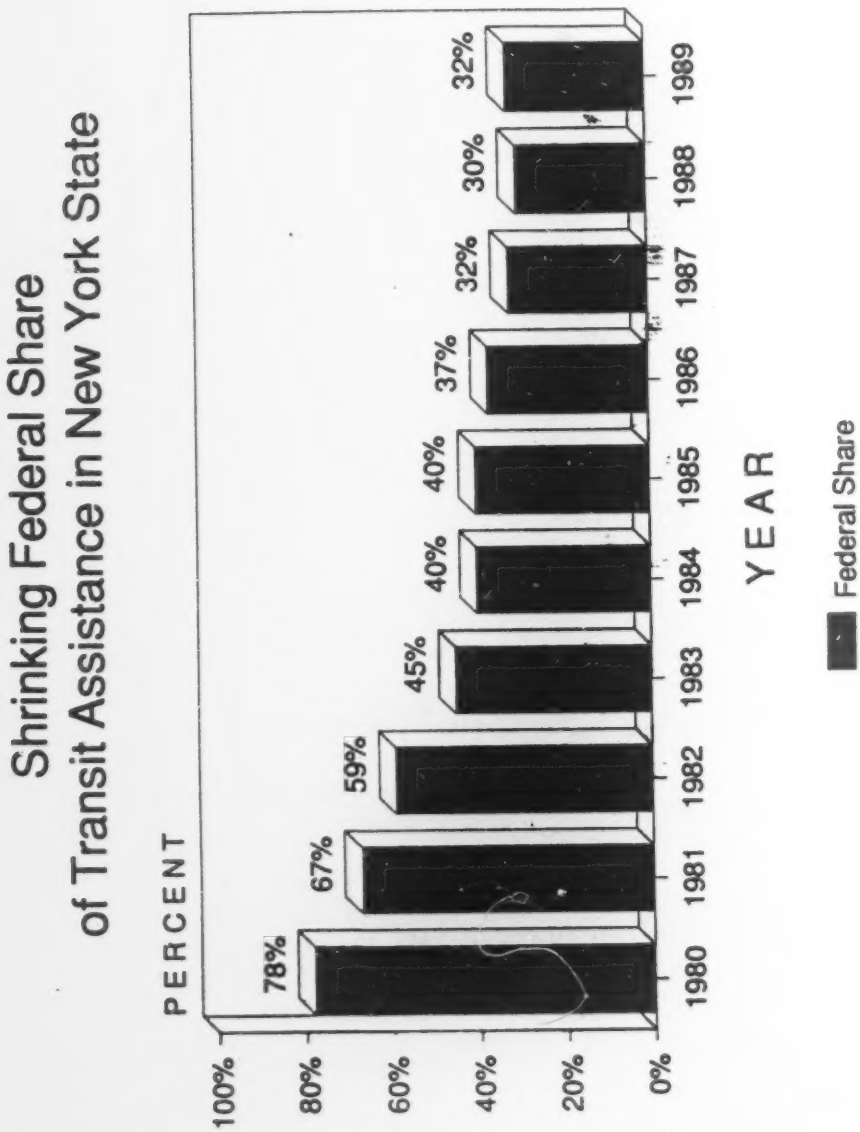
ATTACHMENT I

Transit Assistance in New York State
Total Federal vs. Total State Amounts



	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Total Federal	$650	$708	$545	$708	$672	$671	$595	$521	$484	$553
Total State	$189	$341	$365	$863	$1012	$1011	$1012	$1100	$1119	$1193

ATTACHMENT J



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1968

NATIONAL GOVERNORS' ASSOCIATION

Terry E. Branstad
Governor of Iowa
Chairman

Booth Gardner
Governor of Washington
Vice Chairman

Raymond C. Scheppach
Executive Director

Hall of the States
444 North Capitol Street
Washington, D.C. 20001-1572
Telephone (202) 624-5300

Statement of

GOVERNOR WALLACE WILKINSON
Vice Chairman
Committee on Transportation, Commerce and Communications

before the

SUBCOMMITTEE ON SURFACE TRANSPORTATION

of the

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

U.S. HOUSE OF REPRESENTATIVES

on

SURFACE TRANSPORTATION REAUTHORIZATION

April 24, 1990

Good morning, Mr. Chairman. I appreciate the invitation to come before you today to discuss Governors' concerns about reauthorization of surface transportation programs.

We are all aware of the challenges confronting the nation's surface transportation system. We have deteriorating bridges -- what some call "baby boom" bridges because so many were constructed during the first years of that generation and the beginnings of the Interstate highway system. We have congested metropolitan areas with overburdened highways, inadequate public transportation facilities and services, and inefficient intermodal connections. We have whole areas of our states without essential access to the benefits of a high quality surface transportation system. The situation has never been so critical.

Transportation has been a prerequisite to economic progress since this country first began and that principle is no less true today. Our economic performance is tied to the quality of our transportation services and facilities. To address the challenge before us, we will have to harness all the resources of the federal, state, local, and private sector to revitalize our transportation infrastructure.

Productivity Investment

The National Governors' Association recognizes that Congress is seeking to overcome the hardships posed by a federal budget deficit. Deficit reduction measures are absolutely essential to sustain economic recovery and we will all have to make sacrifices. However, as you work towards this goal, we ask that you recognize the importance of addressing what has become known as the "third deficit" -- the deficiency of public investment in our people and our economic infrastructure.

The National Governors' Association supports preferred budget treatment for carefully designated "productivity investments." These are investments that make clear and direct contributions to national productivity. Along with human resources development, investing in physical infrastructure is key to increasing both our international competitiveness and long-run economic growth.

Also essential to improved productivity is our nation's commitment to research and development. Although the transportation field is so obviously receptive to new technologies, it has fallen behind other areas such as defense, health, and space exploration in the development and application of new technologies. Further enhancement of research and development programs will undoubtedly bring forth the application of newer and more efficient technologies; more finely-tuned methods of information collection and management; and a greater number of more qualified personnel, especially in the technical fields related to management of transportation facilities and services.

Encouraging research and development in transportation is just one of the policy principles included in comprehensive surface transportation policy unanimously adopted at the winter meeting of the National Governors' Association. The entire policy position is submitted for your consideration as you begin to develop authorizing legislation for the surface transportation programs. I want to focus on several key features of our position, particularly as they relate to the administration's National Transportation Policy.

Sustained Federal Commitment

State and local governments provide the vast majority of support for transportation and have expanded their financial commitment substantially over the last decade. While that state commitment will continue, the federal government must also increase its contributions in order to meet enormous unmet needs. This does not necessarily require a tax increase or any new money. The first step must be full utilization of the balances in the Highway Trust Fund.

Project 15. Virtually every Governor supports the goal of setting the highway obligation ceiling for fiscal 1991 at $15 billion. We have communicated that in a letter sent to Budget and Appropriations Committee leadership signed by 47 Governors. Committee Chairman Kay Orr and I also wrote personally to each member of the Budget and Appropriations Committees, spelling out the impact of the change on each of their states.

Setting the obligation ceiling at a level equal to annual trust funds receipts, including interest, is both fair and fiscally possible. It would provide a direct parallel between annual receipts and the basic state highway programs covered by the obligation ceiling. Total obligations for the federal highway program would be some $16 billion-$17 billion annually -- the total of the $15 billion obligation ceiling, plus the cost of programs outside the obligation ceiling (estimated at $1.8 billion for fiscal 1991).

As to fiscal responsibility, the Highway Trust Fund's cash balance, plus projected receipts, includes more than enough room for raising the obligation ceiling to $15 billion. This represents a 25 percent increase in obligations. The U.S. Department of Transportation has conceded that a 35 percent increase in obligations is possible. This has been reinforced by the General Accounting Office, whose testimony you have heard.

Setting the obligation ceiling at $15 billion is a good middle ground between what we have now and what is both necessary and possible under the law. According to the Congressional Budget Office, fiscal 1991 outlays would increase by only $390 million over the CBO baseline. This is less than one-half of the $920 million interest earned on the balance in the trust fund during fiscal 1991 (chart 3).

When Speaker Tom Foley met with us during the NGA winter meeting, he told us that he is in favor of exhausting the trust fund and committing to investment in infrastructure to insure our competitive future. "The failure to spend the funds accumulated in those trust funds might make the budget look smaller," he said, "but they imperil our long-term economic health by robbing us of the foundations of that prosperity."

The speaker was right. This money was not collected to be held as a repository to offset the true size of the federal budget deficit. It was collected with the reasonable expectation of new and better roads. By raising the obligation ceiling and allowing access to funds that should be spent as intended for the betterment of our ailing transportation system, Congress will be restoring "trust" to the transportation trust funds.

Federal Matching Rates. The National Transportation Policy developed by Secretary Sam Skinner calls for increased investment in transportation infrastructure, but proposes to shift the financial responsibility more to states and localities. Specifically DOT would like to lower the federal matching share on federal projects to secure greater leverage on state, local, and private sector funds.

When Secretary Skinner talks about the high federal contribution to individual projects -- ranging from 75 percent to 90 percent -- this is only part of the picture. As you know, state and local governments now provide almost 80 percent of total surface transportation spending (chart 2). States and localities contribute $63 billion of the $82 billion total. Requiring additional state money on federal projects would have a number of consequences that would reduce the effectiveness of the federal program.

First, increasing the state matching share would divert money from maintenance and state projects on the remainder of the nation's four million miles of roadway. These are many of the streets, roads, and bridges that provide vital service to your constituents and mine, vital service that could decline with deferred maintenance.

Second, a number of states currently have exhausted their ability to raise fuel taxes. In the past five years, 39 states have raised their highway taxes, some more than once (chart 4). The gasoline tax rates in 11 states have now reached or exceeded 29 cents per gallon, including the 9-cent federal tax (chart 3).

Third, increasing the state matching share would create a hardship on some states where tax capacity is insufficient to produce revenue needed to cover the additional matching requirements. The revenue from a 1-cent per gallon tax is different from state to state. (Kentucky and Texas charge the same gasoline tax, for example. But the revenue collected in Texas from the same level of tax is five times greater.)

Fourth, expanding federal review and federal requirements to more projects would raise their cost for the states and create additional workload for the Federal Highway Administration staff. Reducing the cost of federal review should be a goal for reform of the program.

Strong Federal-State Partnership

The federal-state alliance that created and built the Interstate highway system grew out of a strong consensus on the need for a national program of highway development. This partnership is one in which the federal government has taken the lead in setting a broad national policy framework and providing financing to assist the states. And the states have built the highway system, which they own and operate.

We are now at a crossroads. The current consensus among the transportation community is that a substantial federal role should continue in setting broad national policy development and providing financing. There is also substantial consensus on the need to reassess the federal role in the implementation of the program.

We believe it is time to initiate a transition into a new federal aid highway program that will address federal investment priorities while providing the flexibility needed by the states. This includes developing a funding allocation system for states that is rational, equitable, and predictable. It should serve identified national policy priorities, but it should include a reassessment of the appropriate federal role in decisionmaking and programmatic review.

States, through cooperative action with the local governments, can establish the transportation facilities and service priorities of their citizens. And with the support of a federal funding structure that recognizes the value of a national transportation system, states should be given greater flexibility within broad program categories in the new programs to administer federal funds to address these critical priorities. We can make maximum use of limited resources, through simplified administrative procedures and more flexible state funding options.

Finally, Governors have worked hard to promote voluntary state efforts to achieve regulatory and procedural uniformity. We will strongly oppose the imposition of uniform procedures in truck registration and taxation programs in states. We will just as strongly oppose preemption of state authority over sources of state revenues, state tax bases, or taxation methods. In short, Governors believe that incentives to encourage achievement of national goals are more effective and productive than preemption and prescription.

Thank you for the opportunity to testify. In moving toward developing a surface transportation reauthorization program, you are forging a strategy that will have a profound effect for the remainder of the decade and the next century. We are ready to roll up our sleeves and work with you to implement a fair distribution of the burden we will all face in addressing the challenges confronting the nation's transportation system.

ATTACHMENTS TO:

Statement of

GOVERNOR WALLACE WILKINSON
Vice Chairman
Committee on Transportation, Commerce and Communications

before the

SUBCOMMITTEE ON SURFACE TRANSPORTATION

of the

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

U.S. HOUSE OF REPRESENTATIVES

on

SURFACE TRANSPORTATION REAUTHORIZATION

May 24, 1990

1. Chart I: "Table 1 -- Highway Trust Fund: Highway Account Only" (dollars in millions)

2. Chart II: "Table 4 -- Federal Share of Total State Expenditures on Highways - Fiscal Year 1987" (dollars in millions)

3. CHART III: Chart I -- "State/Local & Federal Outlays for Highways" (1980 - 90)

4. CHART IV: "States Have Raised Gas Taxes" (39 States, 1985 - 1989)

5. F-1. TRANSPORTATION POLICY OVERVIEW

6. February 25, 1990 Letter to Chairmen and Ranking Minority Members of the Senate and House Committees on Budget and Appropriations

CHART I

Table 1 -- Highway Trust Fund: Highway Account Only
(dollars in millions)

	Taxes	Interest	Total	Outlays	Balance	--Outlays as a % of-- Taxes	Total
1957	$1,482	$3	$1,485	$966	$516	65.2%	65.0%
1958	2,044	18	2,062	1,512	1,049	74.0%	73.3%
1959	2,074	14	2,088	2,613	524	126.0%	125.1%
1960	2,539	2	2,541	2,945	119	116.0%	115.9%
1961	2,798	2	2,800	2,680	299	95.8%	95.7%
1962	2,949	7	2,956	2,784	471	94.4%	94.2%
1963	3,279	14	3,293	3,017	747	92.0%	91.6%
1964	3,519	20	3,540	3,645	641	103.6%	103.0%
1965	3,659	11	3,670	4,026	285	110.0%	109.7%
1966	3,917	8	3,925	4,037	243	103.1%	102.9%
1967	4,441	14	4,455	3,973	725	89.5%	89.2%
1968	4,379	34	4,412	4,171	982	95.3%	94.5%
1969	4,637	53	4,690	4,151	1,520	89.5%	88.5%
1970	5,354	115	5,469	4,382	2,608	81.8%	80.1%
1971	5,542	184	5,726	4,685	3,652	84.5%	81.8%
1972	5,322	206	5,528	4,690	4,490	88.1%	84.8%
1973	5,666	247	5,912	4,811	5,591	84.9%	81.4%
1974	6,260	415	6,675	4,576	7,690	73.1%	68.6%
1975	6,188	586	6,774	4,843	9,597	78.3%	71.5%
1976	7,089	600	7,689	8,278	9,009	116.8%	107.7%
1977	6,709	593	7,302	6,147	10,164	91.6%	84.2%
1978	6,904	662	7,567	6,058	11,673	87.7%	80.1%
1979	7,189	857	8,046	7,154	12,565	99.5%	88.9%
1980	6,620	1,028	7,647	9,212	11,000	139.2%	120.5%
1981	6,305	1,129	7,434	9,174	9,259	145.5%	123.4%
1982	6,764	1,079	7,822	8,035	9,046	119.1%	102.7%
1983	7,777	1,076	8,853	8,786	9,062	113.0%	99.2%
1984	10,507	1,026	11,533	10,385	10,211	98.8%	90.0%
1985	11,800	1,106	12,906	12,756	10,554	108.1%	98.8%
1986	12,251	1,054	13,305	14,180	9,486	115.7%	106.6%
1987	11,793	934	12,727	12,802	9,412	108.6%	100.6%
1988	12,836	809	13,645	13,133	9,019	102.3%	96.2%
1989	14,359	776	15,135	13,603	10,551	94.7%	89.9%
1990	13,436	963	14,399	13,969	10,981	104.0%	97.0%
1991	13,768	920	14,688	14,032	11,636	101.9%	95.5%
1957-90	$218,366	$15,643	$234,009	$222,178	--	101.7%	94.9%
1957-91	$232,134	$16,563	$248,697	$236,210	--	101.8%	95.0%

Table 2 -- Highway Trust Fund: Highway Account Only
(dollars in millions)

	Taxes	Interest	Total	Outlays	--Outlays as a % of-- Taxes	Total
1957-60	8,139	36	8,175	8,035	98.7%	98.3%
1961-70	38,930	278	39,208	36,865	94.7%	94.0%
1971-80	63,489	5,377	68,866	60,455	95.2%	87.8%
1981-85	43,133	5,415	48,548	49,136	113.9%	101.2%
1986-90	64,675	4,536	69,211	67,687	104.7%	97.8%

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CHART II

Table 4 -- Federal Share of Total State Expenditures on Highways - Fiscal Year 1987.
(dollars in thousands)

STATE	CAPITAL OUTLAYS	MAIN-TENANCE	OTHER EXPENDITURES	TOTAL DISBURS-MENTS	FEDERAL SHARE OF TOTAL
CONNECTICUT	$505,227	$255,781	$193,355	$954,363	25.65%
MAINE	115,139	164,264	39,152	318,555	18.79%
MASSACHUSETTS	470,652	371,099	430,279	1,272,030	9.38%
NEW HAMPSHIRE	104,064	132,226	62,818	299,108	21.34%
RHODE ISLAND	155,584	35,852	39,856	231,292	28.65%
VERMONT	79,889	71,793	25,527	177,209	31.64%
NEW ENGLAND	$1,430,555	$1,031,015	$790,987	$3,252,557	18.76%
DELAWARE	114,678	39,139	86,662	240,479	19.93%
DIST OF COL	85,673	31,831	18,184	135,688	50.62%
MARYLAND	892,288	264,556	385,505	1,542,349	24.15%
NEW JERSEY	1,012,273	512,862	454,508	1,979,643	16.08%
NEW YORK	1,913,801	1,644,814	820,475	4,379,090	14.92%
PENNSYLVANIA	1,508,149	1,020,632	456,070	2,984,851	22.03%
MIDEAST	$5,526,862	$3,513,834	$2,221,404	$11,262,100	18.81%
ILLINOIS	1,402,458	784,602	385,980	2,573,040	18.80%
INDIANA	445,554	358,249	292,184	1,095,987	29.07%
MICHIGAN	711,663	874,741	161,006	1,747,410	24.78%
OHIO	972,924	701,514	375,936	2,050,374	17.19%
WISCONSIN	572,989	438,635	266,409	1,278,033	13.88%
GREAT LAKES	$4,105,588	$3,157,741	$1,481,515	$8,744,844	20.19%
IOWA	470,124	337,756	170,513	978,393	16.28%
KANSAS	361,742	316,057	114,879	792,678	22.81%
MINNESOTA	982,647	457,074	217,058	1,656,779	16.52%
MISSOURI	470,003	393,549	143,854	1,007,406	26.14%
NEBRASKA	224,318	157,332	82,807	464,457	20.80%
NORTH DAKOTA	144,570	84,448	39,924	268,942	28.98%
SOUTH DAKOTA	142,341	88,519	26,298	257,158	28.73%
PLAINS	$2,795,745	$1,834,735	$795,333	$5,425,813	20.75%
ALABAMA	390,253	258,655	186,723	835,631	24.55%
ARKANSAS	314,906	202,983	34,098	551,987	23.95%
FLORIDA	1,616,987	708,308	369,551	2,694,846	16.55%
GEORGIA	811,265	517,807	187,501	1,516,573	23.97%
KENTUCKY	578,334	215,223	345,999	1,139,556	19.91%
LOUISIANA	604,879	213,631	303,846	1,122,356	21.22%
MISSISSIPPI	336,492	229,690	81,624	647,806	22.48%
NORTH CAROLINA	549,911	410,502	125,797	1,086,210	27.44%
SOUTH CAROLINA	308,242	176,748	53,771	538,761	26.83%
TENNESSEE	556,538	317,816	82,583	956,937	28.07%
VIRGINIA	950,353	619,478	194,868	1,764,699	22.90%
WEST VIRGINIA	365,102	168,389	150,793	684,284	30.48%
SOUTHEAST	$7,383,262	$4,039,230	$2,117,154	$13,539,646	22.76%
ARIZONA	907,070	136,647	194,187	1,237,904	22.47%
NEW MEXICO	262,718	109,952	105,863	478,533	22.55%
OKLAHOMA	430,009	263,666	105,014	798,689	24.69%
TEXAS	2,758,989	1,036,317	964,432	4,759,738	17.39%
SOUTHWEST	$4,358,786	$1,546,582	$1,369,496	$7,274,864	19.39%
COLORADO	452,541	296,793	98,370	847,704	24.87%
IDAHO	137,251	102,599	26,457	266,307	30.22%
MONTANA	183,076	93,912	63,474	340,462	32.83%
UTAH	220,295	106,912	40,271	367,478	44.39%
WYOMING	187,956	80,778	25,774	294,508	33.28%
ROCKY MOUNTAIN	$1,181,119	$680,994	$254,346	$2,116,459	31.38%
CALIFORNIA	2,234,058	1,523,985	486,392	4,244,435	22.24%
NEVADA	137,719	56,261	54,027	248,007	28.31%
OREGON	399,738	230,450	85,166	715,354	22.53%
WASHINGTON	731,309	347,039	264,975	1,343,323	25.26%
FAR WEST	$3,502,824	$2,157,735	$890,560	$6,551,119	23.12%
ALASKA	267,055	142,312	108,848	518,215	33.57%
HAWAII	104,527	47,931	73,512	225,970	17.31%
TOTAL	$30,656,323	$18,152,109	$10,103,155	$58,911,587	21.22%

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CHART III

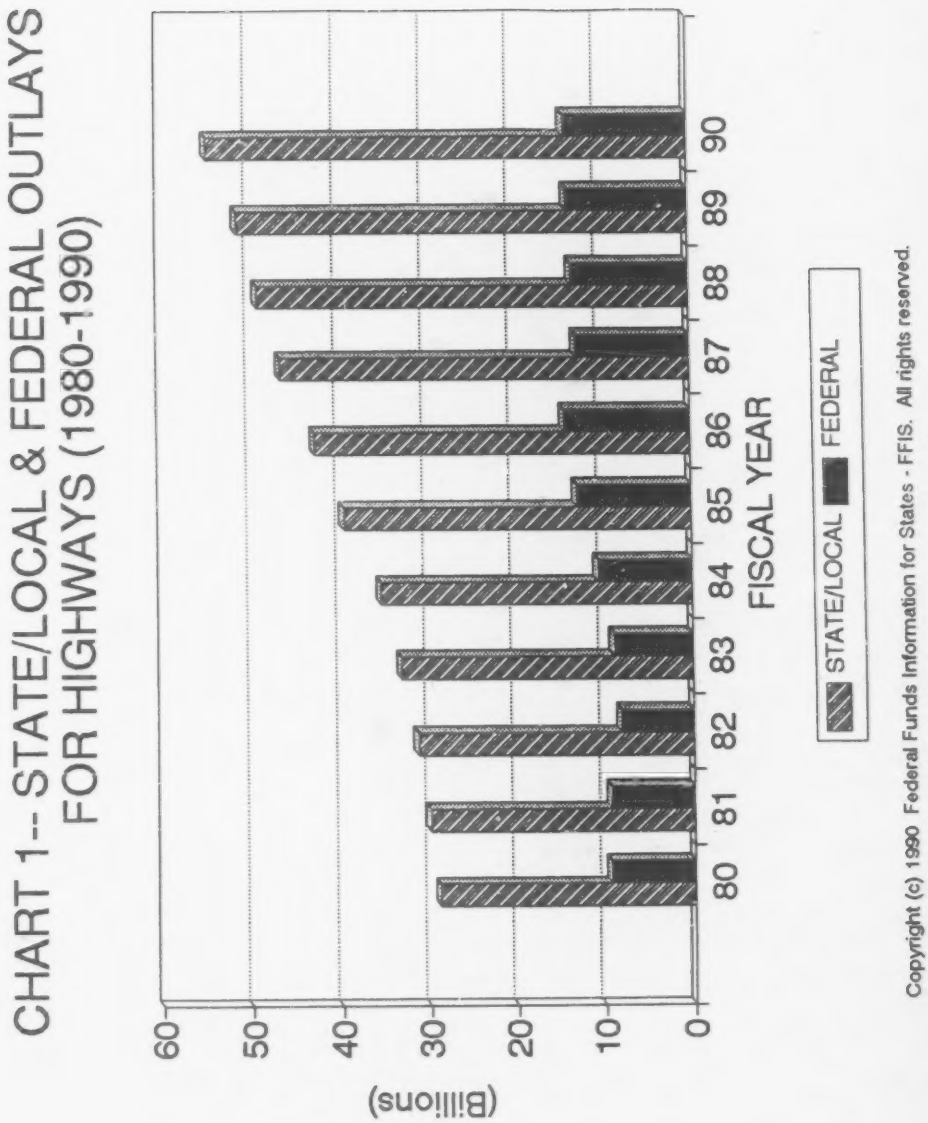

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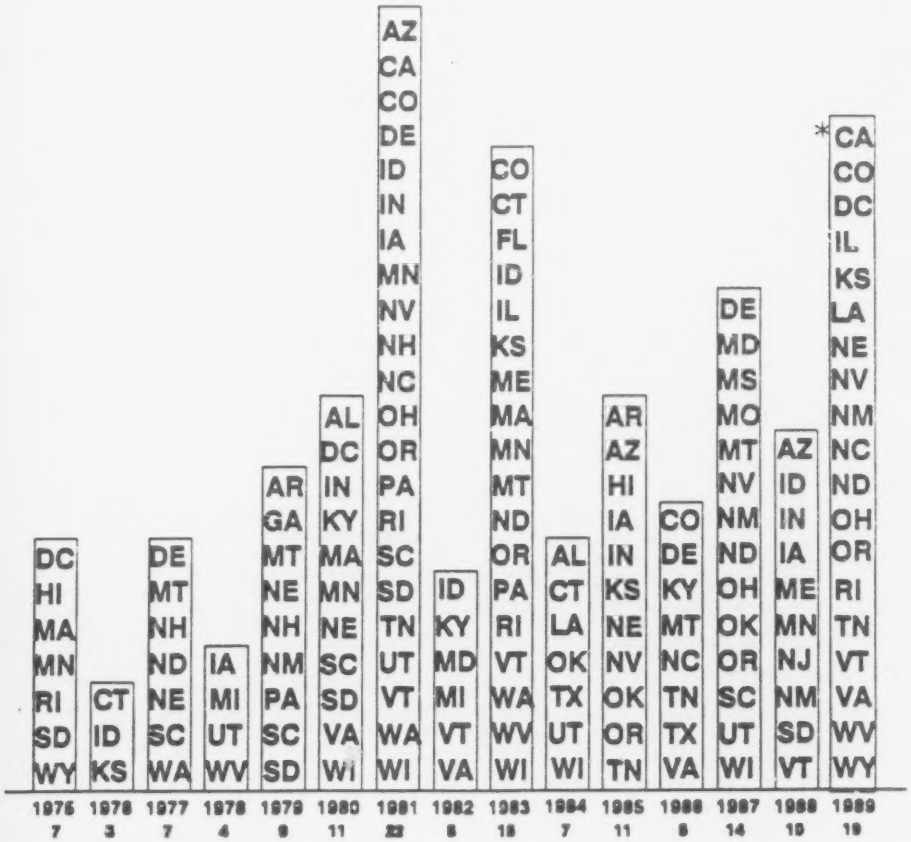
CHART IV

States Have Raised Gas Taxes
(39 States, 1985-1989)



* Increase must be approved by voters in a referendum.

Source: Highway Users Federation

NATIONAL
GOVERNORS'
ASSOCIATION

F- 1. TRANSPORTATION POLICY OVERVIEW

1.1 **Preface**

1.2 **Transportation Planning**

1.3 **Transportation Finance**

1.4 **Operation**

1.5 **Regulation**

1.6 **Surface Transportation Policy Principles**

The nation's Governors support comprehensive efforts to develop a new national transportation policy to meet America's needs into the twenty-first century. Safe, efficient, convenient, cost-effective, and environmentally sensitive transportation is essential for maintaining and improving mobility for people and for transporting goods in commerce. Adequate investment in transportation infrastructure is critical to the economic vitality, international competitiveness, and national defense interests of the United States.

The Governors pledge a partnership with Congress and the administration to develop and implement new national transportation policy to meet current and emerging challenges facing the nation. The comprehensive, multimodal national transportation strategy developed by the U.S. Department of Transportation will help focus the nation's attention on critical investment priorities. Having reviewed policy recommendations developed by the American Association of State Highway and Transportation Officials, the Transportation Alternatives Group, and others, the Governors have developed policy principles to provide guidance in formulating new federal transportation authorization legislation.

1.6.1 **Overriding Principles**

1.6.1.1 **Continue a Significant Federal Role.** A safe and efficient transportation system is a key element for national economic prosperity. The Governors call for the continuation of a significant federal role in assisting the states in financing highway and transit projects to meet national transportation goals.

1.6.1.2 **Increase Investment in Transportation.** Greater investment in transportation infrastructure is critical to preserving the United States' productivity and competitive position in a global economy. Flexibility to respond to both reinvestment and capacity expansion should be a primary feature of a new transportation program. States and local governments provide the vast majority of support for transportation and have expanded their financial commitment over the last decade. While the state commitment will continue -- along with securing greater private financing for transportation improvements -- the federal government must also increase its contributions in order to meet the enormous needs. An appropriate first step would be full utilization of the balances in the highway and transit accounts of the Highway Trust Fund. This would leverage even more state, local, and private dollars for an overall higher investment level.

1.6.1.3 **Restore Trust in the Transportation Trust Fund.** All dedicated user fees, as well as trust fund interest, should be promptly distributed for their intended purposes. These collected funds are urgently needed to maintain and improve the condition and safety of the nation's highways, bridges, and transit systems. The Governors call on Congress and the administration to restore "trust" in the transportation trust funds by promptly spending down the cash balances. Annual obligation ceilings should be set no lower than annual trust fund receipts, including interest.

1.6.1.4 **Protect Trust Fund Revenue Sources.** All existing and future diversions, deductions, and exemptions should be carefully considered for their impact on transportation user fee revenues. Clean Air Act requirements serve broad social goals and should be supported by broad-based financing mechanisms. The Governors also urge renewed efforts directed toward collecting the millions of dollars in user fees that are lost each year through tax evasion.

1.6.1.5 **Increase Flexibility in New Transportation Programs.** The Governors urge that the states be given greater flexibility within broad program categories in the new highway and public transportation improvement programs to administer federal funds to address their critical priorities and obtain the best value for each investment. States need greater flexibility to make maximum use of limited resources, through simplified administrative procedures and more flexible state funding options. Governors oppose the direct earmarking of funds for demonstration projects. In addition, Governors urge voluntary state efforts to achieve regulatory and procedural uniformity and would oppose preemption of state authority over sources of state revenues, state tax bases, or taxation methods. The Governors also recommend that federal restrictions limiting tax-exempt bond financing be removed to facilitate additional capital financing.

1.6.1.6 **Improve Safety.** Safety must be a major consideration in any transportation investment. The Governors are especially concerned about safety on the nation's highways, where the highest number of deaths and injuries occur, and support strengthened safety programs, such as those to curtail drunken and drugged driving, promote seat belt use, enforce speed limits, and improve accident data collection and analysis.

1.6.1.7 **Strengthen Commitment to Research and Technology Development.** Ongoing research, development, and technology transfer is a basic prerequisite to maintaining a high-quality transportation system. The federal government must exercise leadership by expanding financing for research and development and must take the lead in disseminating results, in close cooperation with the states and private industry. Coordinated efforts also are required to ensure an adequately trained workforce for planning, designing, constructing, and operating transportation systems.

1.6.1.8 **Improve Intermodal Linkage.** The Governors recognize the importance of improved intermodal connections to making the nation's total transportation network more efficient and competitive. States are well situated to take on the complex challenge of multimodal coordination because of the states' broad involvement in statewide transportation planning and programming. The federal government should reduce or remove federal impediments and restrictions to multimodal coordination and should actively encourage innovation in this area.

1.6.1.9 **Increase Private Sector Involvement.** The Governors will continue to seek opportunities for private involvement and financing of transportation services and infrastructure investments to augment public funding and facilitate individual projects. The federal government can promote joint private-public transportation ventures by removing hindrances in such areas as tax law and program restrictions. The Governors oppose federal prescriptive mandates on privatization, such as quotas for private sector involvement.

1.6.1.10 **Use Incentives, Not Sanctions.** The Governors believe strongly that incentives to encourage achievement of national goals are more effective and productive than sanctions. The Governors oppose the use of sanctions and urge the use of federal incentives to stimulate states to adopt federal standards.

1.6.2 **Highway Transportation.** The Governors believe that it is time to initiate a transition into a new federal aid highway program that will address federal investment priorities while providing the flexibility needed by the states. This would include development of a system of funding allocation to states that is rational, equitable, and predictable to serve identified national policy priorities. Renegotiation of the state-federal partnership should include a reassessment of the appropriate federal role in decisionmaking and programmatic review.

As part of the transition, some provision should be made to enable timely completion of essential Interstate projects. However, with completion of the Interstate program, the main focus of the federal program should address current and future national highway needs. All available

highway dollars should be spent immediately to improve the nation's highways and bridges. At a minimum, the highway obligation ceiling should be set no lower than annual trust fund receipts, including interest. The new federal highway program should address the following.

1.6.2.1 **Preserve and Improve Interstate System and other Highways of National Significance.** The highest priority for the new federal program must be preserving and improving the nation's aging interstates and other highways of national significance. Keeping this network in top condition is critical for the nation's economic vitality. It is essential that federal spending for interstate and other highways of national significance be increased as the commitment to complete the Interstate system is fulfilled.

1.6.2.2 **Rehabilitate and Replace Bridges.** The safety of the nation's bridges is of paramount importance requiring special attention. The federal program must ensure that adequate resources are available for this critical infrastructure need.

1.6.2.3 **Reduce Urban and Suburban Congestion.** Mobility in urban and suburban areas has emerged as one of the most critical concerns in the nation. The Governors are keenly aware of the economic costs of congestion in terms of lost productive time and higher shipping costs. Efficiency improvements and additional capacity are urgently needed in the nation's urban and suburban areas. The states must play a strong role in programming these funds, since they are in the best position to take a systemwide, strategic approach to congestion relief and to coordinate transportation priorities among various jurisdictions through broad planning and programming mechanisms.

1.6.2.4 **Reconnect Rural America.** Improved highway access is key to expanding economic opportunity in rural areas. Strategically placed new rural highway arteries and capacity and access improvements to the existing network are needed to connect existing and potential rural production centers with national and international markets and to accommodate increased heavy truck traffic. Given the regional and national economic interests served by improving rural access, a federal commitment is needed.

1.6.2.5 **Enhance Safety.** Safety considerations should be an integral part of every aspect of the new federal highway program, including efforts to promote safety improvements in vehicles and roadway operations. Driver safety can be enhanced through education and enforcement of laws such as the minimum drinking age, driving under the influence of alcohol and drugs, seat belt use, and commercial drivers licensing. Greater program support is needed to reduce the number of accidents involving hazardous materials.

1.6.3 **Public Transportation.** Public transportation is an integral part of the nation's surface transportation network. In major urban areas, mass transit is indispensable to the daily movement of large numbers of people. In smaller urban and rural areas, public transportation provides critical mobility for access to employment and essential human services.

Public transportation serves multiple and overlapping social, energy, and environmental needs in addition to the direct transportation needs. States have steadily increased funding over recent years, so that state support now exceeds federal support. The Governors also recognize the essential role of the private sector, especially in providing specialized transit service and intercity bus service. The Governors believe, however, that financial support for public transportation remains primarily a public responsibility and recommend that a strong federal role continue in partnership with the states, cities, rural areas, and private sector. Priorities for new public transportation legislation should be as follows.

1.6.3.1 **Restore and Strengthen the Federal Funding Commitment.** The current level of federal, state, and local spending for public transportation is inadequate even for maintaining existing facilities and service. The funding gap widens with the cost to upgrade the condition of the nation's bus and rail car fleets, to increase those fleets in order to maintain transit's current market share, and to fund new rail transit systems and high occupancy vehicle or busway projects. The Governors urge that the federal funding commitment be restored and strengthened commensurate with the existing and growing needs. Private sector participation in meeting our public transportation needs should be secured to enhance the limited public resources. It cannot, however, replace public sector funding.

1.6.3.2 **Provide Federal Revenues from Fuel Tax and General Fund.** Given the multiple goals served by public transportation, it is appropriate that federal funding support be continued from the general fund as well as the Mass Transit Account of the Highway Trust Fund. While the current base level of funding for major capital projects should be retained, the Governors also support using a portion of increased spending from the Mass Transit Account under a more broad-based distribution

mechanism for a broadened definition of eligible projects to serve a variety of public transportation needs among the states.

1.6.3.3 **Increase Flexibility.** The Governors urge that federal public transportation programs be flexible enough to allow states and local areas to target funds to where they are needed most and provide the greatest benefits. In urban areas, the states are often in the best position to provide leadership in forging effective partnerships among highway and transit interests for comprehensive and strategic solutions to congestion problems. The federal operating role in the largest urbanized areas should be maintained at current levels. The capital investment needs of large urbanized areas are significant and should be funded to allow for increased mobility. In the medium and small urbanized areas as well as rural areas, where capital needs are smaller and local revenue sources to cover operating costs are very limited, states and local transit systems should have broad flexibility to use federal funding assistance for operating costs.

Adopted February, 1990

February 25, 1990

The Honorable Jamie L. Whitten
Chairman, Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Silvio O. Conte
Ranking Minority Member, Appropriations
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Leon E. Panetta
Chairman, House Budget Committee
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Bill Frenzel
Ranking Minority Member, Budget Committee
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Robert C. Byrd
Chairman, Committee on Appropriations
United States Senate
Washington, D.C. 20510

The Honorable Mark O. Hatfield
Ranking Minority Member, Appropriations
United States Senate
Washington, D.C. 20510

The Honorable Jim Sasser
Chairman, Committee on the Budget
United States Senate
Washington, D.C. 20510

The Honorable Pete V. Domenici
Ranking Minority Member, Budget
United States Senate
Washington, D.C. 20510

Dear Chairmen and Ranking Minority Members:

We are writing to urge your support in setting the Highway Trust Fund obligation ceiling at $15 billion. This level of spending is fully supported by the amount of gas tax revenues expected to flow into the Highway Trust Fund this year.

Countless infrastructure studies and reports have accurately documented the pressing problems every state faces in meeting the growing maintenance and rehabilitation needs of highways and bridges. There is no question that the financial resources required to sufficiently address the problem are great and that states will continue to bear the major responsibility for funding. However, at a time when highway and bridge needs are critical and expenditures inadequate, gas tax revenues continue to accumulate in the Highway Trust Fund.

Setting the highway obligation ceiling at $12 billion, as the President has recommended, will cut highway spending in FY 1991 by $240 million and deprive taxpayers of some $3 billion worth of transportation improvements they are paying for at the gas pump this year.

We recognize the budgetary problems this country faces but we also recognize the need to invest in the future. Taxes collected from highways users should be spent on transportation improvements and not to disguise the federal deficit. By setting the Highway Trust Fund obligation ceiling at $15 billion you will take a major step toward putting the public "trust" back into the transportation trust funds.

We know you share our concern about the relationship between this nation's economic performance and our commitment to transportation investment. Your assistance to the states in meeting that investment responsibility by increasing the highway obligation ceiling to $15 billion is greatly appreciated.

Sincerely,

Wallace G. Wilkinson - Kentucky

Bob Miller - Nevada

Joe Frank Harris - Georgia

Bill Clinton - Arkansas

Michael Dukakis - Massachusetts

Richard F. Celeste - Ohio

Neil Goldschmidt - Oregon

Buddy Roemer - Lousisiana

Cecil D. Andrus - Idaho

Steve Cowper - Alaska

George A. Sinner, North Dakota

Norman H. Bangerter - Utah

Michael J. Sullivan - Wyoming

James J. Florio - New Jersey

Terry E. Branstad - Iowa

Carroll A. Campbell - South Carolina

Kay A. Orr - Nebraska

John Ashcroft - Missouri

Booth Gardner - Washington

Michael N. Castle - Delaware

William Donald Schaefer - Maryland

Madeleine M. Kunin - Vermont

Tommy G. Thompson - Wisconsin

Rose Mofford - Arizona

William A. O'Neill - Connecticut

Roy Romer - Colorado

L. Douglas Wilder - Virginia

Ray Mabus - Mississippi

Bob Martinez - Florida

Rudy Perpich - Minnesota

John Waihee - Hawaii

Garrey E. Carruthers - New Mexico

Lorenzo J. DeLeon Guerrero - Northern Mariana Islands

Peter T. Coleman - American Samoa

George S. Mickelson - South Dakota

Joseph Ada - Guam

George Deukmejian - California

Stan Stephens - Montana

James R. Thompson - Illinois

James J. Blanchard - Michigan

John R. McKernan, Jr. - Maine

Henry Bellmon - Oklahoma

Guy Hunt - Alabama

Mario M. Cuomo - New York

William P. Clements, Jr. - Texas

Evan Bayh - Indiana

Judd Gregg - New Hampshire

Robert P. Casey - Pennsylvania

Edward D. DiPrete - Rhode Island 4/11/90

Ned Ray McWherter - Tennessee 4/11/90

Gaston Caperton - West Virginia 4/11/90

Jim Martin - North Carolina 4/11/90

38-253 3665/3800

REAUTHORIZATION OF THE POST-INTERSTATE SURFACE TRANSPORTATION PROGRAMS

MONDAY, JULY 2, 1990

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON SURFACE TRANSPORTATION,
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Long Beach, CA.

The subcommittee met, pursuant to notice, at 10:15 a.m., at the Long Beach Council Chambers, 333 West Ocean Boulevard, Long Beach, California, Hon. Norman Mineta, presiding.

Mr. MINETA. The Subcommittee on Surface Transportation of the House Committee on Public Works and Transportation will please come to order.

We are pleased to have this opportunity to be in Long Beach at the first of our Regional Hearings to be held across the country.

At this time I would like to yield to the very distinguished Congressman Glenn M. Anderson, the Chairman of the full Committee on Public Works and Transportation, in whose home area we are now located. I know that all of you know Glenn. He needs no introduction, but he does deserve one.

He is a person who is a very, very, fine Member of the Congress who represents his district very, very well and we are proud to have Glenn as the Chair of the our House Committee on Public Works and Transportation.

The ranking Republican Member, Congressman John Paul Hammerschmidt of Arkansas was not able to be here but between John Paul and Glenn they make a great team and we are just pleased to have this opportunity to start these regional hearings here in Long Beach, California.

I am pleased to yield to Chairman Anderson.

Mr. Anderson.

Mr. ANDERSON. Thank you, Norm. I am very pleased to join Congressman Mineta and my colleagues on the Public Works Committee, Mr. Packard and Mr. Hastert, distinguished local officials around here, as well as those of you in the audience.

This is the first in a series of hearings which will examine the effectiveness of our Federal Highway and Transit Programs in meetings surface transportation needs across the entire country.

Southern California has such tremendous transportation needs, which parallel the needs of many other cities across the country, and it is perhaps fitting that we begin these hearings here in Long Beach.

These transportation needs would be even greater if we did not have to address the severe air quality problem from which Southern California suffers. In this context, increasing the use of transit and other shared ride modes of transportation, will prove vitally important. And addressing these problems would generate additional demands on already limited state and federal surface transportation funds.

However, if we design most interstate surface transportation programs, which effectively meet these needs, we can help to insure the continued economic success of Southern California as well as the continued economic success of our nation.

As most of you know, I served as Chairman of this Surface Transportation Committee for several years, so I understand the tough job that Chairman Mineta and the other Members of our committee will have in meeting this challenge. That is why I am especially looking forward to hearing what each of the witnesses have to say throughout the day. Their advise and counsel will enable us to mold surface transportation programs which will keep pace with southern California's needs as we are propelled into the twenty-first century. We must keep pace or surely our economic growth will strangle us rather than be the tremendous benefit to us which it promises to be.

In addition to the increased funding, we must increase the efficiency of our existing transportation capacity by promoting policies such as intermodalism, which will assist the free flow of goods and traffic. And I am very pleased that Southern California has been a leader in this regard. We must also insure the continued safety of our highways and transit systems.

And in conclusion, let me welcome all of you to Long Beach on such a beautiful southern California day and say once again how pleased I am to be here.

Thank you Mr. Mineta.

Mr. MINETA. Thank you very much, Mr. Chairman. We are pleased to have with us Congressman Dennis J. Hastert of the 14th District of Illinois as well as our very fine colleague from California from the 43rd District from Carlsbad, Congressman Ron Packard.

Today the Subcommittee on Surface Transportation begins its schedule of field hearings to help determine the sum and substance of federal aid highway mass transit and highway safety programs once the current programs expire on September 30, 1991.

During the past 34 years, Americans have enjoyed a tremendous federal investment of more than $270 billion in our nation's transportation systems. We have built more than road and bridges interstates and mass transit systems; what we have built is a way of life that has sustained the American people and fortified our economy. But what about tomorrow? Especially in such high growth high mobility states such as California.

For tomorrow, we must make certain that Americans can travel in safety. We most move people and goods in a way that will improve the quality of our air and our overall quality of life. We must leave no doubt in the minds of our children that we will act consistently and with foresight.

Americans now travel more than 2 trillion miles on our highways each year. In the future, that level will only rise. And yet it

is estimated that as a nation we will need to invest $95 billion annually just to maintain the current level of service through the year 2020.

The question is, Where will we get the money and how should we use it? Clearly the strong partnership that already exists among the American people, business, industry and all levels of government will be called upon to meet the challenges of building and rebuilding our transportation systems. But at the same time, we must never lose sight of the fact that how we spend that money is as important as how much money we spend.

More than a year ago, the Surface Transportation Subcommittee sent a legislative agenda to build the transportation future America wants and needs. We have conducted hearings in Washington, DC. We have received expert testimony, but the health and well-being of our transportation network requires more hands-on input than any series of Washington hearings could provide. That's why we are here in California today.

It is also fitting that we begin our field hearings here in Long Beach, in view of the major role that has been played by your own Representative Congressman Glenn Anderson, Chairman of the Full Committee on Public Works and Transportation. As all of you know, Glenn Anderson was instrumental in the development of the 1987 Surface Transportation Act and continues to play a leading role towards the development of new legislation that will affect California specifically as well as our nation in general.

Transportation is an overwhelming concern here in this state. Just a month ago, Californians voted decisively to increase the state tax on gasoline to fund transportation projects and in so doing sent a very strong message to the rest of the nation. That message is this: under-funding our transportation needs may once have made fiscal sense for the sake of short-term fiscal relief. But under-funding in the future could be economic suicide in the new world which values butter more than it does guns.

In the 1960's and the 1970's we spent more than 2.3 percent of our annual gross national product on transportation projects. In the 1980's that level had shrunk to four tenths of 1 percent.

The result was congestion on our highways and decay of our mass transit systems. And the lesson is clear: transportation programs must never again be under-funded as they have been in the recent past. In the 1990's I believe the key to finding solutions to our nation's transportation problems will be to define the appropriate federal role. I believe that federal role must take into account State and local needs, program flexibility and the right of people who have paid taxes into the transportation trust funds to get what they paid for and not see those funds idle away at the same time that there is talk of increasing the federal gas tax.

Through this hearing, and those to follow, I am confident that we will further our efforts to determine what the federal role should be in the future and how we get from where we are today.

Let me thank again all the witnesses who will be appearing before us today for taking time from their own busy schedule to share with us their own expertise, and to offer a special thanks to the Long Beach City Council for allowing us to use this very fine facility.

And at this time I would like to yield to our very fine colleague Congressman Ron Packard.

Mr. PACKARD. Thank you, Mr. Chairman, and good morning, ladies and gentleman.

We have a very distinguished group of witnesses today for which we are very grateful that you have come. We're looking forward to your testimony. As the Chairman, Mr. Mineta mentioned, this is a major undertaking that we're beginning at this time. We have just completed the 35 years—it was designed to be a 30 year transportation plan, but it has been extended five years and we're just completing now and we will see the sunset of the existing long-term transportation plan that began back in 1954.

That is unquestionably the most significant and profound public works project in the history of the world. The interstate system that laces this country and criss-crosses and allows people to move and goods to move in this country has done more for the economic strength of the United States than any single issue that I know of. That will sunset next year. The funding will sunset for that plan and for our transportation program next year so it is incumbent upon our committee and upon this country to develop a new plan, a new 30 year plan and to develop a new funding program. That's what we are undertaking and beginning today.

We are very pleased to be in Glenn Anderson's district, one of the highlights of my service in the Congress has been the privilege I have had of working with Glenn Anderson. For as long as I have served in the Congress I have been privileged to serve on this committee. Glenn has truly been one of our transportation leaders as well as Mr. Mineta who is now our Chairman of the Surface Transportation Subcommittee.

And I think we recognize that if we as California Representatives can solve our problems here in California, our transportation problems, gridlock and the concerns that we have on our freeways and highways and streets, it will probably be a good prototype to solve the problems of the country. I do not know of any problem that exists in this country that we do not see here in California or in some part of our state.

So I am looking forward to the days testimony that will help inaugurate this effort to develop a new transportation plan that will take us at least through the year 2020, for the next 30 years.

There is so much we have to do. It is not a question anymore, I do not believe, of putting new ribbons of freeways across this country and within our counties and cities. I think it is more looking for a broad based solution to our problems. High technology will certainly be involved in solving our transportation problems of the future, smart highways, smart vehicles, alternative fuels, mass transportation systems, high speed rail; there is so much that we will have to address in our next transportation plan that we did not have to deal with—or certainly we did not deal with in the previous plan.

And so, we have a great opportunity, I think, before us to develop a plan that is going to lead this country and our communities into the twenty-first century with high tech solutions on the highways in our mass transit systems; in our airport systems and someway blend our total transportation program under one major plan.

That won't be a small undertaking. I think each of us who serve on this committee and subcommittee recognize the mammoth task before us. Because we are not going to be able to use the benchmarks and the procedures and the processes that we have used in the past. We have new problems but we also have new technology that should help us to solve our problems.

I want to pay particular attention to the fact that Mr. Tom Riley, one of my favorite supervisors in Orange County is with us and will testify. And many of you as I have read through your testimony and looked over the list of witnesses I could not believe we would have such a distinguished list of witnesses today. Welcome, we look forward to your testimony and thank you Mr. Chairman for the opportunity to address the group.

Mr. MINETA. I yield time to our very distinguished colleague from the 14th District of Illinois, Congressman Dennis Hastert of Yorkville, Illinois.

Mr. HASTERT. Thank you Mr. Chairman.

Certainly this experience of being here today sets off a whole series of hearings that we will be having on the reauthorization of the highway act. I want to particularly commend Norm Mineta, the Chairman of the Subcommittee on Surface Transportation—certainly Glenn Anderson, who is the Chairman of the whole Committee of Public Works and Transportation, for taking the leadership to start to focus in on the problems that we have across this country.

How are we going to start to reshape and refocus on what are the problems of transportation, not just in the 1990's but into the next century? And I wiil take my hat off to these two gentlemen who have shown great leadership in this committee and certainly we feel very, very comfortable with them leading us into the next decade.

So without any further adieu and with the deference to the many honored people that we have here today to testify before us look forward to it. I thank the gentlemen, both the Chairman of the subcommittee and Chairman of the full committee for bringing these hearings into being and looking forward to getting them going.

Thank you sir.

Mr. MINETA. Thank you. I would like to forward at this time Mr. Hunt Braly, Chief Deputy to the Honorable Ed Davis, California State Senator from the City of Agoura Hills.

Mr. Braly, California State Senator Davis' full statement will go ahead and be made a part of the record so if you would go ahead and proceed in your own fashion sir.

[Statement of Senator Davis appears on page 2158.]

TESTIMONY OF HUNT BRALY, CHIEF DEPUTY TO HON. ED DAVIS, CALIFORNIA STATE SENATOR, AGOURA HILLS, CA

Mr. BRALY. Thank you Chairman Mineta and other Congressmen. I apologize for Senator Davis not being able to be here this morning but he is in Sacramento because of the continuing budget crisis up there. It is my privilege to be here this morning.

I will not read his statement since you have a copy of it. Let me just try to paraphrase what his interest has been in the desire to return the control of billboards back to local government.

Senator Davis has represented the Agoura Hills and the Northern L.A. County, Ventura County, part of California in the State Senate since 1980. He has been interested for a long time in returning control to local governments. We have the 101 freeway which is the gateway to the Santa Monica Mountains National Recreation area, which goes through our district along with Interstate 5 up through Northern L.A. County.

In our attempts to restore some scenic beauty to this area, Senator Davis introduced legislation two years ago to designate the 101 freeway from the San Fernando Valley up to Santa Barbara County as a scenic highway. That law has passed and is now on the state books. However, local government must take several steps to get that scenic highway designation. And one is to have some reasonable methods to control outdoor advertising.

However, under federal law, the local cities in our district cannot do anything other than paying whatever is considered the fair market value for billboards within 660 feet of the freeway. This has led to billboard companies basically putting some very large, $500,000 values on billboards. The city of Agoura Hills, for example, has 30 billboards. That city of 18,000 certainly cannot afford to pay that type of money.

At the same point in time though, current state law, and federal law allows cities to amortize pole signs. Those large signs we see for gas stations or McDonalds or what have you. The city of Agoura Hills has done that, those signs will be coming down within the next several years.

Senator Davis thinks it is important to note that previously the Federal Government did allow local cities to amortize billboards, when it was changed in 1978 it was with the understanding the Federal Government would help pay 75 percent of the cost of these billboards. That has not been happening since 1982. Because of that situation, Senator Davis would strongly urge you to return local control over this important issue to the local citizens, so they can decide for themselves how to deal with these signs which are not conforming to what their community wants and desires.

Thank you very much.

Mr. MINETA. Thank you very much, Mr. Braly. Congressman Anderson.

Mr. ANDERSON. Yes, I have got a couple of questions, I think. Mr. Braly, in your testimony you state that the problem facing the city of Agoura Hills—is it the Federal Highway Beautification Act, makes it financially impossible for a local government to enact reasonable sign ordinances which remove billboards within 660 feet of a freeway?

Other than the use of amortization, are there any other suggestions for compensating owners of non-conforming billboards that would not impose a financial burden on local government?

Mr. BRALY. Not that we have been able to determine. After Senator Davis introduced the Scenic Highway bill and it was passed we went back to Sacramento to attempt to find ways of dealing with this situation because when they would negotiate with local bill-

board companies they would get figures without any verification that we could find $500,000 per billboard. And that is when we determined that the Federal Government had the final say so. That seems to be, in our studies, the two ways you go. You amortize it, in the case of pole signs and in this state, it is over seven years, or you pay whatever the fair market value is.

Mr. ANDERSON. Senator Ed Davis, I believe has supported legislation in the state senate to allow local governments to compensate the billboard owners by amortizing billboards over a seven year period. And the Congress in H.R. 3389, the Billboard Control Act of 1989, pending before the Subcommittee of Surface Transportation, provides for a five year amortization period. Now what criteria then, should be considered in determining whether amortization should be used to compensate owners of non-conforming billboards and the amortization period?

Mr. BRALY. We picked the seven year period because that is what has been used to pole signs and in this state seems to have worked well, it seems to have been equitable, gives a long period of time for the signs to still be up, for revenue to be received by the billboard companies and a reasonable period of time for them to be removed.

Mr. ANDERSON. This will be my last one and then we will let somebody else ask questions.

Mr. Braly, the existing provisions of the Highway Beautification Act require the payment of just compensation, that could be cash, for the removal of non-conforming billboards along interstate and primary highways.

However, the Congress has not provided federal funds for the payment of just compensation since 1982. Now if the Congress authorized funds for the payment of just compensation for the removal of the non-conforming billboards, would local government still support provisions that would provide for amortization as the means to compensate owners of non-conforming billboards?

Mr. BRALY. I think local government's concern and Senator Davis' concern would be what would happen year after year after year as we continue to have budget situations in Washington. If you return it to the local governments and let them decide then we'll have a no federal expenditure of money and we'll have a clear answer of how you can deal with these non-conforming uses.

Mr. ANDERSON. Thank you Mr. Chairman.

Mr. MINETA. Mr. Braly, I take it your concern is about the freeway 101 as it winds itself through the Santa Monica mountains in this instance. In the Fiscal Year 1990 the Transportation Appropriations Act, the Congress appropriated funds for a study of scenic highways. The 101 freeway through the states of Washington, Oregon, and California has been identified for inclusion as a part of the National Scenic Highways.

What impact do you think there would be of a Federal National Scenic Highways program and what kind of impact would that have on local governments within the 101 freeway corridor?

Mr. BRALY. If they are still not able to get rid of non-conforming billboards, like the city of Agoura Hills with 30 of them, they can have the designation like we gave them in Sacramento but not be able to do the other steps from beautification and taking care of

the signs that are needed to get the official designation. So without that ability to get rid of those billboards, I am not sure what use or benefit it would really give them.

Mr. MINETA. All right, Mr. Packard.

Mr. PACKARD. Mr. Braly, long before I got involved in local government as an elected official, I was asked by the city of Carlsbad to help develop and write the sign ordinance, which is one of the more controversial assignments in any area. And I am very sympathetic to the concept that Senator Davis' has propounded in his statement, and that is that it ought to be left to the local control. What do you see as the federal role in developing appropriate sign usages and sign control as it relates and as it dovetails into local and state control?

Mr. BRALY. Oh, I think we believe very strongly it should be left to the local governments. The problem we have in these areas is that because of federal beautification law, the local governments have no, and the state governments have no authority to do anything within 660 feet of the freeway. And therefore, the Federal Government has taken over that local control and it is just impossible. The national recreational area in the Santa Monica Mountains which is receiving significant federal monies for land acquisition, significant state monies for land acquisition. It is a beautiful area and Agoura Hills is within the heart of that area and there is nothing they can do under existing federal law to deal with these billboards which would become a blight on that national recreational area.

Mr. PACKARD. One of the dilemmas of course is that many of your sign companies have signs up and down the state and even interstate. Conforming and living with a wide variety of local ordinances makes it very difficult for them to manage a statewide or even an interstate or nationwide business. How do business people adapt to that as they move from one jurisdiction to another with local control over the signs? How do they deal with that?

Mr. BRALY. Well Congressman, one way we were trying to do it in Sacramento was by only applying proposed amortization to scenic highway quarters and making those standards very specific. So you are not dealing with every part of the state, every freeway of the state that goes through urban areas for example. When you are in a pristine area that is a scenic area, then you could use amortization. But even in that situation, we can not do that in the Sacramento legislature because of the existing federal law. And that is how we were proposing to limit it so that it would not affect the whole state and every aspect of a billboard company's business.

Mr. PACKARD. You would like the Federal Government to get completely out of the sign business?

Mr. BRALY. Out of the sign business or if you would as a compromise limit it to those areas in California, for example, which have scenic highway designation as of a certain date. That certainly would deal with our specific issues in the 101 quarter, although there are probably some other issues in other quarters in our district.

The point is that in Agoura Hills, because the city of Thousand Oaks and Westlake Village planned communities 20 years ago got rid of their billboards and any signs, they are the last bastion, so

everything is in the city of Agoura Hills. And it is three miles long has 30 billboards. And the people who live there and the people who visit that very beautiful area find it not very pretty.

Mr. PACKARD. Thank you, Mr. Chairman.

Mr. MINETA. Mr. Hastert.

Mr. HASTERT. Thank you, Mr. Chairman. Your problem is basically with the billboard owners or operators, right? Are they basically run on a national basis in your area or are they local?

Mr. BRALY. Primarily the 3-M company, those types of national concerns, yes.

Mr. HASTERT. What about private? What is the difference between a conforming billboard and a nonconforming billboard?

Mr. BRALY. It depends on what the local sign owners——

Mr. HASTERT. Well, in your area?

Mr. BRALY. Basically, what we're looking at and I think the cities, certainly we carry legislation for, are looking at the tall off-site billboards where a landowner has leased some land and he put up a large billboard.

We're not talking about on-site signs where a local business adjacent to the freeway has a sign on his or her business which tells people what that business is. That's not what we're talking about. We're talking about the freestanding billboards which are selling things.

In many cases the ironic situation is that they are selling things outside of the city limits so not only do you have to put up with the unsightliness of the billboard, they are selling their business outside of the city limits and they are not even promoting businesses within your city limits and getting the sales tax revenue from them.

Mr. HASTERT. Well, in your previous oral testimony here you are talking about taking down signs, gasoline signs from local businesses too, is that——

Mr. BRALY. They are not allowed under federal and California law.

Mr. HASTERT. But you're doing that, so who is——

Mr. BRALY. The city of Agoura Hills has passed an amortization on those tall signs, not on-site signs, but the 50 foot pole signs. There will still be on site signs in those areas.

Mr. HASTERT. So you are saying that you think that there is no effect on local businesses as far as directional signage and things like that?

Mr. BRALY. Well, there may be some effect, but not on the billboards. The billboards in Agoura Hills, for example, are promoting businesses outside the city limits almost every one of them. The businesses within the city, the pole signs are coming down. The piece of legislation Senator Davis put in this year was to expand the logo system which we have on I-5 in the San Joaquin Valley, where businesses at those freeway interchanges, the gas stations, the hotels, the McDonalds, would be able to buy logo signs on those freeways. They are not allowed anywhere in this state except I-5 in the San Joaquin Valley.

That bill has been sent for interim study by the state legislature. So we are concerned about local businesses and their ability to be

able to get patrons, and of course the city is too because that is sales tax revenue that goes right into the city's general fund.

Mr. HASTERT. That is immediate? I mean that is the immediate turn off, it is not 10 miles down the road telling you if you want to eat, plan to eat, or things like that?

Mr. BRALY. Well we do have signs in California which indicate generic, you know, food, lodging, next exit, or two exits. So you have those. The logo sign program would be specific. McDonalds, Jack in the Box, Chevron. We have them on Interstate 5 in this state in the San Joaquin Valley, but only in that area. They have not been allowed in other parts of the state and we are looking for a test state program along the 101 freeway to deal with those local businesses.

But again, Congressman, the billboards are not promoting the local businesses, they are freestanding and they are promoting usually businesses outside the city limits.

Mr. HASTERT. Well, one of the things when you start to change federal law, you start to change it for everybody. And, you know, I have a lot of interstates in my district and there are a lot of local businesses that say, you know, my restaurant says 10 miles down the road and you have to turn off at this intersection, and I think we have not had a lot of complaints about those types of things and it fosters a local business free enterprise system, at least as we know it, and so I do have some questions, I appreciate your testimony, thank you.

Mr. BRALY. Thank you, Congressman.

Mr. MINETA. I would like to now call forward a panel made up of Ray Grabinski, member of the City Council here in Long Beach who is also the vice chair of the Los Angeles County Transportation Commission, the Honorable Thomas F. Riley, Supervisor of Orange County and a member of the Orange County Transportation Commission and the Honorable Susan Lacey a member of the Board of Supervisors, Ventura County and the chairperson of Ventura County Transportation Commission.

Mr. ANDERSON. Mr. Chairman.

Mr. MINETA. Yes, Mr. Anderson.

Mr. ANDERSON. Could I just interrupt to give you one of my problems?

Mr. MINETA. Absolutely.

Mr. ANDERSON. Supervisor Tom Riley, Orange County, is one of my problems. And I called him up the other day and I told him, "Tom," see I consider him one of the greatest supervisors in the whole nation, but I told him I could not name him the number 1 in the nation because that would make it difficult for me to go along with my own supervisors, you know, so I would say, if I were to pick the top five supervisors in the county, and that is pretty good, no question about it, Tom Riley would be one of those five, that is almost to the top Tom, but it still keeps me all right with my local guys.

And earlier this year, the Orange County Board of Supervisors voted unanimously to name the new terminal at John Wayne Airport after Supervisor Riley. And as some of you may know, it was Tom Riley who pushed for the airport expansion for 13 years or more before the project got under way in 1987 and the new Riley

terminal contains 337,000 square feet which is 13 times larger than the airport's existing 26,000 square foot terminal. Needless to say this is a great honor for Tom, and his family and I congratulate him on receiving this special recognition and I kind of hope that Tom invites me later in the year to the terminals grand opening. Anyway, congratulations Tom and I am sorry for taking the time, but he is a great guy and when you have a guy so good, once in a while you got to say it about him, in Orange County too, you know.

I will stop there. I could say something nice about the others, Ray Grabinski and so on, but I will stop. Ray is in my district too.

Mr. MINETA. All right, the testimony of all of you will be made a part of the record and so let us just go ahead and start.

Mr. Grabinski, if you would go ahead and start your testimony.

TESTIMONY OF RAY GRABINSKI, VICE CHAIR, LOS ANGELES COUNTY TRANSPORTATION COMMISSION, LONG BEACH, CA; THOMAS F. RILEY, SUPERVISOR, ORANGE COUNTY TRANSPORTATION COMMISSION, SANTA ANA, CA; AND SUSAN LACEY, SUPERVISOR, VENTURA COUNTY TRANSPORTATION COMMISSION, VENTURA, CA

Mr. GRABINSKI. Thank you, Mr. Chairman. I want to find out, is the microphone working back there for everybody. It works, it was a little quiet earlier. Mr. Chairman and Members, it is my honor to represent the L.A. County Transportation Commission as the vice chair and also to welcome you to Long Beach.

Just a very short distance away from here, is a light rail system, probably about 400 feet will open up the 14th of this month and be the first time in 26 years that we have had that kind of transportation in L.A. County and we are very excited about that. I am going to be speaking a little bit about that.

I would like to say first, though, it is a real pleasure to be before gentlemen like yourselves who have been the trailblazers for many of the transportation solutions that have happened in our country and especially our Congressman Glenn Anderson who has always seen the need for transportation long before there were problems and we certainly want to take the opportunity to thank you, Glenn, for all of that.

And Mr. Mineta who has done a great job in the air transportation field, we have been before his committee and we certainly are very respectful of all the good work that he has done. Mr. Packard's comment about the multimodal approach certainly strike a cord with all of us and Mr. Hastert's comments about guaranteeing the future, I think, are something that will lead into the remarks that I am going to make about, I hope, with where we are going with L.A. County.

I would first like to talk about the commitment to mobility. In 1980 the voters in L.A. County adopted a half cent sales tax dedicated to public transportation improvements. They raised over $390 million a year. These funds enabled us to build entirely with local revenues the Blue Line which I just spoke about and which will open on the fourteenth of this month. Seventy-nine percent of the total rail construction funding is from local and state sources. And as Chairman Mineta stated earlier the voters in California again

demonstrated their support for mobility by approving three ballot referenda.

I would like to talk a little bit about the renewed federal commitment, and I hope I have not made you feel like I set you up for this, but the federal share of the transit funding climbed from 47 percent to 29 percent from 1981 to 1987. During that same period the federal share of highway spending declined from 30 percent to 23 percent.

Meanwhile, the Federal Government continues to enact legislation with the best of intentions that puts more financial burdens on the local infrastructure. For example, the clean air legislation which I am sure others will be talking about and the recently enacted American's With Disabilities Act, depend on local transit authorities to meet and help solve many of the social problems without providing additional resources. Consequently, our project calls for spending the entire trust fund and the opposition to a gasoline tax increase for deficit reduction purposes.

I would like to talk a little bit about the local transit projects, which I am sure you heard some about, but I think bear repeating.

Number one, the Red Line which is the backbone of our entire system. Without the Red Line, the vehicle miles traveled in the core area of the business district would increase by 25 percent by the year 2000.

M.O.S. 1 is fully funded. Operational in 1994, and 50 percent federal share of a $1.3 billion cost.

M.O.S. 2—fully funded contract signed in April of this year, committing up to 667 million or 46 percent of the cost, will begin service in 1996 with full operations in 1998.

M.O.S. 3, 6.3 miles of extending the Red Line into the San Fernando Valley, service expected to begin in the year 2001. This is the highest priority of LACTC in the reauthorization bill.

We urgently need the support for legislation directing UMTA to enter a full funding contract for the $688 million federal share of this over $1 billion project.

We also have the Orange Line. This is the future of heavy rail route and it is extending the Red Line west of Wilshire to the east of Union Station. We will soon begin the alternative analysis stage and are working closely with our congressional delegation and affected community groups to assure the most effective route.

We seek authorization of $50 million to match local funds with the final design and preliminary engineering work which will be necessary before the final project approval.

Highway programs, I think this speaks to the multimodal approach, the Combined Road Program, the Block Grant approach testing pooling of federal funding categories is on-going.

Our support for continued authorization is predicated on the continued emphases on local decision making and funding allocations.

Smart Streets is being implemented right now. It utilizes advanced technology to reduce congestion, pollution and travel delays through the improved traffic management and information systems.

The LACTC is currently involved in the Santa Monica freeway demonstration scheduled for 1993. This is very important. This can

reduce travel times by 15 percent with a resulting reduction in fuel use of 13 percent.

More importantly, pollution emissions would be reduced by 10 percent.

We encourage your support of such programs and believe that the Federal Government should continue to be in the forefront of advancing research in this area.

Secure funding for bus operations. We are very concerned about that also. Continuing of section 9 operating assistance necessary to keep smaller operators in business and to minimize economic impact of increased fares for those who most depend on the transit system but can least afford the increases.

We have also encouraged competitive bidding for bus service which has resulted in the complimentary private bus system in the foothill transit zone.

It is our feeling that over the last four or five years, this partnership that has been developed by the federal, state, local and private sector has worked well and will work well in the future and our concern is that the projects that we are talking about and the magnitude that we are talking about are really a four legged stool and we need all four of those legs, the Federal, the State, local and private sector and that is the reason for our feeling of this commitment to the reauthorization.

Thank you very much.

Mr. MINETA. Thank you very much, Mr. Grabinski.

Next, Mr. Riley.

Mr. RILEY. Good morning Mr. Chairman and Members of the committee. My name is Thomas F. Riley. I am a member of the Orange County Board of Supervisors representing the 5th Supervisorial district. I am a member and immediate past Chairman of the Orange County Transportation Commission and this morning I will also be speaking on behalf of the Orange County Transit District.

I would like to deviate from my notes just a minute to acknowledge the wonderful introduction that I received from Congressman Anderson. I am not sure the rest of the day will get off of cloud nine, except that he has been a tremendous person in helping Orange County become the place to live second to none and we were certainly pleased when Congressman Packard was assigned to that committee. We know that Orange County will be well looked after and that is the reason I was excited about being here this morning.

I want to thank you for the opportunity to testify this morning on behalf of the Orange County Transportation agencies regarding the upcoming reauthorization of federal highway and transit programs.

Before I begin, just a few words about Orange County. Once in the shadows of Los Angeles, Orange County has become enormously successful and a powerful economic engine in its own rights. After three decades of explosive growth, it is the home of 2.3 million people. The County has produced 1.2 million jobs and boasts an unemployment rate of less than 3 percent. If its goods and services were a gross national product it would rank as the fortieth largest economy in the world.

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Since much of Orange County's growth has come after the State and Federal Government slackened their freeway building activities, we have had to turn to other options including:

[1] Developer fees that are the highest in the nation, paying for roads well beyond the site of a development, including a fee program that is a catalyst for Orange County's three tollways.

[2] We lead the state in miles of High Occupancy Vehicle lanes (HOV), with more under construction. We are well on our way to completing a 90 mile system of exclusive lanes for car pools and buses.

[3] We recently introduced the first Southern California commuter rail running between Orange County and downtown Los Angeles, and with other counties in the region are experiencing a resurgence in public interest in rail transit. Meanwhile our bus system continues to hit new records for patronage with improved recovery costs from the farebox.

The downside of this success story, however, has been a persistent lack of public financing for needed transportation projects. Despite our efforts traffic congestion continues to worsen for lack of adequate investment. Over the next several months, we will join the benefits of California's recent voter-approval fuel tax while also considering a third try at voter approval of a local transportation sales tax.

With these observations as background, I will summarize our key recommendations on a new national surface transportation program.

First and foremost we encourage you to preserve and protect the federal revenues that have built and supported so much of our transportation system. We view the fuel tax as a "user fee" that should be dedicated to transportation investments. We recommend that you make permanent the Highway Trust Fund and the revenues to support it.

As you know, much of our existing transportation infrastructure is in a state of decline while, at the same time, population and economic growth in areas like Orange County requires new highways and transit investments. Less than a month ago, California voters recognized these realities in approving a State gas tax increase.

However, this type of voter support for funding the transportation infrastructure would not have been possible if the Federal Government were diverting fuel taxes for non-transportation uses. We urge this committee to maintain its strenuous opposition to increasing fuel taxes for purposes of reducing the federal budget deficit.

Equally important to public attitudes and receptivity to new transportation initiatives, is insuring that residents of California, along with the rest of the country, receive a "fair share" return on their fuel tax dollars. I strongly recommend that you preserve the 85 percent minimum allocation for federal highway funds that you first enacted in 1983.

As part of the effort to protect and preserve the federal revenue base, we recommend that you reconsider the current federal policy of exempting alternative fuels from federal "user fees." Currently, the effect of these exemptions on the Highway Trust Fund is minimal. However, as the use of these fuels becomes more prevalent,

and perhaps mandatory, we are concerned that there will be a significant drain on revenues. We believe that now is the time to address this issue and preserve the long-term integrity of the Trust Fund.

Just as important as preserving the Highway Trust Fund, is the urgent need to manage it effectively. Our primary concern is with the current large unspent balance in the Fund. While these monies sit idle in order to cushion the true magnitude of the federal budget deficit, critical surface transportation needs go unfunded. At the same time, public knowledge of the situation seriously undermines our credibility with the voters and with the users of the transportation system.

We urge the committee to support actions which will permit spending down the Highway Trust Fund balance to prudent levels at a reasonable rate. In addition, we urge a gradual lifting of the obligation limits for transportation programs to prevent further buildup in the Trust Fund.

We recommend that a portion of the funds made available by reducing the Trust Fund balance be earmarked for development of programs to encourage and reward local investments in transportation improvements that serve regional and interstate, as well as local travel demands. The State of California has implemented such a program as part of the recent fuel tax increase, setting aside more than 10 percent of the new revenues to match locally generated funds. A similar federal grant program would encourage the development of new intergovernmental and public-private partnerships needed to solve our transportation problems.

To further encourage local and private investments in our transportation infrastructure we urge you to build upon the limited authorization for toll road financing that this committee championed in the last federal reauthorization act. From my perspective as a board member for one of the joint powers agencies in Orange County that is designing and building a toll road under H.R. 2 pilot toll road provision I urge you to make this program permanent. Further, we recommend that you consider eliminating barriers to retrofitting tolls on facilities which have aged beyond their design life and for the integration of private toll facilities with the federal-aid system.

With regards to your reauthorization of specific transportation programs, we strongly support a continued federal role in the rehabilitation and replacement of the federal-aid highway system to protect the enormous investments already made in these facilities To ensure that federal dollars are spent where they will do the most good, we also support consolidation of the numerous categorical programs, with greater state and local flexibility in spending decisions.

In light of many of the requirements now being imposed on local government for congestion management, air quality improvement and mobility for the elderly and the handicapped, we also urge you to continue federal support of transit programs, including the dedication of one penny of federal fuel tax to transit. In addition, we support a greater reliance on formula allocation of funds for transit capital improvements along with greater flexibility in their use.

We are also concerned about the process for handling federal transit grant requests, particularly the trend toward earmarking funds for projects in advance of the filing of grant applications. An attachment to my written testimony describes an interchange project to connect operating segments of our HOV lanes system that we believe will compete well for federal funds based on its cost effectiveness and its local funding support.

While we recognize that this committee does not have jurisdiction to award this grant, we are concerned that all available funding for upcoming years will be lost to us through earmarking. We respectfully request your support in ensuring that all applications may complete for federal grants on a level playing field.

Mr. Chairman and Members of this committee that concludes my remarks. Thank you, once again, for the opportunity to speak on behalf of Orange County.

Mr. MINETA. Thank you very much, Mr. Riley. At this time I would like to submit a statement from our very fine colleague, Congressman Robert Lagomarsino to be entered into the record at this point.

[Statement of Mr. Lagomarsino follows:]

TESTIMONY OF REPRESENTATIVE ROBERT J. LAGOMARSINO

Chairmen Anderson and Mineta, Members of the Committee, I appreciate the opportunity to address the subject of Post-Interstate Surface Transportation Programs as they relate to Re-Authorization of Federal-aid highway programs. I commend the Chairmen and the members for addressing the serious problem of traffic congestion in Southern California with efforts to improve port access and develop intermodal networks and other infra-structure components.

Last month, as you know, the voters of California signaled their support of such programs by approving Propositions 108 and 118, authorizing the issuance of $21.5 billion in bonds for transportation purposes.

Later today, you will hear from representatives of the Ventura County Transportation Commission and agencies in Ventura County supporting the Port Hueneme Access Plan. This plan, developed by the Port Hueneme Transportation Task Force in conjunction with the Southern California Association of Governments, proposes a number of steps to deal with the increasing traffic congestion in the area of the Port, the Naval Construction Battalion Center, located at the port, and the nearby Point Mugu Naval Air Station.

The Port of Hueneme is an important economic and national security asset. The access plan will provide environmental, public safety and national security benefits to the surrounding communities and the nation. I hope that in the development of the surface transportation authorization, you will provide an opportunity for a plan like this one, which has regional and national significance, to receive federal assistance.

Thank you for your consideration.

Mr. MINETA. I would now like to introduce the Honorable Susan Lacey, a member of the Board of Supervisors of Ventura County. Your statement will be made a part of the record so if you would go ahead and proceed in your own fashion please.

Ms. LACEY. Thank you, Mr. Chairman and Members of the subcommittee. I am Ventura County Supervisor Susan Lacey, Chair of the Ventura County Transportation Commission, which represents 10 cities and the County of Ventura. I am testifying today on behalf of the Commission, South Coast Area Transit and the Port of Hueneme.

I would be remiss if I did not mention to you that we have the mayor of Oxnard, Nao Takasugi with us today and also councilman Orvine Carpenter from the City of Port Hueneme.

Thank you for the opportunity to address this committee on the reauthorization of the Federal Surface Transportation program. First, as it relates to the County's public transit operators, and then, the Port of Hueneme.

Transit. The South Coast Area Transit, or SCAT, is the major transit operator in western Ventura County, serving over 300,000 residents. Approximately 32 percent of the annual budget or $5 million is comprised of Federal operating assistance under Section 9 of the Urban Mass Transportation Act.

S.C.A.T.'s. most immediate concern is the continuance of Federal capital and operating assistance under the formula grant program which was established through the Surface Transportation Assistance Act. Initially, when this Federal provision was enacted, SCAT was eligible to receive 50 percent of its operating budget from Federal funds. However, with the enactment of an operating cap in 1978/1979 the agency was prevented from using more than $1.8 million in Federal operating assistance. Since that time, the Gramm-Rudman-Hollings Act has reduced the funds even further to $1.3 million. This has placed a substantial burden on the agency when mass transit is one of the prime alternatives to improve air quality and provide transportation mobility to the handicapped and our senior community.

With the best of intentions, Congress is considering revisions to the Clean Air Act and is reviewing the ADA, the Americans with Disabilities Act. However, there has been no consideration for funding the transportation alternatives that these legislative enactments mandate. It is most disturbing that the Administration's proposed transportation policy has targeted mass transit for further reductions or elimination of funding altogether, despite the needs for suburban and rural mobility.

Although support for transit funding is one of several local policy efforts, it is also one of national significance. We believe that the reauthorization of the Surface Transportation Assistance Act should include funding for both transit operating and capital programs at greater levels.

And now I would like to speak to the Port of Hueneme access improvements. For those of you not familiar with the area, the Port of Hueneme is located about 60 miles north of Los Angeles. It is one of only four commercial ports in Southern California, a region that exceeds many nations in terms of economic impacts. The Port is located in the vicinity of the Naval Construction Battalion Center (home of the Navy's famous Seabees) and the Pacific Missile Test Center.

It is clear the economic impact of the Port of Hueneme extends beyond the local area's boundaries. The Port plays a vital role in the distribution of goods, but also provides substantial economic benefits to the state and to the nation in terms of jobs, personal income, business revenue, and taxes. Port facilities operate as one of the main fronts in resolving the trade imbalance issue. Our nation's ports, like the Port of Hueneme, play a vital role in international trade, economic development, and the national defense. The Port of Hueneme also serves as a facility for handling offshore oil developments in California.

The Port of Hueneme is connected by rail to other areas, but, unfortunately, is the only deep water port between Los Angeles and San Francisco without direct freeway access. Port traffic must travel on urban arterials to connect the docks with the nearest freeway, which is U.S. 101. Port and Navy traffic must also compete with background residential and commercial traffic for space on local roadways. To reduce congestion, noise, and damage to air quality, additional highway capacity is needed. Lack of additional capacity could ultimately constrain the growth of the Port of Hueneme and interfere with important missions of the Naval facilities in the area.

To address these problems, local governments have developed the Port of Hueneme Access Improvement Plan. The Southern California Association of Governments (SCAG) has endorsed this plan and included projects in its SCAG's Regional Mobility Plan. The Port of Hueneme Plan has received endorsement from the county and the cities of Ventura, as well as from the Department of the Navy, the California Department of Transportation, Southern Pacific Railroad, offshore petroleum companies, the Automobile Club of Southern California, and the California Trucking Association.

I would be glad to send the committee specifics about the access projects contained in the Port of Hueneme plan. We have made progress in implementing the Ports Access Plan since Congressman Anderson visited the Port in December of 1988. The three main projects listed in the plan are:

One, Rice Avenue extension and State Route 1 Interchange—this road is a nonexistent "missing link" which must be constructed for the Rice Avenue/Hueneme Road corridor to function as the main access from the south of the Port.

Two, the Hueneme Road improvements. This widening is needed in conjunction with the Rice Avenue extension.

And finally, Victoria Avenue improvements—this work, including reconstruction of the Victoria Avenue and the U.S. 101 interchange, is the third essential link in the Port access improvements.

At present, costs for the port access projects total $84.4 million. Thus far, we have been able to secure $22 million funding for the necessary local work. However, we will need federal assistance to make up the shortfall.

We are enthusiastic about this committee's interest in the importance of intermodal and port access matters and believe it is essential that the reauthorization of the Surface Transportation Assistance Act specifically deal with this issue. We hope appropriate federal resources will be available to assist with implementation of access projects to keep the valuable natural resource of the Port of Hueneme as an economic asset to this county and this country.

Thank you for the opportunity to speak. On the other side of the folder is correspondence supporting my remarks. I would be happy to answer any questions.

Mr. MINETA. Thank you very much, Ms. Lacey.

Chairman Anderson.

Mr. ANDERSON. Supervisor Lacey, many counties in California now overmatch their transit construction projects. That is, they contribute more local funds than is required by law. How do you

believe a federal program should be structured to best support these efforts?

Ms. LACEY. I am going to turn that question over to Mr. Riley and let him answer.

Mr. RILEY. I guess I was watching you and I am not sure I got the whole question, but I think the big thing about it Congressman Anderson is that today the matching of funds are part, I think, of—I am trying to figure out how to say this, but I think the public's interest in what we are doing and how we are doing it, I think, very important. Because I think they view the use of the activity of these funds as something in pretty good trust.

For instance, when we failed on measure M the last time, I had seven people who called me afterwards. Their challenge was primarily that they had voted for highway tax funds which were not being spent by the Federal Government, also, not being spent by the state and why would they anticipate that a further vote would see that the local funds were spent.

Interestingly, even though we had suggested that there be an overview committee appointed by the Orange County grand jury to insist that these funds be spent as directed and if it went over $100,000 they had to go back for election.

Unfortunately, of the seven people, none had read that part of the effort and I did have two people call me back later and said they would now vote for it if we put it in to understand that.

But I think there has just been a lack of trust by the public, unfortunately, in our business which is one of the things—the only thing that I do not like about being an elected official. I do not call myself a politician anymore because that connotation seems to have a lack of trust. But I think that the changes that we made—and I saw recently that somebody wishes in the state to continue the earthquake funds, tax funds that we gave up as part of helping to pay for other state issues.

I think that the important thing that we have to sell to the public today is that what we say and what they vote for is what means what we are going to do with it.

Mr. ANDERSON. As I said in my question, I said many counties in California now overmatch their transit construction. It so happens that it is not quite that simple. Some overmatch it, some do not have enough money. And of course like in your case, Orange County, I often think of Orange County as a relatively wealthy county. And yet, you remember they were one of the counties that was having trouble raising local money to match the federal funds, and that is why you are entering into, if you have not already, the building of some toll places so you can raise some local funds to have more local match?

Now, if Orange County has to do this then some of the other counties that are not as wealthy as Orange County will have to do similar things, and so that is why I was raising the idea. And of course you are aware, this last election the State of California raised its own tax so high and we hope that that will somehow be allocated to help some of these areas match the federal funds. But I kind of wanted to hear what you people in the counties were doing about it because every county is a little different.

I mean, you can take two counties that you think are right next to each other and you will find they are totally different when you get right down to where their money comes from.

Ms. LACEY. Congressman, I can add from the prospective of the county of Ventura, we are going to go to our voters if the Board of Supervisors—I am wearing all my different hats—puts it on the ballot for a half-cent sales tax for November in order to be able to have our local share. Ventura county also does not have—I always get this wrong—interstate, the one where you get more money and so that is also a problem for us. We have no interstate highway.

Mr. ANDERSON. You are aware, I know, that in the last bill we passed we took care of Ventura county fairly well on some of your projects, as well as Orange county too.

Ms. LACEY. That is what I understand, and we appreciate that.

Mr. ANDERSON. And one other thought, because this is also one that bothers many of our people, have you calculated the cost to your county, that would either one of you, of meeting the requirements of the new Clean Air Act amendments. This is a problem we are being asked to constantly—particularly for Los Angeles, but it is going to affect the whole state, particularly the southern part of the state.

Mr. RILEY. We have not, but do know that it is going to be a very substantial. Our staff has been working on that as to how we can encourage this participation, how we, in addition to the actions already taken about staggered work hours as to how maybe we are going to have to pay for parking to encourage those who car pool. Certainly it is another added concern that we do have as.

In our county, Congressman, you know, we are job rich and we attract from from other counties into that economy. So, our own economy has been one, and certainly missing the opportunity that you talked about a moment ago on the toll roads. The enthusiasm for the toll roads, I think, has been generally very well accepted, but on the other hand major M, which has failed in Orange County, and we are one of the 10 large urban counties that this has happened to, and yet perhaps that tax—the other counties surrounding us have passed us.

That is the reason we think that the education process and bringing this up again in November is probably essential to encouraging both a state and Federal Government to be responsive to our needs.

Mr. ANDERSON. You might have answered my next question, it is going to be directed to you, Supervisor. Supervisor Riley, how would you respond to a taxpayer who asked you to justify the retrofitting of highways as the toll facilities which you will be putting in—because you know those are going into developing sections where you have to put in a relatively major and I assume an interstate highway—but the local match of Orange County is going to come from the toll facility you are going to be putting in there? If a taxpayer in Orange County asks you to justify this, how are you going to do it?

Mr. RILEY. I try to do it almost every day, sir.

Mr. ANDERSON. I see.

Mr. RILEY. And every place I go out people ask me that question and I go back again pointing out, you know, that we do have 29

cities now in Orange County and each of those zealously guard their jurisdiction in relationship to development in land use.

The city of Irvine, for instance, where the spectrum area is and I know you know that area, we have three jobs for every person who lives in the city. So that means that we are attracting a tremendous number of people from out of county to those jobs.

I try to point out to them that you know, everybody wants to be a part of Orange County or live in Orange County. I talk about it being the place to live second to none. And point out again that our own economy has done us in. This great economic boom that we have has caused problems of bringing people in. Land values are tremendous as you well know. To try to get there and to try to provide for housing. We were unable to try to provide transportation to meet these needs because I think of the various government jurisdictions of having their interest. Until we were able, through your efforts, to come up with the toll road, which as you well know we are asking the land owners to pay a 48.6 percent fee on their land and the housing and the developments that have occurred. And hopefully with the toll roads we will be able to provide adequate funding with some state help in that regard. I cannot tell you why Orange County has—but they really do not vote for very many issues on the ballot.

Mr. ANDERSON. Both Los Angeles and Orange County have significant port facilities which have special significance to your local economies as well as to the national economy. Now specifically, how should these facilities be treated under our new surface transportation bills? I address that to you because I said Orange County. I did not mention Ventura, I could have said—so either one of you, whichever can—they are very similar.

Ms. LACEY. Very quickly, I think our initial reaction is that helping us with the access is obviously what we need for the Port of Hueneme. And then I will let the gentleman down here elaborate as far as Long Beach.

Mr. MINETA. Mr. Grabinski.

Mr. GABINSKI. Our multimodal approach, I think, lends itself well to this whole problem of access. We do have the two busiest ports in the United States right here in the Los Angeles-Long Beach area. And I know Mayor Bradley will probably speak to that also, but the access throughout the county is tremendously important and that needs to be looked at very carefully by the Federal Government because we all benefit from what flows through the ports in both directions.

Unfortunately, as the young lady from Ventura is pointing out, access to ports has always been difficult. Just by the geographic nature of ports—getting in and out of those areas and having the incredible capacity that goes through them almost always forms an hourglass, if you will, of trying to get the transportation in and out. And as you well know, we are working on the Alameda corridor issue and I think my colleague Councilman Kellogg will be speaking to that later. This partnership that we talked about earlier has probably never been more critical than right now.

The ports are going to be doing booming business in the future and if we do not solve the transportation issues here in the county

the negative impact can be awesome. I think the Federal and the state Government and obviously the local governments too.

I think that is one of the reasons that the county of Los Angeles came to the realization a little earlier than some others that we were going to have to participate through Prop A and other things was because we saw the immediate need of the traffic congestion not just being a problem for commuters going back and forth but also being a terrible problem for the economy of the whole county.

And I think that is one of the reasons we may have a little bit of a leg up on some of these other areas because we were hurt earlier and probably more severely by the economic impact of the traffic congestion so you cannot do enough.

Mr. ANDERSON. Sometimes even doing something causes problems. You remember before we had the Harbor freeway one of the big concerns—both the parts of L.A. and Long Beach were not doing very well. One of the problems was getting the trucks and so on to downtown so they could be shipped out and so on. And once we put in the freeway, then within just a few—I would like to say months, but within a very short period of time, it became the most highly congested section of interstate in the nation. It was not there until we made it so that everybody could get on it and everybody did.

And so now we have a problem with a highway that—what particularly was congested, sometimes it takes two and one half hours for a truck to get from the ports to L.A. and then they pay them the same hours—by the hour—the cost is so high that they cannot—and then they have to raise the price of the commodity that they are selling and it makes it so we can not compete. So sometimes doing something helps create more congestion, then it causes a problem. So when we build highways, then you have got to think, oh, now we have got to build a transit to keep people off the highways. When we build the transit you have got to do something else. It is just a constant effort, and of course from you people we have to be told what you want us to do next.

I am sorry I am asking too many questions so, thank you.

Mr. GRABINSKI. Mr. Chairman if I could say one more thing about that port problem. The L.A. County transportation commission took $50 million of Prop A funds to change some of the freight lines just so we could move towards making the Alameda corridor a reality so that we can move this freight and as you point out by the time we get this done we will be in pretty much the same situation as the Harbor freeway, getting it done just in the nick of time and probably that corridor will be filled up just like the Harbor freeway.

Mr. ANDERSON. Congested.

Mr. MINETA. Thank you very much. Have any of the panel members had a chance to see the recently published report by Caltrans as it relates to their views on the reauthorization of the highway and mass transit programs? I think it might be interesting for local and county governments to take a look at that.

Mr. GRABINSKI. There is some disagreement, I think.

Mr. MINETA. I would imagine that there would be and I frankly would like to have you take a look at that and get your written comments and reactions to that as well.

Now, in each case, your testimony focuses extensively on mass transit improvements as well as on highway improvements in your counties. What factors are most responsible for this emphasis on your part about the increased use of mass transit resources.

Who would like to start?

Mr. GRABINSKI. Well, since it is here I will go ahead and start. I think in our particular case, the air quality issue and the changing federal statues on air quality and the population growth in L.A. County, I heard the comment made about where one county would sit if it were a country. I think we would be the eighth largest producing country in the world if L.A. county were just a country by itself. I think our concerns and our reason for not just the rail transit but for the multimodal approach is because of the diversity that we face and some of the challenges that we face. The air quality one, I think, being one of the major issues, but the economic impact of those laws is having a devastating effect with business and I am sure Mr. Remy from the Chamber of Commerce will come down here and explain those.

We are very concerned that the people from Los Angeles have been wedded to their car for far too long and what we want to do with your help is to get people out of their little gas boxes and onto another form of transportation and change the mind set in this county so that they take advantage of other opportunities that are clean and efficient.

Mr. MINETA. Who do you think is going to do that? When you talk about changing the habits of people that is very, very difficult. Surveys seem to indicate that people are willing to spend 50 more percent in terms of cost and 30 percent in terms of time if it is safe, reliable and convenient to get out of their car and into mass transit. So if they are paying a dollar a day to commute, they are willing to go to a dollar and one half if it is again safe reliable and——

Mr. GRABINSKI. I guess my best example, and I have the same problem that Mr. Riley does explaining some of these things to the general populous, is that I envision people who are driving down the Long Beach freeway, which is adjacent to our Blue Line, and the San Diego freeway which crosses it. When they are stopped at 7:30 in the morning and at 4:00 o'clock and 5:00 o'clock and 6:00 o'clock in the afternoon in there anywhere from $10,000 to $40,000 cars that are geared to go 200 miles an hour and they are going along at 11 miles an hour, I would suggest that our Blue Line will look like a bullet train to them flying past them. We experienced that just recently when we christened the cars. There was a jam-up on the Long Beach freeway and we were just taking off out of the yard in the Blue Line cars and the people were kind of waving to us with a very sad look on their face.

I think the opportunity has not been there in Los Angeles County since the Red Car in 1961 closed up. And I think the alternative then was the automobile. We had plenty of freeways, freeways were just going everywhere and that was the new form of transportation. I think what is happening now is, everybody has a whole different view. And as I pointed out before, I think the health aspect has a great deal to do with that.

When we open up this line on the 14th, what it is also going to do is, it is going to allow somewhere near 35,000 people a day not

to be in those little gas boxes and be driving in air conditioned comfort to and from Los Angeles and downtown Long Beach in a fashion that is not going to pollute. And I think that is having a dramatic impact on people and I do not think Prop A would have passed nor do I think we would have the support for this opening. We are expecting 200,000 people for this opening. I do not think anything of that would have happened had not the mind set changed in this county a little bit and I would liken it to smoking.

Twenty-five years ago, everybody smoked. People would be smoking in this chamber now. But our habits have changed and they changed dramatically to the point where now if you smoke you are, you know, you are a little suspect. You have to go find a place to smoke, and I think that is the way it is going to be with the cars. I think what is going to happen in the future is, as this multimodal approach takes place, we may have to be more punitive with people.

If you are going to be on the freeways, you are going to be on the freeways going a longer distance. You are not going to go to two off ramps to go to a little store and go back. I know that may sound like a threat to folks, but that is the kind of attitude adjustment we have to take in this county to keep up with the laws that are being passed by the Federal Government and rightfully so because of the health problems that we have had here.

Mr. MINETA. Ms. Lacey, in your testimony you also put an emphasis on mass transit with the experience you had with SCAT, do you find that ridership is, as you say, is increasing and this is an alternative that folks are looking at in Ventura County?

Ms. LACEY. Definitely, we have had a 12 percent increase in ridership just this past year and that is before we have actually gone out and done the marketing that we need to do and that we will be doing in conjunction with the Clean Air Act, and I think when we tie all these together that it makes a lot of sense.

The fear we have at SCAT is that at the time that we are about to really start to change some habits and make it a better alternative for folks and have them recognize that alternative, is that we could see some of our funds going away. And that would be so counter-productive—and we have an equally bad air problem there, we have got congestion, and I speak in terms of mental health. I am worried about mental health. I think we can do a lot for people and for families if we get them out of their cars into the buses relaxing and not fighting—and getting home and the first thing they do is they go in and, you know, step on the cat's tail and shake their children. I would like to see them ease on home on our beautiful clean buses. Go in the door and smile at everybody.

Mr. MINETA. Mr. Riley, do you have any other comments that you would like to add?

Mr. RILEY. I would just like to add to what the two speakers have already talked about, the mass transit and the HOV lanes, which require two riders. We had great opposition initially to that but I guess as we get more and more clogged on the freeways or the highways and the service streets also, more people are doing that.

At one time we talked about mass transit in my district, I call it the fabulous fifth down in the south part of the county. There was a feeling that the use of transit was an indication of people who

may not be desirable to live in the community. Also brought in great densities. I have seen that shift in the past couple of years. That has become a way that people are accepting and people are moving on in that and I think we have watched industry itself convert on the HOV lanes which has been really, I think, noteworthy as a matter of fact in the accomplishments in the South County.

Mr. MINETA. May I ask Supervisor Lacey, on your plan for the Port of Hueneme, are any of these projects included in the State Transportation Improvement Program?

Ms. LACEY. No.

Mr. MINETA. Mr. Packard.

Mr. PACKARD. I think we have interrogated this panel quite thoroughly.

Supervisor Lacey, you reported in your testimony that there are no freeways in your district or in——

Ms. LACEY. That is correct.

Mr. PACKARD. What are the impacts of the port itself and the activity of the port on your local streets?

Ms. LACEY. Well I think my testimony referred to the local streets as urban arterials. I am sure that is a good word in the jargon. But what I would call them are city streets and in some cases as it crosses my district we have highways that were built for many large farms and so these little roads, they are not highways, they are roads, and they have no shoulders to them, you cannot ride a bicycle, children should not be walking on them, but they do, and it is a very serious impact. And they have major truck traffic along there.

Mr. PACKARD. And the solution?

Ms. LACEY. The solution is a proper access plan. I think the three projects which I presented here would really make a difference—would make a difference to these people's lives that live along there too. Because they are going right through neighborhoods.

Mr. PACKARD. I drove up from North San Diego County this morning and was quite educated on your HOV lanes in the south part of Orange County, Mr. Riley, and frankly there was virtually no congestion this morning. Now, that may have been an anomaly and I cannot credit the new HOV lanes as the reason because there was not very much traffic on HOV lanes either. In fact, very, very, few cars. What can we do to encourage and what is being done in your county to encourage the use of the newly opened HOV lanes?

Mr. RILEY. Congressman, in addition to the HOV lanes, as you well know, is a 405 and 5, there has been considerable work done recently and some additional lanes have been opened, and as you drive down you feel you are still waiting for that horrible traffic congestion that we have experienced, but it has been amazing how just a few additional things have opened things up.

Mr. PACKARD. That is a daily change, it was not just this morning——

Mr. RILEY. Yes——

Mr. PACKARD [continuing]. Because we never slowed down once all the way to Long Beach.

Mr. RILEY. But I think that we are using all of the normal type of activities that are available to us, you know, as I say industry itself, certainly the Chambers of Commerce and other people to try

to encourage—and I think parking as we come down with the—or resource things—as we come along is going to do more to encourage people to use the lanes. Some of the industry in our area is actually rewarding people with money if they use and car pool and so forth on there.

Mr. PACKARD. The transportation commissions in the two counties, particularly that I—Los Angeles and Orange County, are they addressing a balanced approach to your transportation problems in terms of mass transit, new lanes, HOV, park and ride? What is being done, perhaps maybe in Los Angeles county maybe in that area?

Mr. GRABINSKI. Well, we are working very closely with all of the adjoining counties, in particular with Orange County because of the job rich nature of both counties really. We have commuter rail service that we just opened up to Norwalk, as was pointed out earlier, and that is a very significant difference for some of the problems that we have had.

The people who were traveling long distances will now have the opportunity not just to travel on that one but there are several other ones in the works and we are also negotiating with the railroads for about four new lines, four or five new commuter lines, which will take the long term traveller off the road. The one that is traveling an hour or an hour and a half, if you can believe that, back and forth to work. We will be taking them out of their cars and putting them on commuter rail, and that is the short term. That is a possibility that you can see within the next two to four years and that approach, that partnership approach, ends up helping all the counties.

We have put an HOV lane on the 405 to match the one that they have had there. Unfortunately, when you came in you probably started running into traffic when you got to Long Beach, and it just gets worse. I mean as you continue on you would have probably got to—not to the Harbor freeway, before you would have stopped. And that is an everyday situation.

And that is what I was talking about, that the people sitting on that freeway would be seeing the Blue Line go underneath every six minutes. That is hard to believe, but they might be able to see a couple of those trains, in a serious circumstance, maybe three of them go by. But that partnership between the two counties is very important to us and it is also important to us if there is any way that we can help to work with the Orange county folks to educate them about the issue of paying more taxes for transportation. We need to do that.

Because we cannot work these partnerships out with them not having funding and obviously the Federal Government is looking for those areas where they can maximize the tax dollars from the Federal Government. So anything that we can do to work these problems out together we are working out right now.

Mr. PACKARD. There is some serious political resistance on our committee and I think from the Federal Government generally to permit federal aid highways, highways that have been built by or certainly with significant participation from federal dollars to be used and converted over to toll roads or user fee type of arrangement.

Do you have any suggestions on how that can be done that would alleviate the political concerns that we have from different geographic parts of the country?

Mr. GRABINSKI. I will let my colleague speak first.

Mr. RILEY. Well, Congressman, as you indicated, we are advocating very strongly in Orange county that we feel that there should be a congressional change in this and to remove that restriction and to allow toll roads or whatever else we can use to expand what we already have, which obviously is more efficient and costs less to move that along.

Mr. PACKARD. You understand our problem is in other states where—like Pennsylvania and New York—they have built toll roads with their own local funds and not used federal aid highways as toll systems. And then for their tax dollars which help build our federal aid highways in California to be then joined with revenue generating mechanisms there are some real political problems we struggle with on the committee and frankly, some of the leadership Members of the committee have significant objections to us moving in that direction so we in California who are just now emerging into the toll concept, are running into some serious problems and I am not sure we are going to bring about the changes that you have recommended simply because of the political resistance that we feel right within our committee.

Mr. RILEY. We ran into those kind of things like you bring a road up and it patches into a federal road and all of a sudden when you talk about trucks that has been talked about this morning—we have some people that want to keep trucks off, you find out that these regulations do require some skills that, you know, have to develop. There is just no doubt about it, that the—and I am sure it is everyplace, but certainly in California—the attractiveness of bringing people here, the number of people who have cars. In my block, I think, all 16 or 17 year olds whatever, as soon as you get that—gets a car.

Mr. GRABINSKI. It is part of your birthright.

Mr. RILEY. It is part of your birthright.

Mr. MINETA. Mr. Hastert.

Mr. HASTERT. Thank you Mr. Chairman. A couple of things, and I will be brief, that I just heard both Mr. Grabinski say and Ms. Lacey say that we in the Federal Government keep passing laws and mandates and letting local governments pick up the cost. One thing I was interested in and quite a little bit puzzled about, you said the ADA Bill dumped costs on local governments. It is my understanding that you have been doing these things for 10 years and there was not any additional costs. How does that affect you?

Mr. GRABINSKI. Well, I think we probably have as stringent a laws, as you are pointing out, as there are anywhere and we built our rail system with that in mind too. But, I think the point that was trying to be made—and we certainly were not making it sound like things were being dumped on us. I hope I did not make it sound like that.

I think what we are talking about is all things being equal, with an equal amount of funding, it is easier for local governments to participate in these partnerships. But with the new laws coming about—and I guess the point I would like to make is that Los An-

geles county finds itself in the unique position of having the worst air problem to face of anybody, and so the cumulative affect of all of these new regulations coming on board, that are all entirely necessary, are having its economic effect on our ability to move forward in some of these areas. And I guess that the reason for bringing this up is more to enlighten anybody else who is outside of L.A.

We have been working on the smog problem for 41 years, and while we are pretty damn good at it, we still got it. And things are better, but Tom Bradley and I cannot take you outside and show you that they are better because it does not look that much better. And, you know, the issue of the disabled people, we are very concerned about that and always have been here in California. But all of those new regulations, anything that is at all something we did not have before costs more money and those shortages while they may seem small across the board tend to mount up on us.

And, you know, I am sitting here with the blood of our budget still fresh on our hands from having sat there for three days trying to cut things away. So I understand those kinds of situations but I think our point was, we know why they are being enacted and we appreciate the reason for them. We are just having trouble dealing with them and that is our point and certainly not to make it sound like the Federal Government is dumping these things on us because——

Mr. HASTERT. Well, I did not use the term "dumping" but it does compound, I guess we can use that term. But, as a matter of fact, one of our concerns nationally is a lot of leadership on the Clean Air Bill came out of your county, or your area if not your county, and all of a sudden we have national standards that bend the needs of Los Angeles and it is a concern to everybody.

Mr. GRABINSKI. Once again, I think the physical characteristics of our county just put us in a unique position, and I know you hear that all the time about being unique, but the physical characteristics of this county allow the pollution that is generated to stay here. In other places you can manage that. In this county it is very difficult and that is probably the biggest reason we are concerned about making our commitment at the local level and the state level and have it be matched by the Federal Government on some of these projects, these rail projects two, three, five years from now. Because we are going to go to the private sector and hammer the private sector for partnerships. But we have to have the commitment from the fourth leg of that stool which is the most solid, which is the one that we have depended on in the past, the Federal Government.

And along with that what we are sharing is that these other regulations are causing us even further problems, and I am only saying that as one local official. I have only been here for four years and ever since I have been here we have had budget problems——

Mr. HASTERT. I wouldn't have asked you the question if I did not want you to say it.

Ms. Lacey?

Ms. LACEY. Well, clearly when you get into the Clean Air Act if you are going to follow all of the outlined ideas in there it sounds great, but if, in fact, there are not moneys flowing to fill in the

spaces then all you have are words. You cannot develop at a local level—we do not have the resources to develop what will be necessary to really provide the relief. And when you are looking at the Clean Air Act on one hand and you are looking at the reauthorization of the Surface Transportation Act, they do not fit together very well at the local level.

We need funds to flow either in the Surface Transportation Act or we need funds to flow in the Clean Air Act in order to be able to fulfill what the Clean Air Act asks.

Mr. HASTERT. Mr. Riley, I appreciate your questioning of the trust funds and I think most people, at least in this committee and probably unanimously, believe that trust funds ought to flow for the users fees that they were assessed for and that is one of our frustrations sometimes in the Congress too.

I want to move to one other issue before I relinquish my time here and that is the intermodal side of it. You are in a unique situation. You have the wedding together of the ports, sea-going freight, rail freight, truck and traffic freight and a unique opportunity to put together and really utilize intermodal transportation. How do you see the Federal Government? Is that something the trust fund should address or should that be done on a private side or how do you see that being done? Anybody can answer that.

Mr. RILEY. I lean toward the private side.

Mr. GRABINSKI. Could you give me that just one more time?

Mr. HASTERT. In the whole interim issue, and then of course here in the Long Beach area it is certainly very, very important. Should that be addressed by the highway act, these facilities, intermodal facilities, or should that be something that the private sector address and what are your view points on that?

Mr. GRABINSKI. Well, it is certainly something that is very important to the Federal Government because of the port. The creative ideas that will flow from the unique problems of the county of Los Angeles I think will generate the kinds of solutions that will be multimodal. We are going to—I would be willing to bet you that in less than 24 months you will see people doing things in this county they had never planned to do before. When we open on the 14th it is going to open the eyes to a lot of people about the different opportunities of multimodal. Your question gets to the heart of whether or not the Federal Government should be——

Mr. HASTERT. I think we are maybe talking about apples and oranges. I am talking about intermodal as far as freight and handling those types of things. Using huge amounts of traffic, so using both rail and truck and shipping, those facilities that are needed to do that and implement that and I know you have done some of that here already——

Mr. GRABINSKI. And there is more in the works. As a matter of fact there is a study going on right now of a monorail system that might go along side of the river that might haul the containers that we are bringing in at the port and bring them up to the rail yard in Los Angeles. That is one opportunity.

There is also a $100,000 study being done by our commission to determine whether or not there might be the possibility of doing something once again along side of our river bed, which may have to be restructured to hold more capacity. And if it has to be done,

perhaps a heavy rail system along side of the river bed to haul that up there and take a lot of these trucks off the road would be one way.

The Alameda corridor which is a tremendous partnership of both ports, both counties, and all the cities along the corridor is another one of those approaches that you are talking about and we are very hopeful that all of those are going to work.

And part of the goals of the commission are to make sure that we have enough people working in all of those different directions so that we are not getting that bean shooter focus on just one particular area, because the county has an enormous amount of challenges ahead of this.

And I think our goal really ought to be managing success. Because I think, after the 14th, just opening that one line is going to light the candle in this county in terms of the transportation darkness we have been in.

Mr. HASTERT. Thank you, Mr. Chairman.

Mr. MINETA. Let me thank the panel very, very much for their tremendous contribution because of their experience of a far ranging nature: from a rural county that is growing by lot versus L.A. county and Orange county that not as densely populated but with tremendous transportation problems.

I would like to thank you very, very much for being with us today.

I would now like to call on the Honorable Tom Bradley, Mayor of the City of Los Angeles to come forward. Tom, we have your testimony and it will be made a part of the record.

Mr. BRADLEY. So you are asking me to cut my remarks? [Laughter.]

Mr. MINETA. Proceed in your own fashion.

I have got to say, Mr. Chairman, that the Mayor was president of the National League of Cities when I had the privilege of serving on the board of directors of the National League of Cities at the time. But he also at that point gave me the task of chairing a committee to resolve the financial problems between the U.S. Conference of Mayors and the National League of Cities. I have never forgiven him for that. Now is my chance, I guess, to get even.

But in any event, Tom, it is always good to have you before us and you have been a tremendous leader and now if you will just go ahead and proceed in your own fashion.

TESTIMONY OF HON. THOMAS BRADLEY, MAYOR OF THE CITY OF LOS ANGELES, CA

Mr. BRADLEY. Mr. Chairman, thank you very much.

Thank you for reminding me of the assignment that I gave you and I do not know if I publicly thanked you, but let me do it now. I thank you for the leadership which you gave because you did resolve those financial difficulties between those two great agencies.

I am particularly pleased to have this committee meeting here in our community and it is very nice to be able to look into your faces and see that there are three of you who have had local government experience. From California all grew up, came up through the

ranks of local government as mayors and certainly know best what we face in the local communities all over this nation.

I am pleased that the Chairman of the House Public Works Committee is able to be here. I tried to reach you, I tried to wait for you in your hearings last week and unfortunately had to leave to catch a plane before——

Mr. ANDERSON. I tried to catch you.

Mr. BRADLEY. Chairman Mineta and I have worked together here in California for a long time and shared many experiences both in the California cities and nationally. I am pleased that you have continued to give leadership in the Congress to the issues that concern us with regard to surface transportation.

The remarks which I submitted for the record are going to be cut substantially because I really want to get to the heart of why we are here this morning and that record will be available to you for any details that you wish to refer to.

We are all faced with the challenge of traffic congestion, air pollution, and the population growth which this area of the country is experiencing and will continue to experience. And so it is essential that we deal with the issue of surface transportation and find some means by which we can anticipate the growth in the future and help to solve those problems.

We do believe that there is still critical need for a strong federal support financially and otherwise in their role of transportation. We have seen an erosion of that support over the last few years and what at one time was a $4.6 billion program in 1981 is now down to about $3 billion. That is headed in the wrong direction, so we are hoping that you are going to be able to show us a turn in the road and help to increase that commitment to local communities that are trying to develop rail systems.

We who have started the metro rail project still have a great need for federal commitment and it is critical to the expansion of this transit capacity which is needed to relieve congestion on our streets and highways. It remains absolutely imperative that the post interstate surface transportation programs explicitly authorize funds for the completion of Metro Red Line to the San Fernando Valley as well as for the beginning of the Orange Line, as we described it, that runs from East Los Angeles to Westwood.

Because of your existing legislative guidelines for transit projects the Metro Red Line stands out as the most promising new start rail project nationwide. And as a model of strong local and private sector participation. There was a time when there was an 80 percent federal support for rapid transit. By the time we got up to the table, that had been reduced and we were quite pleased to offer an additional share so that we now are able to provide 60 percent of the construction of the first 4.4 mile segment, which extends from Union Station to MacArthur Park.

The full funding agreement was signed in a ceremony with the U.S. Department of Transportation just this past April 10th. That of course will cover the next 6.7 miles referred to as MOS-2.

This extension proceeds northwest to a station at Wilshire and Vermont where the alignment branches north and west. The northern branch proceeds to an interim terminus at Hollywood and

Vine while the western leg goes to an interim terminus at Wilshire and Western.

Provisions in H.R. 2 which allowed for the full-funding contract for MOS-2 were essential to our efforts to secure the $667 million federal share. Likewise, we estimate that the federal share of MOS-3, the 6.3 mile segment from Hollywood and Vine to North Hollywood terminating at Lankershim and Chandler, will be $668 million, and we look to your leadership to include specific authorization and contract authority for this funding in the reauthorization bill.

This month, LACTC, L.A. County Transportation Commission, submitted the documents for planning the route of the Orange Line which will serve an identified corridor east of Union Station and west of the Wilshire/Western alignment.

During the next two years, we will be studying potential routes for the Orange Line and conducting community hearings and other efforts to elicit public participation in selecting the final alignment.

We expect that the Orange Line will extend up to eight miles in both an east and westerly direction. This would enable us to connect Whittier and Arizona boulevards in East Los Angeles to the Century City and Westwood area in West Los Angeles.

Although construction on the Orange Line will not begin until 1996, it is our hope that this reauthorization bill will earmark $50 million for preliminary engineering and final design of this new phase of Metro Rail.

We are very enthusiastic about the prospects for the Orange Line and appreciate the support of this committee in assuring the progress continues for its planning and design.

In closing, I commend the Chairman of both the full Public Works Committee and the Surface Transportation Subcommittee for holding these hearings here in this area. You have already heard some excellent testimony of the needs in both Ventura and Orange county, in addition to Los Angeles county.

I think you will find that in this region of the country we are strongly committed to the idea that we must and we will do our share of contributing toward the solution of the problems of traffic congestion, air pollution and other problems that will have major impact on the economy of this community and indeed the country. So we thank you for giving us an opportunity to offer our testimony and to say to you, we have appreciated your support in the past. And in all candor I would say if it had not been for the Congress, all of us would have been dead in our tracks, because we were not getting support from the Administration and we always had to turn to the Congress to bail us out. We thank you for that. We thank you for what I know are your continuing efforts and cooperation.

Mr. MINETA. Thank you very much, Mr. Mayor. Mr. Chairman?

Mr. ANDERSON. Thank you Mr. Chairman. Tom a significant portion of the metro rail system is in the city of Los Angeles. Would you describe for us the cities local commitment to the project?

Mr. BRADLEY. Mr. Chairman, the Proposition A funds have made it possible for the City of Los Angeles to make major contributions both to metro rail and to light rail. About 75 percent of funding for all of the rapid transit, light and heavy rail, comes from local com-

mitment of the Proposition A funds. We are proud of that. The City of Los Angeles not only has continued to produce the funds necessary, we are going to continue our share. The City of Los Angeles offers $309 million to this program and that is about 8 percent of the total effort.

Mr. ANDERSON. Would you support a restructuring of the federal highway and transit programs which specifically target metropolitan areas with regard to highway and transit decision making?

Mr. BRADLEY. I am not sure I understand your question.

Mr. ANDERSON. Obviously, when we get into working with you the projects become more complicated as you go under and over, like we are doing here in Los Angeles.

And of course in order to work with that we have to restructure our federal highway and transit programs which work in with those and I guess that is what we want to do is to get you people locally, throughout the country really, to support what we are trying to do. Because Los Angeles was one of the tough ones but there are many others throughout the country that have similar problems.

Mr. BRADLEY. I fully understand.

Mr. ANDERSON. You know, we went over the question of where we were going to go through Hollywood, do you remember? We had to pick different streets, then we finally had to go under the hills to get out to north—to get that far into Los Angeles. It became very complicated to do that in national fixed legislation.

Mr. BRADLEY. You remember one of our biggest battles with regard to metro rail dealt with whether or not we could go right out Wilshire boulevard. The route that we thought was the very best and many of our people supported that it was a safe engineering thing. But when the Congressman from that area, Mr. Waxman, intervened and said no, it was unsafe to go through there because of the pockets of explosive methane gas, we finally had to accept a different route. It may not have been the best route, but we were willing to work with the will of the Congress.

Mr. ANDERSON. It looks pretty good now. It does.

Mr. BRADLEY. We fully understand that, thank you.

Mr. MINETA. Tom, let me ask about transportation planning versus what is going to be coming down as a result of the Clean Air Act. Have you or—let me first maybe back up. Who does the City of Los Angeles look to as the ultimate authority in terms of transportation planning?

Mr. BRADLEY. You know there are so many agencies that are involved. The L.A. County Transportation Commission has had a major role. The city also has had input and the——

Mr. MINETA. If you decide to widen the road, can you do that on your own or does that have to be cleared through the——

Mr. BRADLEY. It depends on which road. Caltrans may have a role in it. The city may have a role. The L.A. County Transportation Commission. So it is rather complex then. Now, with Chairman Anderson's comment about the Federal Government desiring and needing to have a voice in some of those decisions I think it is going to require a major bit of cooperation on the part of all of us.

Mr. MINETA. If we are going to try to build in some kind of flexibility into the program so that there is cooperation at the local,

state and federal level and the ability to change or move funds, let us say highway funds, over to transit. Is that machinery a very cumbersome one? Where do you think we might be able to help in trying to improve flexibility, but at the same time not increase the amount of paperwork or kind of hoops you have to go through in order to finally end up with a given project at some point?

Mr. BRADLEY. We just got through the state legislature a bill that will permit us to appoint the same representatives on both the rapid transit district and the L.A. County Transportation Commission, because there were some problems and there were differences of opinion and that created some problems for us. I think that spirit, both those agencies and the locally elected officials supporting that bill in Sacramento is a clear indication. We reached a time when we know that we are going to have to work together in a more effective and efficient fashion.

One of our major initiatives to reduce air pollution was to take the heavy duty trucks off the streets of Los Angeles and obviously off the freeways to a great extent during peak travel hours in the morning, 6:00 to 9:00 and in the afternoon 4:00 to 7:00 p.m. We were able to finally get that measure passed through the City Council but the state legislature, acting at the urging of the California trucking association, denied us the right to impose the fee in order to make that program work and so we had to turn to the air quality district to collect the fees in order to help us all achieve a reduction of air pollution.

I am pleased to say that it was just about a week ago that Norton Younglove, Jim Lynch, and Martin Braude and I in a conference telephone call—I think we moved a long way toward resolving that issue. It could have been very destructive of our whole effort. So that I think is another indication that the agencies responsible for air pollution, for traffic, for congestion relief and that kind of thing, are in concert and we are working very closely together.

Mr. MINETA. Are there other instances that you can point to where your own local priorities have been changed by Caltrans or other regional agencies? Where your own local priorities—I am trying to think back—I know things have improved since I was Mayor of San Jose, where we would come up with a list of priorities and say, "okay this is what we are going to use—to do to spend local money—state, we would like to have you do these things with your state monies." And the state would, and those were days when the highway commission would say, "Well, if you want us to spend state monies on these projects we would like to have you take project A and put it in your—and use city money to do that." And I would say that is not on our priority list. And they would say well if that is the case then we are not going to fund these projects here with state monies. And we were always over the barrel. I do not know if that has improved since then?

Mr. BRADLEY. I think it has improved.

Mr. ANDERSON. You have heard that before too, have you not, Tom?

Mr. BRADLEY. Yes, and I think there has been a considerable improvement in attitude and in the spirit of cooperation. I think that again we have turned to the federal agencies and the Congress to

help us along the way. I would say a very much improved attitude working together with Caltrans local jurisdictions.

Mr. PACKARD. Nice to see you again, Mr. Bradley.

Just two quick questions. The Chairman, Mr. Mineta, referred to one briefly but I did not get a clear understanding as to what the City of Los Angeles is doing. In the Clean Air Act, Los Angeles was actually earmarked for special consideration and special requirements. Has your city analyzed—and we are not through with the Clean Air Act, as you know, we are going to go to conference I think, Mr. Anderson, Mr. Mineta and I are all going to be serving on that conference committee to work out the final product. Has the City of Los Angeles analyzed the impacts of that legislation or that proposed legislation on your city and particularly as it relates to your transportation planning?

Mr. BRADLEY. Beyond the transportation planning we have looked at that and we have also looked at what the Clean Air Act might do with regard to the general economy of this area. We have worked with the Chamber of Commerce and where they have pointed out a certain drastic impact, we have tried to express that to the Members of the committee. I think that we are fully supportive, we are fully understanding——

Mr. PACKARD. Very good.

The other thing, in your written testimony, I think time constraints may have precluded you from addressing it, but you referred to your smart corridors. I am interested in smart highways, smart vehicles and their role in the future of solving some of our problems. Would you tell us briefly what you are doing in your "smart" corridors?

Mr. BRADLEY. We believe that in order to avoid unnecessary impact on local neighborhoods that if we use our resources and use our abilities better to move traffic along major arterial road networks that we can do a better job. It does take some computer assistance in order to do this. One of the things that we have done is to install—it started with the 1984 Olympic games, since then we have expanded the program—was to synchronize our signals and reduce the congestion which often builds up when the signals are not well synchronized. Eventually, we planned to have that program city wide. Thus far it covers the area from downtown Los Angeles to the coliseum. It covers part of the Ventura Boulevard area. We are going to Hollywood, to West L.A. and to the Westchester area with installations there. We think that is going to be a major impact in reducing traffic congestion and thus reducing air pollution.

Mr. MINETA. Mr. Hastert.

Mr. HASTERT. Thank you, Mr. Chairman.

It certainly has been an honor to have you before us today, before this committee, and I have to say that really my first trip ever to Los Angeles was during the 1984 Olympic games and we came and travelled across country by car and really expected a great deal of congestion here. You folks did a great job in being able to move people around and to prevent that.

In an issue here that is before us and certainly a lot of the leadership, as we said before, what happens in this country comes out of your delegation in the U.S. Congress and one of the reasons I am

here even today is to find out how you people are going to deal with the Clean Air Act.

Again, it was leadership out of your delegation, out of your city that set many of those standards for automobiles and it is interesting to see that you are struggling to try to deal with that too, just as the metropolitan area of Chicago, that I represent, are having their problems also. As you look at what the existing federal surface transportation programs are today, the acts that we have, as we move in, focus and write a new law. What things do you think the Federal Government should do to adequately support, or should they, to adequately support your efforts to reduce traffic congestion through demand management programs?

Mr. BRADLEY. I wish I could give you a concise answer to that. The recognition that federally supported transportation programs, such as our light rail system that are installed in several cities in California, the underground system that works so well in Washington, D.C., and Atlanta—and we fully expect that it is going to do the same thing in Los Angeles and San Francisco—these are areas where we think that if we do an adequate job we will greatly reduce the air pollution problems that now exist or will exacerbate it if we fail to do anything in this regard.

So I think the surface transportation programs recognizing this potential can be a great help to us in a cooperative effort to relieve this kind of problem.

Mr. HASTERT. Thank you, Mr. Chairman.

Mr. MINETA. Thank you very much, Mayor Bradley. I appreciate your taking time from your own busy schedule to be with us and share with us your testimony.

Thank you very, very much.

Mr. BRADLEY. Thank you. It was good to see all of you.

Mr. MINETA. I would like to call on the Honorable A. Norton Younglove, Supervisor of Riverside County and Chairman of the District Governing Board of the South Coast Air Quality Management District.

It is great to have you with us and your testimony will be made a part of the record and if you will go ahead and proceed in your own fashion, sir.

TESTIMONY OF HON. A. NORTON YOUNGLOVE, SUPERVISOR, RIVERSIDE COUNTY, CHAIRMAN, GOVERNING BOARD, SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Mr. YOUNGLOVE. Thank you very much, Mr. Chairman, Members of Congress.

I would like, first, if I might, to wear my Chairman of the Board of Supervisors Riverside County Hat for a moment, harkening back to your questions on bill boards. I would give two strong words of encouragement, one is that however you deal with billboards, you make the language as clear and precise as possible. And the reason is that even threatening or thinking of removing billboards causes very vigorous hard-pressed law suits and we find that, no matter what the loss, it is very, very difficult to remove them and obviously the more precise and clear the law is the better the opportunity of removing billboards where it makes sense.

The other comment, our county in the Coachella Valley in particular, which is where you find Palm Springs, Indian Wells and so forth, is checkerboarded by Native American ownership and as you know we are much more limited legally on what we can do. California law does not uphold, neither does ours. The only law that really does uphold is congressional. Our efforts to clean up billboards are necessarily pretty much doomed to failure unless clear consideration is given to this Native American land ownership, because of the checkerboard pattern where roughly 50 percent of any road frontage is over a period of miles going to be owned outside of our state and local jurisdiction.

Let me now shift to comments on behalf of the South Coast Air Quality Management District.

We represent over 13,000 square miles and over 12 million residents, Los Angeles, Orange, and Riverside counties in their entirety and the non-desert portion of San Bernardino county.

With over 7 million work trips each day obviously traffic congestion and traffic flow is a very major source of air pollution. Improving mobility and air quality are both essential to the economic vitality of the South Coast Air Basin and frankly a part of the reason for that is we are under legal requirements with either version of the Clean Air Act before Congress or the current Clean Air Act to meet certain health standards.

To the extent that we cannot get it from our transportation system, it must be gotten from the stationary sources and the severity of our problem is such that could lead literally to shut downs of certain types of business and industry. I think that more than anything accents the importance of achieving the amount of air pollution reduction through transportation improvements that our plan calls for and that really our situation calls for.

I will not go into the details of our pollution or the amount contributed by the automobile. I think you all know a very major source is the automobile and I am sure it is well known that our air basin is the most polluted in the country. That is in spite of the fact that we have got, on average, the strictest regulations in the country.

There are three reasons for that: one, is coastal breeze, mountain ring and all too often very low inversion layer which just does not give us much atmosphere for the pollutants to mix up in, and another is population growth, and the other obviously is the inadequacies of public transit combined with long travel distances being all too typical for employment purposes.

The state legislature has been very helpful to us in providing the legislation needed. I should note, however, the current state legislature requires that we make a 5 percent a year improvement. In the past, even with all of the actions we have taken, it has been at the rate of 1.5 percent a year. Actually, that is 4.5 percent a year but population growth erases 3 of that 4.5 percent. So, we obviously have some very strict additional actions that need to be taken and again far and away the most economical of those are in the transportation area.

I would like to share with you some of the principal objectives of our regional mobility plan which are incorporated in our air qual-

ity management plan. The principal objectives of the mobility plan are:

To obtain and maintain mobility in an environment of rapid population economic growth;

To accommodate the transportation demands of people and goods given the adopted growth management forecast;

To induce changes in travel behaviors that will lower the number of home-to-work trips, increase vehicle occupancy and provide the support to construct the necessary infrastructure;

To achieve an efficient balance among all modes, including new technologies;

To maximize use of existing facilities through system and demand-management techniques;

To support a pattern of development that shortens trip lengths through comprehensive planning.

For example, you heard Supervisor Riley earlier today note his district, they have got three jobs for every resident. In substantial portions of my district we have got three people working outside of the county for every one working inside of the county. Obviously you have got a job/housing imbalance situation there and probably our two districts represent that and illustrate that as well as anywhere in southern California.

You can assist us in achieving our goals by supporting and giving priority to funding programs for improved mass transportation facilities that are likely to reduce trips which would otherwise be made in automobiles.

By supporting and giving priority to funding the development of High Occupancy Vehicle lanes whenever capacity improvement projects are proposed rather than simply adding new general purpose or mixed-use lanes to our already overcrowded freeways.

You can do this by supporting transportation system management investments which will allow us to manage the existing system better and more efficiently. For example, traffic signalization projects and technological improvements such as the City of Los Angeles smart streets and truck management programs which will improve traffic flow and reduce emissions.

By supporting programs which will limit vehicle use in heavily congested areas during peak travel periods where emission concentrations are particularly high.

Significant additional congestion reductions would be accomplished without public expenditures for transit improvements if Congress would direct EPA to provide realistic allowance for trip reductions as a part of meeting stationary source air quality requirements.

To be more specific, a stationary source through moving closer to its employees or clients, could achieve significant air quality and traffic congestion gains but is unable to meet the EPA permanent requirement since nothing is forever, and you cannot guarantee that those trips, those employees, those clients will last forever. Changing that to be based on current or required portions of future employees or clients, or even over an analyzed five-year period or any other reasonable criteria, but not the current infinity.

Supporting requirements for employers to reduce work-trip-related emissions would be helpful. We have a program in the South

Coast Air Basin which, as of today, affects more than 1 million employees working at over 1,700 companies or institutions, including government. We expect that 8,000 companies will be in compliance with this regulation within a year.

In addition, the inequitable treatment for tax purposes of employer sponsored programs to accomplish trip reduction is a major hurdle to maximizing the effectiveness of this trip reduction program. You can support changes in the tax structure to give equal treatment to employer sponsored parking and other transportation options such as subsidized bus passes, van and pool subsidies or carpool incentives.

Many of these programs can be supported by a fundamental change in the way transportation funds are allocated. Flexibility is required so that local and regional officials can decide which transportation investments are most effective and efficient for the region, rather than being constrained by formula allocations based on project categories. This change can level the playing field for transportation investments and eliminate the inherent bias in a system where certain types of projects are favored or given proportionately higher federal subsidy.

By the same token, local and regional agencies need to assure the Federal Government that transportation funds are spent efficiently and that selected projects which are built with federal monies will improve mobility. This can be accomplished by incorporating improved conformity provisions into the federal Clean Air Act that would require local, regional, and federal transportation projects and plans to conform to air quality management plans such as ours.

The Senate version of proposed amendments to the Clean Air Act contains an improved conformity requirement. We strongly support the Senate's version because it will allow Southern California to reach attainment. Without a federal requirement for conformity review southern California may not be able to achieve federal clean air standards within the time frame set.

Thank you for allowing me to testify today. I appreciate the opportunity.

I would be very happy to answer any questions you might have.

Mr. ANDERSON. Thank you Mr. Chairman. Mr. Younglove, the South Coast Air Quality Management District has supported efforts to reduce vehicle use in heavily congested areas during peak travel periods. Now with regard to the trucking industry how will these restrictions affect their operations, include any affects on interstate commerce?

Mr. YOUNGLOVE. We are convinced through the pilot program, and that is essentially what it is, in the City of Los Angeles, that it will be possible to demonstrate that it will not have a negative affect on the trucking industry and those that have to make use of it. This is not easily done, this is why it took many months—something in the neighborhood of a year as I recall to develop that plan.

We have worked closely with them and it is a matter of reducing the peak hour but not unduly interfering in the necessity of the various truckers to serve their many and varied clients. It means obviously more use of trucks at the off peak hours and for that matter more efficient use of the trucks and some changes in the

patterns of just where they park when they are between the hauling either to or from—a variety of changes.

I might add build into that plan is a review panel which will include membership from our district so that as a problem arises with any given industry whether it is the clientele receiving the merchandise and the truck or the trucker, be able to review it and adjust the plan accordingly. I am confident it will work but obviously having not been tried before there are some unanswered questions.

Mr. ANDERSON. The House and the Senate will soon meet in conference to resolve the differences between their respective versions of the Clean Air Act. Now I understand from your testimony that you support the aspects of the Senate passed bill or the House passed version. Could you elaborate a little on that for us?

Mr. YOUNGLOVE. Generally speaking, we prefer the Senate version, however, as you know these are both very lengthy detailed bills. There are aspects of the House version that we prefer over the Senate version.

For example, and this is in the opposite direction, as I understand it the finalized version to this point of the House bill provides for off-road equipment exemptions. We are very much opposed to that. Again, based on the fact that every bit of pollutant that comes from those sources that is not, therefore, within our control is simply that much more we have to get out of the controllable stationary or mobile sources.

In other words, somebody is going to have to pay the piper on that addition. Probably the single most important thing to us would be the version that provides the maximum incentive and opportunity for alternate fuel vehicles because that in our basin is not just important, it is essential. Our basin cannot meet health standards with current or foreseeable diesel or gasoline fuels so we have to have those alternate fuels. And cleaner cars for California is another area that we would much rather was made a national standard. Not only does it reduce the price and make it more saleable but frankly also from the fact that at any given point in time, today for example, 20 to 25 percent of the cars operating in our air basin are out of state cars that meet the lesser standard. That again, is that much more air pollution that we have to compensate for somewhere else.

Mr. ANDERSON. How would you structure the federal highway and transit programs so they would provide a more neutral form for highway and transit decision making in our urban areas?

Mr. YOUNGLOVE. Well, the primary criteria I would give obviously, with the built-in biases that clearly I have, is that the transportation investment be beneficial to air quality. That, frankly, is so directly related to congestion that I cannot picture where there would be conflict.

We very much need a balanced program and that is HOV lanes, money for synchronization of signalization, smart highway type activity where that is feasible. But in a like manner, your public transit capability is sort of lacking here in southern California and needs a very major investment in order to upgrade that to an acceptable level. So we very strongly support a balanced program without all of the accent being given in either direction.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. MINETA. Remind me if you would, Mr. Chairman, what is the relationship between the South Coast Air Quality Management District and the state air resources control board? Are you a subunit of it?

Mr. YOUNGLOVE. No. We are an agency of the state. That is, our district is created by the state and we have two primary responsibilities. One, is to make the regulations and enforce those regulations on stationary sources. The other is to develop a plan that will bring our district into compliance with federal law. It is in that latter area that we get involved in such subjects as transportation, alternate fuels and so forth.

The Air Resources Board is a direct state agency, as compared to an agency created by the state, and their basic responsibility is on the mobile sources. So your basic regulations of emissions per mile or from type of fuel and composition of the fuels and so forth, that is under the state Air Resources Board. We are supportive of each other but neither is subordinate to the other. We each have a primary role and then support each other in our other role.

The Air Resources Board also does have, as does the Environmental Protection Agency, the ability to reject any of our stationary rules if we feel that we have failed to comply with the law by going far enough. Typically, when they object they are saying we did not tighten the screws tight enough and sometimes for that matter EPA says that same thing to both the ARB and our district.

Mr. MINETA. If you wanted to, would you be in a position to say recommend the taxing of or increased taxing of downtown parking lots in order to leverage the use of automobiles into central cities?

Mr. YOUNGLOVE. I believe in user fees, and so not only parking lots but frankly existing as well as future built roadways to my mind are all legitimate for taxing. To me those are all user fees and I might add I would certainly insist, as I suspect all of you would, that those dollars not go off for other types of services but be limited to use in the transportation service field.

Mr. MINETA. And what kinds of things do you think that we might be able to do from a transportation perspective at the federal level to more quickly bring about improvements in air pollution?

Mr. YOUNGLOVE. This is going to differ from one place to another but looking at our air basin obviously substantial help can very well be used in building a public transit system beyond its current very anemic levels. In like manner, extremely important is the development of the HOV lanes for our freeway network, and I do accent the HOV lanes as compared to additional lanes.

Clearly, also there are certain bottleneck areas which cause horrendous congestion and that is where the automobile is operating the most inefficiently in creating far and away the most air pollution per mile. So attention to those bottleneck areas whether by reason of bridge or not enough lane widening on a given freeway that is being served by several others or whatever the reason might be.

Another area clearly that we could all use all of the dollars that we can find is in the traffic signalization area because again that is where a lot of congestion that is not really necessary is accomplished and frankly I personally would love to see the Federal Gov-

ernment do as the state has and provide some level of incentives whether financial or otherwise for those that pay more than the necessary matching area. Those that in affect have taxed themselves, as several of our southern California counties have, to beef up the effort to improve transportation.

I think your assisting in rewarding those that are making above the requisite effort would pay off very handsomely. It might even help encourage the voters of Orange County to decide to join the board.

Mr. MINETA. I know that Riverside County is growing rapidly but are you also being impacted by vehicular pollution that traverses your area, it is not vehicles that are registered in your county but because they are travelling from, I do not know, let us say San Diego through Riverside County on their way to Las Vegas or Indio, to where ever they are going, is there a lot of that kind of impact in Riverside County and how, if that is the case, and you get impacted by that vehicular traffic and the impact of its air pollution, how do you deal with it if that is more of a problem than, let us say, even the stationary sources that are in the local area?

Mr. YOUNGLOVE. It is more of a problem but you have to understand that our principal problem is the air pollution from the upwind areas. We get about 7 percent of our pollution from Riverside County and San Bernardino County is about 8 percent. The remainder is Orange and Los Angeles counties. If there was a magic wall we could put up and prevent that other, that would solve an enormous portion of our air pollution.

I made that comment to make it clear that our pollution is related very heavily to other areas and for that very reason we have a very strong stake in improving the transportation system in Orange and Los Angeles counties as well as our own because it has the air pollution pay off to us.

Our primary through the county transportation frankly is from San Bernardino County to places of employment. I would give a much less impact answer if I were to answer the inland empire, Riverside and San Bernardino combined. And we put a lot of traffic through their county too. That maybe is more of a technical type. A lot of our transportation obviously is people coming into the state because we are a major entryway from the state, both San Bernardino and Riverside counties. That relates quite heavily, I might add, to trucks in particular boiling up Interstate 10 through first Riverside and then San Bernardino counties. And that is significant.

I happen to know also, that a lot of the true traffic frankly is weekend vacationing traffic, our people going to the coastal plain down here and the people in this area going to our mountains in the Colorado River. There is just a tremendous amount of population, not just on the work days but Friday afternoon and early Saturday morning and then Sunday evening probably worst of all. So a lot of intracounty traffic passing through our county is that traffic that is meeting the recreational needs of southern California.

Mr. MINETA. Very well. Thank you.

Mr. Packard.

Mr. PACKARD. You referred in your statement to the reduction in work related trip emissions. Could you explain a little bit more

about that program? How are companies affected and how long has the program been in effect and do you have some definitive results yet?

Mr. YOUNGLOVE. The program has been in effect for a bit more than a year but it has not been in effect long enough to have substantial results that would be worth showing.

We would expect within six months to have much more substantial results. Our Regulation 15 began with those employing 500 or more at the same site. Works its way down now to those with 100 or more at the same work site and what it does, it requires that the company—and again I will accent that, that means government agency, university, hospital, whatever. This does not apply just to the private sector. It applies to all of us.

My county, for example, has seven sites that are affected by this regulation. It requires that you hire somebody to work the plan and that you draw up a plan that meets specific stated objectives. Currently the average in the automobile is 1.1 person and the objectives depending on location and some other things range anywhere from about 1.3 to about 1.7.

Annually that plan has to be reviewed and if it is not succeeding than it has to be improved. So the regulation requires that the companies hire a person to work the plan and draw up a plan which is approved by the district. But it does not require any individual to do anything whatsoever. So, basically, it is requiring an incentive plan. It does not go so far as some have encouraged we do to say that you can mandate employees, you know, ride sharing or using public transportation or using a certain amount of telecommunications or alternate work hour shifts or other things. And obviously we hope to not ever have to go to that point because the voluntary through—requiring a plan but still the incentives are what makes it work is obviously much preferable.

Mr. PACKARD. Look at addressing personal trips rather than only work related trips. I think nationwide less than half the trips are work related and thus the percentage of impact could be less than 10 percent. In fact, about 4 percent if you had rather significant compliance of work related.

Mr. YOUNGLOVE. Yes, sir, we have looked at that and I would expect, and I cannot assure you of this, it is not something that is a matter of official district policy, but I would expect that we will follow this Regulation 15 requirements relating to work within a reasonably short length of time, say a year or two, to places of concentration, your shopping centers and what not and of course that will then get very directly to your non-work related.

Another idea that definitely is not a part of district policy, but I personally favor, is to have a partial toll road situation on our major arterials during the peak traffic hours and a way that could be made to work relating directly to what you said would be to have a no-toll for those whose car has an identification that it is a necessary part of their work.

In other words, I live here and I work there. You identify the car accordingly and it would be only those using the peak hours, but not for work purposes, that would have to pay a toll. We do know that a very significant amount of the peak traffic load traffic is not work related. It is people travelling for some other reason. And it

seems to me it would not be asking too much of the public to either pick a non-peak hour for that travel or if they must join the work crowd than to pay a bit of a toll for doing so.

Mr. MINETA. Okay, Mr. Chairman thank you very, very much for sharing with us your expertise from the Air Quality Management district. It is such an important facet of what we are doing and a lot of times, frankly, I come to the conclusion that air pollution is going to be much more of a determinant of transportation policy than sometimes what we will be doing in terms of our own legislation. So what you are doing is very important.

Mr. YOUNGLOVE. Thank you very much, Mr. Chairman, and I wish you all the very best of luck and wisdom both. Those of you that are going to serve on the conference committee on the Clean Air Act, that is certainly not one of the easier things Congress has had to deal with.

Mr. MINETA. You are right, thank you very, very much.

At this time I would like to call on the Honorable Evan Anderson Braude, Councilmember of the city of Long Beach to come forward for his testimony.

Mr. Braude, we have your testimony and so if you would go ahead and proceed.

TESTIMONY OF HON. EVAN ANDERSON BRAUDE, COUNCILMEMBER, LONG BEACH, CA, ACCOMPANIED BY ED PUTTS, CITY ENGINEER, LONG BEACH, CA

Mr. BRAUDE. Thank you Chairman Anderson, Chairman Mineta, Congressman Packard and Congressman Hastert. Good morning. It is not morning, good afternoon. My name is Evan Anderson Braude and I am the Councilman from the 1st District of the city of Long Beach. With me today is our city engineer, Ed Putts, who will be happy to answer any questions along with myself at the conclusion of my testimony.

I am here today representing two organizations: the city of Long Beach and CRASH, Citizens for Reliable and Safe Highways. I will, of course, endeavor to keep my oral remarks brief and therefore ask permission to have my written statements submitted for the record.

First let me welcome you here today to our great city on behalf of Mayor Ernie Kell, the City Council, and all the Citizens of Long Beach.

Long Beach has many modes of transportation. We have a commercial airport, three interstate highways, and a variety of state routes running through our city. Our public bus system, Long Beach Transit, is rated the number one public bus company in North America.

On July 14th, Long Beach will be home to the new metro Blue Line linking downtown Long Beach with Los Angeles, as you have already heard. This line was completed with no federal funds. Clearly the City of Long Beach recognizes the importance of transportation. These improvements have to be accomplished through intergovernmental and public private partnership in order to allow necessary growth without endangering the quality of life of our community.

Today, I would like to talk about three projects that with the support of the Congress will help make a positive impact on our transportation infrastructure.

The consolidated transportation corridor project, a dedicated rail and truck roadway is essential to moving goods in and out of the ports of Long Beach and Los Angeles. Improved road and rail access to the ports will not only help these ports grow but reduce noise, disruption and pollution in Long Beach neighborhoods and our surrounding communities.

Through the assistance of the Chairman and Members of this committee, the ports access demonstration projects funded in 1982 and 1987 have been a major factor in the ports continued successes. Support for this project has also come from the citizens of California. Thanks to the passage of State Proposition 116 last month $80 million has been specifically earmarked for grade separations along the Alameda Street Corridor.

The ports of Long Beach and Los Angeles play an important role in national defense, trade, economic development for this nation. Specific federal support is appropriate to add to the support already for this project.

The second issue of concern to the city is the improvement of the interstate highways that currently run through Long Beach. The Interstate 710, the 405, the 605 freeways are an important part of the region's transportation system.

Therefore, the city supports the addition of High Occupancy Vehicle lanes to these freeways providing efficient and effective commuter mobility. Funding for these HOV lanes should be included in the 1991 Surface Transportation Authorization Act.

One innovative way that the City of Long Beach is trying to mitigate traffic problems in the city is through the Long Beach Airport Surface Access Project. This project would create an assessment district around the Long Beach airport to fund $24 million in traffic improvements. This project is unique and brings the city and business owners in the area together in a joint project to make many needed improvements caused by the continued development at or near the airport.

The Long Beach Airport Surface Access Project would benefit our national defense and commercial aviation industry by allowing for necessary management of the increased traffic caused by McDonnell Douglas' aircraft operation as well as strengthen our local and regional economies by assisting the growth of the businesses located near the airport. This project will allow all of this growth to occur without a negative impact on the nearby residential areas.

The projects I have discussed so far have both regional and national impacts. However, Long Beach is also very concerned about the transportation needs of our own community. Our city has identified a total package of $232 million in transportation improvements that are essential to the growth and well-being of this community. The package is balanced between auto and transit and its funding is divided between public and private sources. Through state-of-the-art computer modeling, the city has identified major traffic bottlenecks.

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One such problem is known as the iron triangle in the east Long Beach area, where state route 1 and 22 and Bellflower Boulevard all intersect and cause over 100,000 vehicles per day to crawl through inadequate intersections. The solution is a $40 million grade separation to increase road capacities for major traffic flows.

The 1991 surface transportation authorization Act should provide for reliable and flexible funding to cities that are ready to implement a balanced, comprehensive transportation program such as the one we are now beginning.

Chairman Anderson, Chairman Mineta, and Members of the subcommittee, thank you once again for coming to Long Beach today. You could have picked no better city to focus attention on the need for transportation improvements. The City of Long Beach has taken the lead in many areas to address important transportation issues with the help of the surrounding governments. We will continue to implement solutions to mitigate traffic congestion. However, the help and support of Congress is also needed to see us through all of these solutions.

Now in addition to speaking on behalf of the City of Long Beach, I am also representing CRASH. This is an organization of citizens who are concerned about a variety of transportation issues.

However, I would like to talk about triple and twin 48 foot trailers being allowed on our nations state highways and streets. The use of these trailers will not only cause much unneeded congestion on the highways, but also presents several serious safety hazards. The American Trucking Association has proposed the twin 48's and triples be allowed not only on the 44,000 miles of interstate highways but also on the additional 100,000 to 120,000 miles of secondary roads. Additionally, they may be allowed on almost all city streets because of the reasonable access rule the department of transportation recently announced. This is outrageous.

I have conducted a quick analysis of where in Long Beach twin 48's and triples will not be allowed. As you can see from this map, and by the way the map that I have here is the most restrictive language to those. They will be allowed just about everywhere in Long Beach and the red lines represent the interstates and the freeways, the 91 up at the top on the far left hand side is the 605 in sort of on the right hand—right hand side down there, that is the Long Beach freeway, the 710. Ninety-one is running along the top. The 605 is running along down there and the 405, of course, is running across. You have the 22 a little farther down.

Now, the areas that are green there are what we think if the most restrictive DOT rule were to take place would be—those areas would not be impacted by the additional truck traffic. But under a liberal interpretation, none of that would be protected. In fact, and it still destroys or potentially could damage all those other areas that are not colored in with green by truck transportation, could really clog our streets.

In 1985, a AAA study of an Automobile Club concluded that the cost of truck accidents in Los Angeles County was $190 million. $120 million of that cost was lost time for passengers in autos stuck in gridlock caused by truck accidents. The study went on to the find that if triples and twins 48's are approved, not only will there be more accidents, but the accidents will block more lanes of traf-

fic. This finding was born out this past May 27th in Portland where a 37 year old man was killed and seven others were injured when a triple trailer slammed through a concrete barrier on Interstate 5 and collided head on with oncoming traffic. Because of the trucks size, this accident blocked lanes of Interstate 5 for eight hours. This accident not only demonstrates the congestion problems an accident like this can cause, but also raises many concerns about the safety of triples and twin 48's.

All of us have driven highways surrounded by trucks. The potential hazards these trailers present today are staggering. But the thought of having even larger trailers on our streets and highways seems totally incompatible with automobile traffic.

Not only would these trailers present a hazard on the streets, but the on and off ramps in Long Beach for our interstate highways are not large enough to accommodate the sweeping turns, the triples and twin 48's must take when turning. Without necessary costly adjustments these trailers would run over sidewalks, signs, lawns and even pedestrians.

The true dangers associated with these monster trucks were detailed in a study by the California Highway Patrol. Some of the hazards associated with these trailers if their use were expanded are included in my written statement.

Chairman Anderson, Chairman Mineta and Members of the subcommittee, these oversized trucks should not be allowed on the streets, the interstate and state highways of Long Beach, California or elsewhere in the United States. It is clear that the congestion that these trailers would cause would aggravate an already heavily impacted transportation infrastructure adding to our traffic gridlock.

In addition these trailers would pose a grave safety hazard in the event of a collision. This danger could come from the spill of toxic chemicals and I might point out to you that I have passed out to you three examples. In four days in the Long Beach area—four days—we have had three tanker trucks overturn and spills. In addition, this danger could come from the spilled toxic chemicals, trailers running into automobiles or other trailers or from vehicle collisions caused by spilled cargo from the trailers or a combination of all three.

I thank you again for the opportunity to speak today on behalf of both CRASH and the City of Long Beach and I and Mr. Putts would be happy to answer any questions.

Mr. MINETA. Thank you very much, Mr. Braude, Chairman Anderson.

Mr. ANDERSON. You mentioned that the Long Beach transit is rated the number one public bus company in North America. On what factors was the rating determined and what distinguishes your public bus system from other bus systems?

Mr. BRAUDE. Well, that is good. I have a feeling Mr. Larry Jackson may be around here a little later. Unless he is here today, I could not give you all of those factors. I do know that as a Congressman you are aware of the wonderful things that they do. The best use of money, most efficient, I think, in the transportation routes. I would not be knowledgeable in all the other areas however.

Mr. ANDERSON. We got them some of their money, remember too.

Mr. BRAUDE. Well, I know, that is positive.

Mr. ANDERSON. Do you believe that Long Beach Transit will be able to fully implement federal mandates required by the Clean Air Act and the American's With a Disability Act, both expected to become law this year without any increase in federal dollars for transit? Are fare increases or service reductions a feasible possibility for the transit operator if more federal dollars are not forthcoming?

Mr. BRAUDE. Well I am assured by staff that we have a lot of very committed projects. But we will endeavor to do what we can to make sure that all of those acts are complied with. However, there is no question in my mind and I am not sure if Mr. Putts would have an addition to that, that additional funds for the Federal Government to help us implement some of the measures of those acts would greatly help us do that in a quicker manner.

Mr. ANDERSON. My last question is to what degree do you project the opening of the metro Blue Line, the light rail system linking downtown Long Beach with Los Angeles on July the 14th, will reduce congestion on Long Beach streets and highways?

Mr. BRAUDE. I am hoping but no one ever knows for sure. We have had some demonstrations of the line already in different parts and we see a lot of interest from people to take that line. It does come down into my area. I represent the lst district. This is the area you are all in right now. And I think that it would go a long way in helping commuter traffic both into Long Beach and into Los Angeles. It is a good secure route. I know that Mr. Grabinski was here on an earlier panel and probably gave you a lot of the positive comments that they believe but the studies show that it would be very helpful to reducing some of the congestion that we have and it certainly would go a long way in the future of bringing another mode of transportation that is greatly needed.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. MINETA. Thank you, Mr. Chairman.

In your testimony you referred to the consolidated transportation corridor project.

Mr. BRAUDE. My fellow colleague on the City Council, Mr. Kellogg will be, I believe will be speaking in a few turns down the line to this very issue. But what can I answer for you.

Mr. MINETA. Well maybe I will just wait until he testifies then.

You mentioned that the American Trucking Association has proposed that twin 48's and triple 28 trailers be allowed on interstate and secondary roads. It is our understanding that the ATA is not currently seeking federal legislation to allow greater use of these bigger trucks but has said that individual states should be able to grant specific authority or permits to allow them in their states. Could you comment on this?

Mr. BRAUDE. Well it has been my understanding that that is not the case that they are working to try to eventually have the entire country turned over as they did in 1982 with adding and expanding the double trailers. I think it was back there in 1982, when I think, even though they were not allowed throughout the entire states that the ATA came and asked for federal legislation to demand that they be allowed in all states. I think that they may be, at the

present time, asking individual states be allowed, so that eventually they can come to the federal authority as they did in 1982 and ask for expansion of their authority.

Mr. MINETA. You said that if twin 48's and triples are allowed they will take up more space on highways and streets and will result in more accidents.

Mr. BRAUDE. I believe that is correct.

Mr. MINETA. With the increased productivity that these large trucks provide, is it not possible that less trucks will be on the highways and thus fewer accidents will occur because of a reduction in actual vehicle miles traveled?

Mr. BRAUDE. Well I thank you for that question. I have to tell you that the studies that I have seen most recently would not encourage that conclusion. The latest one that I was aware of was a study that was done that included single unit trucks, tractor only with bobtail, tractor single trailers, twin 28's, Rocky Mountain doubles, truck trailers, and in that study what was done, the twin 28's, or 48's and the Rocky Mountain doubles accounted to a ratio of over three to one.

In other words, if their sample was only 5 percent, excuse me, 1 percent of the trucks on the road were Rocky Mountain doubles and yet they accounted for 3 percent of the crashes, where single unit trucks which accounted for 23 percent of that sample only accounted for 8 percent of the crashes involved, and we deal with the same amount of miles and the same amount of location. So I really do not think that that is accurate. The fact is the studies also show that the trucks, they are much more difficult to control and to supervise. They sway more, there is all kinds of actual problems with larger trucks.

As far as being more economical, I believe that probably is true. The problem here is that originally we had single trucks on our highways, I think the argument was, "Well, we need to have more economy, we need to be able to put larger trucks out on the road and we will have less trucks in the long run." That is not the case. We have more trucks now than ever before. And I think that has to be looked at, that if we allow the larger trucks on we may have a smaller number in the very beginning but as the years grow, we will end up having many, many more. And frankly, I do not want to drive nor do I want my citizens to have to drive on surface streets in my community with trucks that as you can see are this large.

It is just clearly inappropriate for one of these trucks to be driving down Long Beach Boulevard or Broadway or any of the other streets that you have been driving around in my community in the last few days.

Mr. PACKARD. It almost needs a caboose on it, does it not?

Mr. BRAUDE. That is right. In fact, I am wearing a badge which says, "We are for safer trucks," and somebody said to me in the elevator a little while ago, that is a train, is not it, not a truck? And I said, "No, this is a truck," according to what some people would like to see.

Mr. MINETA. Thank you very much.

Mr. Packard.

Mr. PACKARD. What is the alternative with greater and greater production in this country and more and more movement of goods, more trucks on our freeways, smaller trucks on our freeways, would mean more trucks? What is the balance and where can we solve the problem?

Mr. BRAUDE. Well, I think that, you know, with improved highways and the smaller trucks or the trucks that we have now, we should improve the safety of the drivers and of the trucks that we have already. That is one of our major problems. But I think that to increase our infrastructure as far as freight whether it be through rail or barge or some other mechanism, we should start working on that infrastructure. I think that other countries have done a marvelous jobs in that area. We are doing a pretty good job, but we need to improve it even more.

I am not saying that there is not an economy by having larger trucks in the sense of being able to haul. I am just really concerned about the safety factor. That is what really bothers me. I mean I get enough complaints in my office right now just upstairs here from our senior population, which I represent a very large percentage of seniors in my district, that hate driving along the street and having to go to the market and having these big trucks that are delivering goods to the markets. I am sure they would never get out on the highways if they had something like this.

Mr. PACKARD. I do not think you are going to see a strong effort to enlarge the trucks or to allow bigger trucks. At least not now and I am not sure that is requested but certainly the movement of goods is of concern and if we develop a new transportation plan we have got to recognize that economic factors are going to have to——

Mr. BRAUDE. You know, obviously if we had dedicated roads just for large vehicles like that it might be one thing, with terminals at certain ends. In other words that might be a consideration. But to mix them and match them with regular automobiles and small trucks it would potentially be a real hazard.

Thank you.

Mr. MINETA. Mr. Hastert.

Mr. HASTERT. Thank you, Mr. Chairman. Certainly we kind of veered off on an issue here that I think certainly everybody is interested in and it has a lot of different facets. You suggest that the ATA is trying to put the arm on to change legislation. I really have not seen that evidence, but they also suggested that maybe we change the bridge specs, bridge weight specs throughout the county that would certainly open the door to that state by state.

But it is interesting when you talk about the state of California in the truck traffic that you have, is there any feeling that because of state law that you have in your own state, you know about 40 percent of the trucks traveling up and down the roads of California are empty. They are back-hauling empty because of very constrictive state legislation that disallows back-hauling. And especially with private trucks and trucks that are not, you know, under the public utility commission's interstate jurisdiction or outside interstate jurisdiction. Do you think that may be a suggestion?

Mr. BRAUDE. I would be interested in looking into that and asking our state legislative body to be concerned with that. I saw

some information on the back-hauling issue. I know that your committee had quite a hearing on that several months ago which apparently showed up on ABC on national television in one of their reports, one of their programs. Back-hauling and some of the abuses of back-hauling so I would be somewhat concerned about making sure that we did not have some of the abuses of that at least were evidenced by your hearings.

Mr. HASTERT. That was back-hauling of garbage, but just trucks that are in every day freight business, we might want to look at economic entry.

Mr. BRAUDE. I think it is a real positive move to do that. I am not quite sure—I was not aware that we did not allow back-hauling of regular freight in——

Mr. HASTERT. As a matter of fact, Federal Express for instance is an entity that does a lot of business here in this state. If somebody wants to ship a package from Long Beach here to San Diego, that package goes to Memphis first and then to San Diego instead of putting it on a truck and being hauled from Long Beach to San Diego because of their restrictive entry.

Mr. BRAUDE. It is interesting, I was always thought that that was Fed x's way they do business as opposed to how we had done here.

Mr. HASTERT. No, because they cannot use truck lanes to do that. So anyway, it is interesting and you know that may be an area that we want to look into in deregulation.

Mr. BRAUDE. Well, I have some interest in the state too so I will be happy to bend their ear as well.

Mr. HASTERT. Well, maybe we may even look at the federal level, you never know.

Thank you.

Mr. MINETA. Thank you very, very much Mr. Braude——

Mr. BRAUDE. Thank you, Mr. Chairman.

Mr. MINETA [continuing]. For your being here. At this time the subcommittee will stand in recess and we will reconvene in a half an hour.

[Whereupon at 1:05, the subcommittee recessed, to reconvene at 1:35 p.m., the same day.]

Mr. MINETA. The Subcommittee on Surface Transportation will please come to order.

At this time I would like to call forward the Honorable Jeffrey Kellogg, a member of the City Council here in Long Beach, and member of the Consolidated Transportation Corridor Joint Powers Authority.

Mr. Kellogg, your testimony will be made a part of the record and so if you would go ahead and proceed in your own fashion.

TESTIMONY OF HON. JEFFREY KELLOGG, COUNCILMAN, CITY OF LONG BEACH, MEMBER, CONSOLIDATED TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY, LONG BEACH, CA

Mr. KELLOGG. Thank you. Chairman Mineta, Chairman Anderson and distinguished Members of the subcommittee, good afternoon. My name is Jeff Kellogg. I am the councilman from the 8th district of the city of Long Beach, and Long Beach's representative to the Consolidated Transportation Corridor Joint Powers Authori-

ties. I also serve as Chairman of the JPA's legislative committee. On behalf of the entire governing board of the Joint Powers of Authority and its chairperson, Los Angeles City Councilwoman, Joan Milke Flores, I would like to add my welcome to you this afternoon. I am delighted that you could be with us today in Long Beach. We are extremely grateful for your support you have shown for the transportation needs of Southern California.

Thanks to your leadership, Chairman Anderson, Chairman Mineta, and that of your colleagues on this committee the economic benefits associated with the growth of the ports of Los Angeles and Long Beach can be preserved. You have also championed the concept that port growth cannot be sustained without increases in port and railroad access to the ports. We could not agree with you more. We strongly believe that the consolidated transportation corridor is a key to facilitating port growth while assuring that the neighborhood quality of life is protected.

This project will create a highway and rail system of national significance connecting the economic center of the San Pedro Bay ports, the largest port complex in the United States, to the interstate highway system and the national railroad system, thereby moving international cargo. The project is designed to improve port access while mitigating potentially adverse impacts of port growth, including highway traffic congestion, air pollution, vehicle delays at grade crossings and numerous impacts on residential areas.

These are truly exciting times. As the gateway of the pacific rim, the ports of Los Angeles and Long Beach are experiencing dramatic growth. In 1989, the two ports combined handled a total of 139 million metric revenue tons of cargo, up 6 percent from the previous year. Growth in intermodal or containerized cargo accounts for a significant share of the port's recent success. The two ports handled a total of 3.6 million 20 foot equivalent units [TEUS] in 1989, an increase of nearly 14 percent over the previous year.

By the year 2020 the ports anticipated nearly 12 million TEUS annually. Train traffic to and from the ports is expected to increase from 31 trains per day currently to 106 trains per day by the year 2020. Truck traffic to and from the ports amounts to about 17,000 trips per day now. This could triple by the year 2020. With volumes of this magnitude, major improvements in rail and highway infrastructure will be required, and significant investments in mitigations, such as grade crossings, soundwalls, et cetera, will be necessary.

We strongly believe that the consolidated transportation corridor will provide the necessary mitigations as well as the needed improvements in the transport capacity. The Consolidated Transportation Corridors Joint Powers Authority is the agency responsible for implementing this important project.

Formed in August of 1989, the JPA has a governing board of 15 members, representing the cities of Los Angeles and Long Beach, the Los Angeles County Board of Supervisors, the Los Angeles County Transportation Commission, the two ports, Caltrans and each of the six cities along the corridor: Carson, Compton, Lynwood, South Gate, Huntington Park and Vernon. Members of the JPA are working together in a successful collaborative effort to

solve the infrastructure and environmental problems associated with improving port access.

The estimated cost—and I am glad you are sitting down—of the Consolidated Transportation Corridor is $205 million, not counting the cost of projects already funded through the Federal Ports Access Demonstration programs. Also not included in this estimate is $297 million of improvements in highway and rail infrastructure near the harbor that will be funded directly by the ports.

The Consolidated Transportation Corridor involves double tracking the San Pedro branch of the Southern Pacific Rail Line. And the map over there will show you the dark one, installing centralized traffic control. The goal is to have all three rail carriers, Union Pacific, Santa Fe, and the Southern Pacific, use this one upgraded route. The Southern Pacific San Pedro branch runs through a predominantly industrial corridor which is more compatible with heavy freight trains than the other railroad branch lines which are highly residential.

Concentrating our investments in grade separations and other mitigation in this one corridor makes good economic sense. The costs of mitigating impacts on all of the railroad branch lines serving the harbor would be astronomical and politically unfeasible or suicidal, whichever route the politician chooses to make.

The project also involves widening Alameda Street from four to six lanes from the port to Interstate 10 near downtown Los Angeles.

Fortunately, through the assistance of Congressman Anderson and the Members of this committee, funds for three of the grade separations and funds for the widening of Alameda Streets south of state route 91 are already available. The Port Access Demonstration projects funded in 1982/1987 have been a major factor in the ports continued growth and prosperity.

On June 5th, California voters passed Proposition 108, 111 and 116 which combined will provide a total of $18.5 billion in additional revenues for transportation projects over the next 10 years. $80 million from Proposition 116 is specifically earmarked for grade separations along the Alameda Street corridor. We have also applied for $25 million of Proposition 11 related funds for the widening of Alameda Street between route 91 and the Glenn M. Anderson freeway.

Additional funding for this project could come from mitigation fees collected by the ports and contributions from the railroads. We are making a significant state and local commitment to this project, but we also feel that federal assistance is justified. The San Pedro Bay ports play a vital role in international trade, economic development, as well as national defense. Thus, there is a strong compelling argument for specific federal attention to this project. We respectfully request that there be recognition and federal funding commitments for the Consolidated Transportation Corridor in the Federal-Aid Highway Reauthorization bill, which is currently being drafted.

Failure to build the Consolidated Transportation Corridor would being continued environmental hardships to the communities surround the harbor areas, as well as threatening a significant diversion of cargos to other ports. At stake are about 37,000 trade relat-

ed jobs that could be potentially lost by the year 2020 and $6 to $8 billion in customs revenues that would be lost if the ports proposed expansion was curtailed.

The consolidated transportation corridor represents a significant step forward in providing good movement, economic growth, while assuring that neighborhood quality of life are preserved. Working together, I am confident these goals can be achieved.

Thank you very much for your time. I would be happy to answer any questions you might have.

Mr. MINETA. Thank you very much Mr. Kellogg.

Chairman Anderson.

Mr. ANDERSON. Thank you Mr. Chairman.

Jeff, by the year 2020, the ports anticipate the Consolidated Transportation Corridor traffic will nearly triple. How will this affect Southern California's ability to meet federal clean air standards?

Mr. KELLOGG. Mr. Chairman, that is one of the reasons why the Consolidated Corridor is such a key ingredient in this entire picture for the L.A. basin. With this amount of truck traffic on the roads, trying to get that truck traffic off on to rails, it is greatly going to help the air quality of the L.A. basin. This is just one of many different facets for this proposal that is so encouraging.

Mr. ANDERSON. If the federal highway programs are restructured to incorporate a highway system of national significance, how would you justify the inclusion of local roads within the CTC on such a system?

Mr. KELLOGG. Because of the impact it does have on a national scale from the standpoint of much of the traffic going from the ports here in Los Angeles and Long Beach, the fact that it does run here heading towards Chicago points east. So it really does bring in more and more of a national significance than much of the cargo comes through here now. So I think we also look at, from a national standpoint, when I mentioned the $6 to $8 billion that we have, possibly that again, that impacts more federal than it will local. So I think we are incorporated in not only just the local impact but what it is going to do from a federal standpoint as well.

Mr. ANDERSON. Thank you Mr. Chairman.

Mr. MINETA. Mr. Kellogg, you say that the goal of the corridor project is to have all three rail carriers using one upgraded rail route, dedicated rail route, when it is built. Have those three carriers agreed now to use that one upgraded dedicated rail route?

Mr. Kellogg. Sir, you have asked the most important question that we have right now. We are presently working with the three railroads. We understand that without their cooperation in this project, we are all wasting our time.

The Federal Railroad Administrator, Gilbert Carmichael has been out, we have talked to them, I have talked to him, about having a section 401 which would meet anything in antitrust, to bring the three railroads together, understanding that one railroad who is the one that owns the right of way, that is something that is probably their crown jewel right now. We understand that they have to look at it from an economic standpoint and make sure they are compensated. Through the assistance of Congressman Anderson having the railroad administrator come forward and say he

will have a 401 with three railroads and sit down and try to work out some type of agreement because you are absolutely correct, without their cooperation we will not go on any farther.

But we also want to make sure that we maintain to the railroads that without their cooperation, the port will not expand, their cargo will not expand and therefore, they are going to lose in the long run as well.

Mr. ANDERSON. And when this Consolidated Transportation Corridor project is completed, do you have any estimates as to how much truck traffic will be diverted from the Long Beach Streets?

Mr. KELLOGG. I would hope, as we talk about the 17,000 trips per day that we are looking at now, I would hope that as substantial amount of that truck traffic would be diverted off on to Alameda, on to rails or on to Alameda as a truck corridor.

Mr. ANDERSON. And if the rail people do not come to an agreement on the use of one dedicated rail route, what happens then?

Mr. KELLOGG. As I stated earlier they will sit there as the port tries to grow with the cargo. The wave of the future seems to be on-dock rail facilities to put the cargo on and move. As a local elected official, and many of you probably can relate to very well, is that as the railroads want to have more traffic that will be going through those three existing lines right there, the one on the left and the one on the right—the one on the right runs through my district.

For example, that one has 33 grade crossings that will impact 16,000 residents. The one on the left has 92 grade crossings and impacts 26,000 people. The one in the middle, the Consolidated Transportation Corridor, that one has 34 grade crossings, I believe, and it impacts 7,000 people.

So, really, the reality of it all is from an elected official standpoint, as the ports want to grow, they want to have more access to putting on rails. Rail traffic then would be proposed to increase in the neighborhoods. That would be unacceptable for me as an elected official because it would be unacceptable for my neighbors. The neighborhoods would be devastated because of the amount of rail traffic running right through them. That is why it is a win for them as well. If they are willing to work with us we can all grow and prosper.

If it comes down to where they say that they are going to try to mitigate the other three lines, from an economic standpoint it does not make sense.

From a political standpoint, it makes no sense at all because I will be out there fighting, opposed to it. Because now they are talking about the quality of life in my neighborhoods. And that is something that I will not stand for and as most of you understand, if we want to do it, it is just political suicide, but it is not feasible as well.

Mr. MINETA. Mr. Hastert.

Mr. HASTERT. Would those other corridors be abandoned?

Mr. KELLOGG. Those other corridors would not be abandoned that I am aware of. They would not be, they could still be used.

Mr. HASTERT. Thank you, that is my only question.

Mr. MINETA. Thank you very much Mr. Kellogg and thank you very much for your hospitality.

Mr. KELLOGG. I think you almost had a quorum of Long Beach City Councilmen.

Thank you.

Mr. MINETA. Let me call on the Honorable Barbara Messina, Mayor of the city of Alhambra to come forward please.

Mayor Messina, your testimony will be made a part of the record and if you would go ahead and proceed in your own fashion.

TESTIMONY OF HON. BARBARA MESSINA, MAYOR OF THE CITY OF ALHAMBRA, ALHAMBRA, CA

Ms. MESSINA. Thank you Mr. Chairman and committee Members. My name is Barbara Messina, Mayor of the city of Alhambra. Thank you for the opportunity to speak today on a matter of great concern to our city, the completion of the Long Beach freeway gap.

Alhambra, together with 11 other neighboring cities representing over 3.8 million people, has adopted resolutions in support of the completion of the Long Beach freeway extension between the San Bernardino freeway and the Foothill freeway. Caltrans and the FHWA are currently reviewing the latest route proposal and they are expected to reach a decision soon. We are asking the committee to designate the extension of the Long Beach freeway as a priority primary project under the Federal Interstate Program.

The Long Beach freeway gap closure proposal has been the subject of study for almost 30 years. Since 1965, 24 alternative routes have been studied to complete the project with Interstate 210 in Pasadena. Over the years, there have been numerous designs proposed by Caltrans and others for the completion of the six mile gap in the freeway. The focus of this attention is a 6.2 mile gap in the 75 mile freeway system which rings the Los Angeles Central Business District.

This ring of freeways was primarily conceived in the late 1950's as part of the master plan for the primary central metropolitan Los Angeles area freeway network.

This construction began in the early 1960's and by 1976 approximately 71 miles or about 97 percent of the system was fully operational.

Closing the remaining gap would have the affect of fully connecting the Long Beach freeway with nine other freeways between the cities of Long Beach and Pasadena.

Alhambra has long been among the leading proponents of completing the gap in the Long Beach Freeway, which now empties onto Valley Boulevard in Alhambra, creating heavy congestion on many of the city's streets.

Commuter and truck traffic driving between the Long Beach and Pasadena areas, and points in between, must use surface streets between Alhambra and Pasadena because of the missing six mile section of the Long Beach Freeway. These surface streets were never meant to carry this extraordinary high volume of traffic. The result has been a tremendous degree of ever worsening traffic congestion on all north/south streets within three miles of the proposed route of the freeway link which becomes chaotic during peak commuting hours.

By completing the extension of the Long Beach freeway, Caltrans projects that we put between 150,000 and 200,000 cars on the freeway that are now on local service streets. Without the freeway, traffic on Alhambra's Atlantic Boulevard is expected to jump from 35,000 cars daily to 73,000 cars by the year 2000. In addressing this issue, it is important to distinguish between current traffic volume levels and traffic demand levels.

For example, if one views the traffic counts for Fremont avenue over the last several years, they have gone up an average of 2 percent per year which is seemingly manageable. However, what is not reflected in these counts is the fact that traffic volumes on Fremont avenue are and have been above the rated capacity of the street for over 10 years.

As a result, commuters frustrated by having to wait through multiple signal changes at virtually every intersection on Fremont have moved to the east and onto residential streets to find faster, even though longer routes through Alhambra, to Pasadena, or the Foothill freeway to the north. As a result, traffic volumes on Atlantic and Garfield, the two major north/south arterials to the immediate east of Fremont avenue have increased at some locations by over 4 percent or twice the rate as on Fremont.

Traffic on these two streets is now in excess of capacity and growing numbers of commuters are now winding their way through the residential streets of Alhambra rather than endure the congestion of the arterials. This is evidenced by the growing number of requests from Alhambra residents for speed bumps and stop signs to deal with ever increasing traffic.

In short, the traffic demand is increasing dramatically each year but it is not fully reflected in the traffic counts on the major streets because more and more commuter traffic is finding its way onto residential streets. The Long Beach freeway extension would remove some of the demand from the adjacent arterial network and thereby significantly improve conditions of those roads.

The freeway extension would relieve congestion and increase safety on local streets in the area of the freeway. Accidents are a function of the number of potential conflicts for vehicles and pedestrians. Reducing traffic speed correlates with a reduction of traffic accidents but conflicts with the goal of reducing delay.

One of the best ways to reduce accidents on a road is to reduce the traffic on it. If the traffic is transferred to a freeway both the accident rate and the delay would improve because freeways are inherently safer and faster than arterial roads, due to the reduced conflicts. In particular, streets that would be greatly benefitted are Valley boulevard in Los Angeles and Alhambra; Fremont avenue in Alhambra and South Pasadena; Fair Oaks avenue in South Pasadena and Pasadena; and California boulevard, Del Mar boulevard, Bellefontaine Street and Glenarm Street in Pasadena.

Closing the freeway gap could also reduce some truck traffic on Interstate 5 and relieve congestion on freeways as far away as Glendale and Whittier. Interstate 170 connects with two east/west freeways, Interstate 210 and Interstate 10, and interconnects with Interstate 110 and Interstate 134. The completion of the Interstate 710 would be expected to remove through truck traffic on Fair Oaks Avenue in Pasadena and South Pasadena, and Fremont and

Atlantic Boulevard routes in Alhambra. All these routes are presently heavily used by trucks. Additionally, once trucks are on Interstate 210 the extension of the freeway would permit greater access for trucks going to the Long Beach Harbor.

In light of the congressional efforts to improve the quality of our air through the Clean Air Act, the Long Beach Freeway extension would actually improve environmental conditions. The reduction in congestion would also bring about a reduction in vehicle emissions, improve the air quality in the basin as well as reduce vehicle-related noise along surface streets.

Some individuals claim that closing the freeway gap may actually exacerbate traffic problems by generating new traffic, but they are not persuasive. New highways may generate more traffic in still developing areas but there is not much room for new growth around the freeway gap. In fact, an analysis by the Southern California Association of Governments suggests that closing the gap will simply relieve congestion that already exists, primarily on the surface streets where traffic from the unfinished freeway currently winds up. Cars moving along a highway generate less air pollution than they do in stop and go traffic.

Completing the freeway is necessary for both local and regional traffic, relieving local traffic congestion and providing better access to Long Beach Harbor.

The six mile completion of the Long Beach Freeway was designated as a priority primary route under the Federal Interstate System in the 1987 Highway Bill. As the Surface Transportation Subcommittee considers the Highway Bill, we would ask that the subcommittee request priority primary funding in the 1991 Highway Reauthorization Bill for this project. The City of Alhambra would like to work with the Public Works Committee to ensure that funding is authorized for this vital freeway project.

Thank you for your consideration in this matter.

[Statement of Ms. Messina appears on p. 2268.]

Mr. MINETA. Thank you very much Mayor Messina. Mr. Chairman.

Mr. ANDERSON. Thank you Mr. Chairman.

Ms. Messina, have all the neighboring cities along the Long Beach freeway extension adopted resolutions in support of the project——

Ms. MESSINA. Yes——

Mr. ANDERSON [continuing]. And if not, which ones and why? So, if they all have, because I thought there was one or two that might not have——

Ms. MESSINA. We have received resolutions from Arcadia, Azusa, Bradbury, Bell Gardens, Cudahy, Duarte, Los Angeles, Monrovia, Monterey Park, Pasadena and Temple City. The Cities of San Gabriel and San Marino have chosen to remain neutral in this.

Mr. ANDERSON. The cities of San Gabriel——

Ms. MESSINA. San Gabriel——

Mr. ANDERSON [continuing]. And San Marino.

Ms. MESSINA [continuing]. And San Marino.

Mr. ANDERSON. They are the only two.

Ms. MESSINA. And South Pasadena.

Mr. ANDERSON. And South Pasadena.

Now over the last 25 years there have been over 24 alternative routes that have been studied to complete the project with Interstate 210 in Pasadena. Has the estimated cost to complete the project escalated with each review of the alternative proposals?

Ms. MESSINA. Dramatically each time. That is putting it very mildly.

Mr. ANDERSON. Is there any reason those three have not joined the rest of the—there must be 80 or 90 of you that have already joined and three of them have not, is there any reason?

Ms. MESSINA. I can only surmise that in speaking with several of the San Gabriel councilmen, they just do not want to be pitted against friendships in South Pasadena and then Alhambra. San Marino just prefers to stay neutral. Probably for the same reasons that I can surmise in speaking to several of the city councilmen in San Marino.

Mr. ANDERSON. What has been the primary obstacle in the road blocking the completion of this project?

Ms. MESSINA. The City of South Pasadena just feels that they do not want another freeway through their community and that is basically the main reason that it has been stalled.

Mr. ANDERSON. I would think it would help all of them so that they would all benefit.

Ms. MESSINA. I agree, but unfortunately, that has not been the case.

Mr. ANDERSON. Is there anything we can do to help it, or is there any movement to try to solve the problem?

Ms. MESSINA. Well, your support would be a great help. We are waiting for Caltrans to finish the fourth EIR report and we are hoping that that will prove that the alternative——

Mr. PACKARD. Would the Chairman yield for a moment. Is it included on the stip and how far away is it?

Ms. MESSINA. The EIR is supposed to be completed very, very, soon. That is what we get from Caltrans, so, we are waiting.

Mr. PACKARD. How much funding are you asking for from the feds?

Ms. MESSINA. I am sorry, I am not certain what are the latest cost figures.

Mr. PACKARD. I am wondering, is it scheduled for local participation?

Ms. MESSINA. Oh yes.

Mr. PACKARD. No more questions sir.

Mr. MINETA. Mayor Messina, thank you very, very much for your presentation here.

Ms. MESSINA. Thank you very much. I appreciate it.

Mr. MINETA. Now, I would like to call on the Honorable Luigi A. Vernola, the Mayor of the city of Norwalk.

Mayor, your testimony will be made a part of the record and if you would go ahead and proceed in your own fashion.

TESTIMONY OF LUIGI A. VERNOLA, MAYOR, CITY OF NORWALK, NORWALK, CA, ACCOMPANIED BY AL FUENTES, COUNCILMAN, SANTA FE SPRINGS, CA

Mr. VERNOLA. Thank you very much.

Mr. Chairman, Members of the Congressional Subcommittee on Surface Transportation. I am the Mayor of the city of Norwalk. I am testifying today on behalf of Norwalk and the Mayors and Cities of Santa Fe Springs and La Mirada.

At this time I would like to recognize Al Fuentes, Councilman from the City of Santa Fe Springs who is here with us today. Also earlier there was the councilwoman, Barbara Hayden from the City of Downey and I believe Mayor Lou Pelts from the City of La Mirada was here earlier.

As the subcommittee is aware, tremendous growth in southern California since 1950 has put great pressure on local transportation systems. This pressure has created an immediate need for creative and innovative mutimodal approaches to correct current shortcomings.

We asked to testify today to bring to the attention of the subcommittee our concerns regarding the widening of Interstate 5. Current funding provides for widening only to the confluence of SR-91 and again from I-605 South. This means that the link from the SR-91 to the I-605 is not funded through the cities of Norwalk, Santa Fe Springs, La Mirada or Downey.

With the understanding that the intent of National Transportation Policy is to look at improvements regionally, we feel the plan for current improvements would cause a bottleneck on the I-5 that would diminish many regional benefits. This departure from a regional transportation perspective has resulted in spotty improvements that will not improve the regional traffic needs. Currently, capital improvement dollars are spent where it is easy to do so, leaving more complicated sections neglected with the end result being a diminished regional transportation benefit.

Further, from a pollution standpoint, a bottleneck on the I-5 where it passes through our cities would have a tremendous air quality impact given the volume of traffic on this roadway. The slow down in this affected area would concentrate vehicles and their exhaust in our cities. Thus having an air quality impact that none of us is comfortable with and will have extremely negative pollution implications.

The section of roadway we are speaking about was constructed to the current design standards of the early 1950's. For the purposes of historical perspective, this was the first Federally funded section of the Interstate System. As we all know, it is a system that has kept America at the forefront of technology and an economic leader.

Our communities of Norwalk, Downey, Santa Fe Springs and La Mirada, developed along the I-5 corridor, currently are in the midst of redevelopment activities to bolster our economic viability as is necessary for municipalities to do these days. Clearly, if in the future the region is to remain economically sound and have a regional transportation perspective, improvements to the I-5 between Highway 91 and I-605 are a must.

However, we also have the responsibility of being protective of the business and industry that line the I-5 because of what they contribute to our tax bases and our respective city's service levels. We cannot endorse a policy that would devastate local business by

increasing the width indiscriminately of the I-5 right-of-way through our cities.

We do endorse a National Policy that would provide for the funding of improvements for this historic Interstate through a scheduled project. However, the economic vitality of our communities demands a creative, innovative approach to improvements and developments. For this segment, this translates into increasing capacity while staying with the current right-of-way.

Examples for the subcommittee's consideration could be:

Reversible lanes to handle peak hour volumes if the volumes are unbalanced;

Center express lanes for long-distance, through traffic that would be physically separated from local traffic;

An elevated, 4-lane express route to carry long distance through traffic with the lower 6 or 8 lanes functioning as a collector-distributor and short-haul facility;

Looking at designs that are safe but less than the current federal highway standards such as narrower lanes, tighter ramp curves and waivers from current design standards that work better in less densely developed areas.

Perhaps we also need to take a more aggressive stance in dealing with the motoring public and communicate that it is not possible to think in terms of one driver, one car anymore. We cannot let this mentality dictate our roadway needs. Let us look at designs that improve I-5 but not to the level demanded by future traffic volumes. We need to cooperatively develop alternative modes such as commuter rail, light rail, bus and car pools. It will be necessary to force the single driver into alternative transportation.

In closing, I would like to reiterate our desire to see the upgrading of the I-5 from the 91 to the 605. Endorse authorization of funds for the project. Encourage a National Policy that fosters creative and innovative capacity improvement alternatives that stay within the existing right-of-ways.

Finally, I very much want to continue the relationship between Norwalk and the cities represented here today and your subcommittee, so that we can provide input into this process that will have such a dynamic economic and air quality impact on our cities and on Southern California generally. This Interstate is a major link between Los Angeles and Orange County. Thank you very much for your time.

Mr. MINETA. Thank you very much, Mr. Mayor.

Chairman Anderson.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mayor Vernola, improvements to Interstate route I-5 between State Route 91 and I-605 are eligible for interstate 4-R funds. Now in view of the bottleneck that would be created, if the I-5 link is not built through the cities of Norwalk, Santa Fe Springs, La Mirada, and Downey, has Caltrans proposed a schedule for improving the I-105 link?

Mr. VERNOLA. There is a schedule but it has not been adopted yet. The plans we have seen is for widening the freeway. And widening the freeway in that corridor would wipe out numerous homes and up to about 100 businesses along that route. Therefore, in our opinion it is not feasible to do that. That is why we need a federal

policy dictating alternative and innovative ideas to addressing the problem within our corridor.

Mr. ANDERSON. Well, under the Uniform Relocation Assistance Amendments, of 1987, persons and businesses displaced as a result of federal or federally assisted projects would have to be compensated for their losses. If the widening of the I-5 corridor resulted in the displacement of persons and businesses, they would have to be compensated for their losses. Do you have any estimate of how many people our businesses would be displaced or of the possible costs of relocating them?

Mr. VERNOLA. Being familiar with that area, I believe the cost to do that would far exceed the objectives of widening that freeway. You could obtain the same results by taking alternative modes of development and accomplishing the same thing without displacing the homes or the businesses. The figures I could not give you at this point.

As you are well aware, the Glenn Anderson freeway stops in the City of Norwalk and actually the amount of traffic that will be increased, not only on our surface streets at that stop at Studebaker, but also the increased traffic that will be coming on to the 605 and to the 5 from that freeway. And you are well aware of probably that area, the bottleneck that will be created will be a tremendous impact on our cities.

Mr. ANDERSON. I know all the way down I-5 whereever you go they always tell you this is the most important highway in the country almost, you know.

Mr. VERNOLA. That is right.

Mr. ANDERSON. That is the I-5 I am talking about.

Mr. VERNOLA. Yes sir.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. MINETA. Mayor, in your testimony you indicate that creative and innovative multimodal approaches are needed to correct current transportation shortcomings. What kind of specific multimodal approaches are you looking at for that Interstate 5 link from State Route 91 to I-605?

Mr. VERNOLA. Well, you are well aware of Orange County's commuter rail system that Norwalk has just acquired a stop for. And we have linked up with the light rail system at I-105 with our bus system. So that will be in operation probably the same time the freeway gets opened up.

The freeway itself, the I-5 is being widened in the Orange County section and we are asking for a different approach, a federal policy to come up with a different approach. Instead of widening, maybe double-decking or as I indicated the high traffic lanes, reversible lanes on the freeway, those kind of things.

Mr. MINETA. Very well.

Mr. Packard.

Mr. PACKARD. That bring up a question, I think, Mr. Mayor. How do you propose to articulate the design of the expansion of I-5 as you move from one community to the other or as you move from Orange County into the section that we are talking about here. If each community or each area was able to kind of have a totally different concept or design to address congestion on I-5, how would that articulate as you move up from south to north or vice-versa?

Mr. VERNOLA. On the south end they have already started the widening, okay. They have not had to take any businesses out or homes out. They have widened right along the right of way of the freeway. As they come through Norwalk, Santa Fe Springs and Downey they will have to take out the roadways adjacent to the freeway, consequently eliminating the businesses along those routes and the homes. Up north the freeways have been widened already to a certain extent.

Mr. ANDERSON. But again, it really—I presume it would create some concerns and problems at least for the highway designers to move from a widened freeway to a double deck freeway then back to a wide freeway and so forth.

Mr. VERNOLA. I think that the engineers today can design and build just about anything you want to build and accommodate whatever you want to build. We have seen that happen so I feel very confident to give them that latitude, the Federal Government has given that latitude to Caltrans to work with the cities to develop those kind of alternatives, I think it can be done.

Mr. MINETA. Mr. Hastert.

Okay, Mr. Mayor, thank you very, very much for your testimony.

Mr. VERNOLA. Thank you very much for your time.

Mr. MINETA. At this time I would like to call on the Honorable Edmund G. Pat Brown, the very distinguished former governor of the State of California who was really a very, very, fine Governor who had a very fine Lieutenant Governor by the name of Glenn M. Anderson. So it is a real pleasure to have you here with us, Governor.

TESTIMONY OF EDMUND G. PAT BROWN, FORMER GOVERNOR OF CALIFORNIA, LOS ANGELES, CA

Mr. BROWN. Thank you very much. I agree with everything you say. [Laughter.]

Mr. ANDERSON. Mr. Chairman I go one step further than that. I say he is the greatest governor in the history of California. If you just remember the master plan for higher education, all the colleges, state colleges, universities, the water program from north to south, first the freeway system, the highway system.

One of my jobs was dedicating highways in those days, do you remember, Pat?

Mr. BROWN. I sure do.

Mr. ANDERSON. They were built under the Pat Brown administration.

Mr. PACKARD. Is that why so many——

Mr. ANDERSON. No, none of them were called——

Mr. MINETA. Not at that time, they are now—but——

Mr. ANDERSON. But having had the greatest governor at the time, we had the greatest lieutenant governor too, so——

Mr. BROWN. I agree with you very much——

Mr. ANDERSON. It is nice to have you here.

Mr. BROWN [continuing]. For your remarks, I really cannot understand how a man by the name of Ronald Reagan defeated me.

Chairman Mineta, Chairman Anderson and Members of the subcommittee. I am Edmund G. Pat Brown, the former governor of

California and a member of the board of directors of CRASH. CRASH in short is Citizens for Reliable and Safe Highways. I am here to voice my opposition to proposals that would allow Congress to authorize triple trailer trucks and twin 48 foot trucks.

It is a particular pleasure for me to appear with Chairman Anderson. He was my running mate and loyal associate during my eight years as governor of California. He was a great lieutenant governor and you all know what a fine Congressman he is.

One of Chairman Anderson's and I think my finest accomplishments while we governed California was to pioneer the California freeway system. I believe we provided our state not only with the best highway system in the nation, but also with the safest.

I worry, however, and that is the reason that I am here today that California's highway system is breaking down. Not only is the pavement itself deteriorating but the urban parts of our state seem to be approaching a gridlock.

Our highways are no longer reliable. We cannot rely on what should be a 20 minute trip taking 20 minutes. Frequently, what should be a 20 minute trip takes 40 minutes or even an hour. Sometimes this is because there are just too many cars and trucks on the road. Sometimes it is because of an auto accident. All too frequently, however, it is because a big truck overturned, like the double trailer tank truck that overturned last Thursday 10 miles from here on the Lakewood Boulevard on-ramp to the Artesia Freeway.

That double trailer tank truck crash spewed 700 gallons of diesel fuel onto the freeway and caused congestion all day long. I believe that double trailer trucks, like the one that overturned last Thursday, are unstable and unsafe. As a California Highway Patrol study demonstrated, double trailer tank trucks have a substantially high incidence of overturn than do single trailer tank trucks.

I do not pretend, however, to be an expert on truck safety, or even to read all of the complex and apparently conflicting studies on the subject. My conclusion that double trailer trucks are unsafe comes from conversations that I have had with a few experts on the subject.

If double trailer trucks with three articulation joints are unsafe, common sense tells me that triple trailer trucks one-third the size of a football field must even be more dangerous. The experts tell us the same thing.

The experts tell us that triple trailer trucks have five articulation joints and that the more articulation joints a vehicle has, the more dangerous the vehicle. The experts tell us that the third trailer of a triple trailer truck sways back and forth as much as four feet on a windless day on a straight freeway.

The experts tell us that the crack-the-whip effect which causes trucks to overturn is three and one-half times as great for triple trailer trucks as it is for single trailer trucks.

The experts give us many other reasons not to like triples and even more mammoth twin 48's. But I do not think that we need an expert to tell us that it takes much longer to pass a triple or twin 48 on dangerous two-way freeways. Nor do we need an expert to tell us that the freeway on and off ramps here in Long Beach were not designed to accommodate these monster trucks.

In my opinion, if Congress authorizes triples and twin 48's, there will be many more truck crashes than there are today. Many more lives will be lost. Many more will live the rest of their lives with injuries. And congestion will become radically worse as triples and twin 48's block traffic for miles.

Therefore, I urge you to adopt the goals of CRASH, Citizens for Reliable and Safe Highways, as your own. Let us work together to make our highways reliable and safe.

Thank you very much.

[Applause.]

Mr. MINETA. Chairman Anderson.

Mr. ANDERSON. Thank you, Mr. Chairman.

Governor Brown, what has been the safety record of twin 48's and triples in states were they are permitted to operate?

Mr. BROWN. I really cannot tell you what that is although it is my understanding in talking with an expert, and I cannot remember her name, in Chicago, she tells me that it is far greater in doubles and triples.

Mr. ANDERSON. Now fatal truck accidents have declined by 40 percent in the 1980's despite an increase in the number of trucks on the road. What is your opinion of the occasional view that is brought to us that allowing more capacity per truck, might further reduce the truck traffic and thus reduce fatal truck accidents? I would like to hear your answer to that.

Mr. BROWN. I really do not believe that it would. The trucks that we have on the freeways today are so massive that any enlargement would be dangerous to the driving public and to the truck owners themselves.

Mr. ANDERSON. Thank you very much, Governor.

Mr. BROWN. Thank you.

I would like to introduce my granddaughter, Patricia Kelly, San Francisco and she is with—what is your group that you are with?

Ms. KELLY. CRASH.

Mr. BROWN. She is with CRASH which I am representing today.

[Applause.]

Mr. MINETA. Governor Brown one of the things that we have been—oops—let me if I might before you run off—see if Congressman Packard had any questions. Let me, if I might, before you leave——

One of the things that we have been doing is trying to improve on is this whole issue of commercial driver licenses. And I am wondering if there is any interest in the support of the use, even limited use, of twin 48's and triples if additional strict operational and safety training requirements were placed on drivers. Whether or not, you know, triples or twin 48's should be allowed if there were stricter training requirements or driver licensing requirements, etcetera, being placed on drivers of those vehicles?

Mr. BROWN. When you think of those large trucks that you see on the road today and then you think of doubling it or even tripling it, no matter what training you give the driver there is an imperfection that we all have and these accidents are going to increase, and I just do not feel that it would be safe today to do it. We are going to have to do something about the freeways, you have heard testimony this afternoon and today about it. And it is a real

tough problem the doubling of the freeways is almost impossible. The cost is great and I think when we get down to it, we are going to have to move into mass transportation of various kinds rather than trying to find a solution in trucks.

Thank you very much.

Mr. MINETA. At this time I would like to now call on William E. Leonard, the Chairman of California Transportation Commission.

Mr. Leonard, your testimony is before us and it will be made a part of the record so if you would go ahead and introduce your colleague and proceed in your own fashion.

TESTIMONY OF WILLIAM E. LEONARD, CHAIRMAN, CALIFORNIA TRANSPORTATION COMMISSION, ACCOMPANIED BY BOB REIMAM, EXECUTIVE DIRECTOR, CALIFORNIA TRANSPORTATION COMMISSION

Mr. LEONARD. Thank you, Mr. Chairman. Appearing with me today is Bob Reiman, the Executive Director of the California Transportation Commission. I am Bill Leonard, Chairman of the California Transportation Commission and, Mr. Chairman, I thank you for permitting me to share with you some of the thoughts of myself and of my colleagues on the future of the federal/state relationship as you consider the Reauthorization of Post-Interstate Surface Transportation Programs.

In the interest of time, as you have already indicated, I have submitted my full testimony to you and today I will just, at this moment, just summarize those comments.

I must note though, that my appearance before you is much easier and delightful now that the California electorate has voted favorably for the passages of Proposition 108, 111 and 116 at the polls on June 5. And in so doing, may I point out they have expressed their support for a modern integrated multimodal transportation system.

The Commission's role in the development of transportation policy in California is one of establishing and organizing program priorities and allocating the resources to meet those priorities. This includes the allocation of available federal assistance to state transportation programs. California voters have accepted the state's responsibility for transportation improvements and I am pleased to report that 17 of our counties representing 74 percent of the state's citizens have also imposed additional taxes to augment state and federal revenues designed to enhance transportation infrastructure.

In evolving a new federal/state relationship in the post-interstate period, the Commission has adopted a set of principles it hopes will govern the relationship. In an effort to assist you in this committee's objectives, let me be specific.

First, the Commission recognizes that the new federal programs must be limited to recognizing a federal role which emphasizes the effective functioning of a limited national system that supports national defense, encourages economic development and improves interstate mobility.

Second, the new federal program must allow states to define the authority and responsibilities of each level of government within

the state and provide states the flexibility to determine their own transportation priorities when there is no overriding national priority. The Commission urges the Congress to grant to states with certified planning processes the flexibility to use federal highway and transit funds for the modal solution that best serves the needs of specific regions or communities within the states.

Third, the Commission is very troubled by the growing trend toward federally supported transportation demonstration projects. When federal funds are directed to constituents specific projects and a state or local match is required, these federal priorities tend to divert state and local resources from projects selected through the established state/local planning process. We recognize that demonstration projects have played a very, very important role under the present federal transportation programs because of the number of narrowly defined categorical programs. Under a flexible federal transportation program, we question the need of further demonstration projects.

Fourth, the post-interstate federal programs must eliminate duplication of engineering and environmental review efforts and excessive federal mandates. The Commission calls for increasing reliance on federal certification of state and local project approval procedures where those procedures are found to be reasonable surrogates for direct federal approval procedures. This is particularly true as the new concepts, the highway system of national significance and transit system of national significance emerges. The Commission believes that if there is truly to be a transit system of national significance its focus, particularly from the federal prospective, should be on interstate and interregional movement, and in particular on high speed rail, which makes sense only for interurban travel.

The voters emphatic endorsement of both rail transportation bond measures on the June 5th California primary election ballot is clear evidence of increased public awareness of the value of improving and expanding effective and feasible rail passenger service both in California and throughout the nation in order to promote interstate commerce and mobility and to enhance America's competitiveness in the Pacific Rim.

The Commission recommends that TSNS programs receive at least 50 percent of the federal funding available for transit so that adequate funds may be targeted to high speed rail deployment. In this connection, it is important that Congress consider allocating federal transit funding through the state so that state standards regarding the efficiency and effectiveness of rail transit and inner city rail service can be enforced.

Fifth, federal programs should not undercut the broad objective of neutralizing structural differences between programs and modes so that the best conceivable project solution can be funded rather than the one that happens to fill the available federal funding category. In short, the new post-interstate national concept for transportation must address transportation issues on the basis of an integrated multimodal system rather than as a group of competing modes, categories, projects, and jurisdictions.

Six, let me address a matter of increasing concern to the Commission and the ongoing negotiations between the Congress and the

Executive Branch concerning the federal budget deficit. The Commission believes that federally imposed transportation taxes and user fees must be preserved solely for transportation purposes. The federal highway trust fund should be taken out of calculations designed to mask the extent of the federal deficit. Californian's expect that federal transportation user fees will go to transportation and not to offset or retire deficits in the federal general fund. It is time to put highway and aeronautics trust funds to work for the purposes for which they were collected.

The new post-interstate program must guarantee the earliest possible release and availability for obligation of all federally imposed transportation excise taxes and fees to states and local entities and allow maximum flexibility with respect to the use of these transportation funds.

Seven, let me touch on one aspect the federal transportation policy that to date has received too little attention and I was so pleased to hear Governor Brown address this issue and that is the issue of the matter of overweight trucks.

The Federal Government has both a responsibility and a role to play in increased enforcement of truck weight fees and penalties for infractions of those limits. Continuing studies by California's department of transportation clearly demonstrate that overweight trucks damage public property and require higher levels of public investment for repair, thus competing for limited resources desperately needed for other transportation programs. And to underscore that I might point out that in a Caltrans study a legally loaded truck weighing 80,000 pounds does the damage to the highway system equivalent to 9,600 passenger cars. You overload that truck by 10 percent, another 8,000 pounds and you immediately create the damage of 50 percent more passenger vehicles up to 14,400.

The Federal Government has a proprietary interest in protecting its very substantial investment in the Interstate Highway System which has a total cost to date of $134 billion and has a current value of over one half a trillion dollars. The Federal Government is in position to ensure uniform enforcement of truck weight limits in all states.

Eighth and finally, I want to conclude with a special plea to you as congressional leaders in the transportation area to lend your support in the new era of post-interstate federal programming to ensure enhanced federal support for research and development. This need cannot be stressed too much. If this nation, as well as California, is to remain in the forefront of development of innovative transportation systems and mechanisms to reduce congestion and air pollution it is imperative that we must maintain if not increase our investment in research and development.

This commitment should include not only public sector R&D programs but also the considerable efforts being made in the private sector.

In summary, let me say we support program flexibility by the states in the use of federal transportation funds, reliance on the state and local project approval procedures, protection of user fees for the purposes for which they were collected and increased research and development.

Thank you very much for allowing me to share our views as to how California can best contribute to and fit in with the development of post-interstate federal transportation programs and policies.

Mr. MINETA. Thank you.

Mr. Anderson.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. Leonard, the California Transportation Commission urges Congress to grant states with a certified planning process the flexibility to use highway and transit funds for modal solutions. Could you explain to the committee the certified planning process and describe which additives would be a part of this process?

Mr. LEONARD. Yes, Mr. Chairman, I would be pleased to.

As you know, as a national policy, the environmental procedures have been established under the NEPA Program. In California we have identical procedures under the CEQA program. We believe the CEQA program, the California Environmental Quality Act in all respects equals or exceeds the requirements of the National Environmental Protective Act. We believe that that represents not only duplication of money but a duplication of time which is extremely costly. We believe the publics purposes are best served with one study. We believe that if the flexibility were in the plan that the CEQA study would obviate the necessity of going through the National Environmental Project procedures also.

Mr. ANDERSON. The Commission has indicated that they are very troubled by federally supported transportation demonstration projects. Now how would providing greater flexibility for the use of federal funds reduce the need for demonstration projects?

Mr. LEONARD. Mr. Chairman, under Proposition 111, as you know, a part of that proposal was a congestion management plan are funds were available to the local entities and also to the state for that matter to propose and develop and construct that project that best suits the need regardless of what categorical area it might come in for financing purposes. As opposed to the present bill where you have financial categories that if it does not fit into that category than the job is not met.

In my own hometown area where we had a bad need at the Ontario airport, there was no category to take care of that. The only possible solution was a demonstration project.

Under the proposed Surface Transportation Act, following some of the objectives that we are suggesting to you, that need for a demonstration project would be obviated because at the state level and at the regional or county level it would be determined that that was the highest need and priority, and the funds would be able to be used for that purpose.

Mr. MINETA. Mr. Leonard, you are familiar with the program that the State Department of Transportation has come out with, has the Commission endorsed this Caltrans report?

Mr. LEONARD. Mr. Chairman, in response to your first question, yes, I am familiar with it. I have read it. I have not been briefed on it nor has the Commission. The Commission has——

Mr. MINETA. Did Caltrans consult with you as they were developing this or before they released the final report?

Mr. LEONARD. Mr. Chairman, in broad principle and conceptually the department did consult with us. In the final report the Commission was not a part of that product. But I must say though from a personal standpoint, and I am sure I speak for my Commissioners, we are supportive conceptually of the departments proposal. There are areas in there that we do have a difference of views and those differences where they do exist will be transmitted to the proper authorities within the state to pass on to Congress.

Mr. MINETA. The reason I asked, on page two you speak of highways of national significance which is something that the secretary of transportation issued in his March 8th National Transportation Policy and Strategy statement. But the Transit System of National Significance, TSNS, I believe is one that is only embodied in a Caltrans document. And from what I read of this, it seems to me we will be getting a reduced amount of funding to the state of California if we take the approach of TSNS because what it does is to peel off, as I recall, or it divides it into an 85/15 pot and then makes the 85 formula. And then by making that 85 percent formula part or making that 85 percent of the set aside by formula, then it would make less money coming to the State of California.

Mr. LEONARD. The Commission takes a different view than is embodied in that report and with your permission I am going to ask Mr. Reiman to respond specifically to your question.

Mr. REIMAN. The title is the same, the Transit System of National Significance, there are distinctions between what is referenced in that report and the Commission's view. I think conceptually the Commission believes that there is a very strong federal role and responsibility that is appropriate as well as the state role in inner city rail and particularly high speed rail. That emphasis and a greater share of the federal funding for transit going into to TSNS program than is suggested in that report is an example of the conceptual difference between what is discussed there.

Since the Commission really has not been involved in that report, it probably cannot speak to it in great detail but I think conceptually the Commissions view is that high speed rail development in California in particular, given the size of the state, is an extremely important component of mass transportation development and frankly one that individual jurisdictions or individual regions may not focus on to the extent that the Federal and state Governments could because of the nature of the inter-regional system. An inter-regional rail network would be a very healthy competitor to short haul air, commercial air development travel in the state as well.

Mr. MINETA. What I gather is that the Commission is also recommending that mass transit funds not go directly to operating agencies but that they go to the states and then get filtered down to operating agencies. I am wondering why would we want to be doing that?

Mr. REIMAN. The report that your referenced, actually, I think, suggests that operating funds that now currently go to rail operators directly would instead go to regional agencies, the Caltrans report that you referred to. The Commission's thought is that if that distribution of federal operating support is to be reconsidered,

the consideration of it coming to the state is a reasonable alternative to it coming to regional agencies.

Mr. ANDERSON. Fine.

Mr. Packard.

Mr. PACKARD. Than, in fact, the Commission is not recommending that mass transit operating capital come to the state and then pass through to the operating agencies?

Mr. REIMAN. The Commission is in support of that but I think it is in large measure in the context of reconsidering the current arrangement of it going directly to transit operators.

Mr. PACKARD. Have you got a feel from the transit operators how they would respond to such a policy?

Mr. REIMAN. Well, it is our understanding they are not too enamored with the notion of it going to regional agencies so since the question was on the table the Commission felt it should be part of the discussion.

Mr. MINETA. Congressman Hastert.

Mr. HASTERT. Thank you, Mr. Chairman. Just a short comment and a question.

I think probably one of the things that we do unanimously agree on is that trust funds need to flow out of that trust fund and back to the states or to the people at least that that money was collected from as a users fee.

And one of the things that the whole committee under the leadership of Chairman Anderson passed out last week, as a matter of fact, is the airport bill, airway bill that actually took those trust funds off budget in a much expedited fashion so one of the things maybe your testimony and others could lead to is something that we would look at seriously in this highway authorization to start to expedite the use of those trust funds and spend them out. And I agree with you that it ought to be done. It is something that we have not done for a number of years and certainly this country suffers from it.

TESTIMONY OF GEORGE M. MEDAK, CHAIRMAN, BOARD OF DIRECTORS, LONG BEACH TRANSIT, ACCOMPANIED BY LAURENCE W. JACKSON, PRESIDENT AND GENERAL MANAGER, LONG BEACH TRANSIT; NICK PATSAOURAS, BOARD PRESIDENT, SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT; DAVID ASHCRAFT, TRANSPORTATON DIRECTOR, CULVER CITY MUNICIPAL BUS LINES, CULVER CITY, CA; ALAN F. PEGG, GENERAL MANAGER, SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

Mr. LEONARD. We hope that action that you have taken is a foot in the door for the highway fund, yes sir.

Mr. HASTERT. We will find out.

Thank you, Mr. Chairman.

Mr. MINETA. Thank you very much, Mr. Chairman and Mr. Reiman, for being with us.

Mr. LEONARD. Thank you Mr. Chairman.

Mr. MINETA. At this time I would like to call forward Laurence W. Jackson, President and General Manager of the Long Beach Public Transportation Company, Alan F. Pegg, General Manager of Southern California Rapid Transit District and David R. Ashcraft,

Transportation Director, Culver City Municipal Bus Lines to come to the panel to sit at the table and to make their presentation.

I would like to call forward George Medak the Chair of the Long Beach Transit to be followed by Nick Patsaouras Chair of the Southern California Rapid Transit district. And they will be making their presentation from the podium so if Mr. Medak——

Mr. MEDAK. Mr. Chairman, thank you.

Mr. MINETA. You may proceed.

Mr. MEDAK. Thank you, Mr. Chairman and Members of the committee. Thank you for coming to Long Beach today.

Let me give you a little bit of background about Long Beach Transit. We are a medium sized operator. We run about 200 buses and we transport about 20 million people annually.

Since the inception of Federal subsidies for public transportation, 15 years ago, we have doubled in size. We have been required to double in size as you can see as you drove in today from any direction. The downtown area is growing.

We have added a little over a million square feet of commercial office space in the last year and a half. In the next five or six years it is anticipated that we will add another 2.5 to 3 million square feet of commercial office space. We will double the size of retail space.

As you can also see from just outside the building, the light rail line will be beginning its run from Los Angeles in 12 days. We are very excited about that. We are excited about interfacing with it. That too is going to bring some people, hopefully, take some work traffic. But we think and our transportation planners and community planners believe that in the next 10 years, downtown employment will double and in the next 20 years, employment and transportation required will increase 170 percent.

We can not do that without continuing subsidies as provided for in the legislation that you are reviewing.

We are also concerned about clean air. It is a national concern and particularly a concern in the Long Beach and Los Angeles area. We have problems in this area that we need to solve. One of the solutions obviously is going to mass transit and not taking single or vehicular trips all the time. We hope that the House version of the bill, one that supports mandates and supports timing will be passed. We hate to see retrofitted types of solutions that cost a lot of money. We hate to see technology that perhaps is not ready yet demanded. The cost of that can seriously impact the amounts of monies that we have to provide transit and transportation.

We will continue to move with clean air. We hope that there is some logic in what occurs.

With respect to the Americans with Disabilities, Long Beach Transit has been running paratransit services for more than 10 years. With the next purchase of our buses, our entire fleet will be equipped to handle wheelchairs. They will all be lift equipped busses. We are proud of that record. We continue to stay at the top of that game if we can and we would like to stay there. We are concerned about the expansion of the disabled—perhaps economically disabled or developmentally disabled are not necessarily transportation disabled people. If we are required to expand that

paratransit service our estimates are as high as one third of our operating subsidies may have to be placed into that area. So it is a give a take. If we increase the paratransit we are going to have some difficulty maintaining the service that we have and the service that we have needs to be increased.

We have prepared statements that you have, and in the interest of time and your interest we would like you to read those at your leisure. As you know I am here with Larry Jackson who can answer questions on our behalf and I hope I can answer some as well.

We trust that the committee will consider the concerns about the clean air mandates and about the disabled Americans when they consider passing the legislation that will provide additional subsidies.

I thank you for your time and thank you for your attention.

Now that Chairman Anderson is back, one of the contributing factors to the boon downtown is that Glenn M. Anderson Federal Building. It is a gorgeous building and that should be occupied by the end of the year.

Thanks, Glenn, thank you very much.

Mr. ANDERSON. I am ready to move in.

Mr. MINETA. With the transportation being supported by the fund—or being provided by the Glenn M. Anderson Transit Corridor.

Mr. MEDAK. That is right.

Mr. MINETA. Let me call on our very fine friend, Nick Patsaouras, President of the Board of Southern California Rapid Transit.

Mr. PATSAOURAS. Thank you. Chairman Anderson, Chairman Medak, Members of the subcommittee, I want to thank you for this opportunity to present the Southern California Rapid Transit District's views on reauthorization of the Surface Transportation Assistance Act and, particularly, for coming to Los Angeles to see, first hand, the transportation needs of our metropolitan area.

We at the SCRTD are proud of the progress we have made in meeting these needs. We realize that there is much that remains to be done if our region is to meet the transportation challenges of the 1990s and into the next century.

The Southern California region is currently faced with tremendous unmet demands for transit service, as well as future demands that are staggering. California voters recently indicated their support for transportation by passing a comprehensive financing package which included funds for streets and roads, rail transit and other demand management improvements. However, the revenues created do not address the overwhelming need for rail and bus operating funds, as well as the additional capital funding that will be needed to expand the bus fleet.

I will briefly review the factors that are generating the tremendous current and future demand for transit in the region. These demands include:

Population growth and a flourishing economy that continues to increase congestion in the area;

The imposition of stringent Clean Air requirements;

An increasing emphasis by employers to encourage employees to utilize mass transit;

A growing elderly population that tends to be more transit-dependent;

And finally the mainstreaming of a growing number of disabled persons, who are increasingly relying on public transit.

The Southern California region is currently the most underserved transit market in the country. SCRTD ridership is third highest in the country, right behind Chicago. I would like to refer the Members to the attached tables A and B. They clearly demonstrate transit's vital role in an area where the car is the king. RTD buses work longer and harder than any other American city. The addition of light rail in just a few weeks will further assist in meeting Los Angeles County's transportation needs.

In Los Angeles, our local Air Quality Management District has imposed sweeping air quality reforms, in conformance with EPA requirements. These measures increase the transit mode split for workers in Los Angeles Country from 9 percent to 25 percent by the year 2010. In order to meet this requirement, transit services will need to be tripled. We estimate that about two-thirds of the additional service will be provided by bus transit, presuming construction of all rail lines planned for implementation by 2010. This will require an increase in the active bus fleet from nearly 2000 buses to almost 5000 buses. Based upon these requirements, the total unfunded operating and capital needs over the next 20 years is an estimated $11.2 billion for RTD's service area.

Further, Congress is poised to enact within the next few weeks legislation that will materially add to the burdens and responsibilities of transit districts throughout the nation. We speak of the Clean Air Act, now in conference between the Senate and the House, and the Americans With Disabilities Act which may soon find its way to the President's desk.

The RTD is committed to meeting these new responsibilities. We are in the forefront of those transit districts that are testing alternatively fueled vehicles. The District is currently testing over 40 alternative fueled vehicles including the largest, methanol, and compressed natural gas fleets in the nation. By the end of this year, we will be testing over 60 clean fuel vehicles. Currently, over 90 percent of the District's fleet of 2300 vehicles is lift-equipped. We will be 100 percent lift equipped by 1994.

Recently, RTD representatives met with top UMTA officials to explore the concept of expanding the existing federal transit program to address the funding requirements of these two major pieces of legislation. UMTA supported the District's efforts to canvass other large metropolitan transit districts to determine the impact of this legislation on their properties.

The RTD convened a meeting in Washington with eight of the largest transit districts in the nation. We shared with our colleagues the cost figures accumulated by the RTD in meeting the strictures of the California clean air requirements which, in large measure, coincide with those that will most likely emerge from the House-Senate conference.

We have asked transit districts to compile similar statistics that will reflect their projected costs in meeting clean air requirements

so that you will have a fair estimate as to those incremental costs. As you know, there is precedent for the principle of having the Federal Government assist in meeting environmental costs mandated by federal law. One need look no further than the Clean Water Act which has made some $55 billion in construction grants to state and local entities since 1972.

You should be aware too, Mr. Chairman, as you continue your hearings throughout the country, that transit districts will be compiling their projected costs of meeting those capital and operating requirements anticipated by the passage of the Americans with Disabilities Act.

Overall, we cannot overemphasize the importance of Section 9 operating funds and Section 3 capital funds. As you are well aware, the Administration is proposing drastic cuts in these vital programs. These proposed Section 9 cuts would amount to a $1 billion shortfall for RTD over the next 20 years. Currently, RTD receives about $41 million or 7 percent of annual operating assistance from Section 9. Loss of these funds would translate into 23 percent fare increase or a 10 percent service reduction.

I respectfully request the committee to consider the following, when deliberating on the reauthorization:

Maintain current capital and operating assistance programs;

Consider a specific line item to fund the incremental cost associated with implementing the provisions of the Clean Air and Americans With Disabilities Acts;

Consider recommending a 7-cent federal gas tax increase for transit purposes;

And finally, mandate the expenditure of the $3.9 billion in unobligated balance that currently exist in the Transit Account of the Highway Trust Fund.

Mr. Chairman, facing these demands head-on is critical to the economic vitality and competitiveness of this country, just as the need for highways was critical to the nation's growth and vitality in the 1950's and the 1960's.

We applaud you, Chairman Anderson, Chairman Mineta, and other Members of the committee for your dedication to improving the mobility of our great country. Through a cooperative federal, state, local and private partnership we can meet the present and future needs of our economically vital and dynamic nation.

Thank you.

Mr. MINETA. Thank you very much.

Mr. Chairman at this time I would like to call on David Ashcraft, the Transportation Director for the Culver City Municipal Bus Lines to make his presentation.

Mr. ASHCRAFT. Thank you, Mr. Chairman, distinguished Members of the subcommittee, my name is David Ashcraft, Transportation Director of the Culver City Municipal Bus Lines in Culver City, California. It is indeed a privilege for me to appear before you on this important subject of Reauthorization of the Post-Interstate Surface Transportation Programs.

I am here to speak to you as the manager of a small transit system operating within a large urbanized area. Culver City Municipal Bus Lines, known as Culver City Bus now, is one of 13 municipal transit systems within Los Angeles County providing efficient

and effective bus service that complements the regional transit operator, SCRTD.

The City of Culver City began operating its own municipal bus system in March of 1928. Next to San Francisco Muni railway, it is the oldest continuously operating municipal bus system in the state of California. Our City Council considers Culver City Bus a vital service to the residents and businesses in and around Culver City.

Today, our system is made up of a total fleet of 28 busses and we operate over six routes. Our service area includes Culver City and the communities of Westchester, Marina del Rey, Palms, Rancho Park, Venice, Mar Vista, Westwood and West Los Angeles. Our service area is 25 square miles and serves a population of about 191,000 people. It runs from Los Angeles International Airport on the south to UCLA on the north and from the eastern edge of Culver City on the east to Venice Beach on the west.

Ridership continues to grow on Culver City Bus routes. During Fiscal Year 1990, the one we just finished this past weekend, over 3.8 million riders, which is an all time record, rode our buses. This is a 10 percent increase over last year and a 35 percent increase above just five years ago. Our buses traveled 900,000 miles and we provided 81,000 hours of service.

This ridership and the hours of service provided calculates out to 47 passengers per every hour of service that we were in operation in Fiscal Year 1990.

The ridership increase experienced by Culver City Bus is not unique. There are 12 other municipal transit systems operating within the Los Angeles Country who are also experiencing increased ridership. These increases can be partially attributed to area development, traffic congestion, and air quality concerns.

However, in my opinion, just this last year, a major contributor to the ridership increases in the Southern California Air Quality Management District's Regulation 15. You have heard before that this regulation requires all employers in the los Angeles Basin with more than 100 employees to develop and implement a trip reduction plan. The goal of Regulation 15 is to meet the federal requirements of the Clean Air Act.

Increased ridership is the goal of every transit system in the United States, both large and small. I do not know of any system that does not try to increase its ridership every year. However, in our case, with success comes additional financial burdens. Culver City Bus is reaching a point where ridership will soon exceed capacity, especially at peak times. To meet the need, additional capital and operating assistance will be necessary. Although the state of California and Los Angeles County contribute substantial funds for transit services, there is still the necessity for increased transit funding from the Federal Government.

In addition to these increased ridership demands, the regulatory requirements contained in the recent passage of the 1990 Clean Air Act and the Americans for Disabilities Act, will have an increased financial impact on all transit systems which will be considerable. Again, without Federal financial operating and capital assistance, transit systems will be unable to meet mobility needs of the public and federal mandates.

I urge you and your colleagues in the Congress, as well as the Administration, to pass into law and again reauthorize the Surface Transportation Act and its various programs at levels which will enable our transit systems to meet the ever increasing demand for public transit in the years to come.

I know one proposal that is being put forth is to eliminate operating assistance into large urbanized areas. I must say that without operating assistance the municipal systems operating within Los Angeles County would find it extremely difficult to continue operating at the same level and provide the same efficient effective service that we are providing today.

I want to thank you for this opportunity to express my concerns and views and would be happy to answer questions at the appropriate time. Thank you Mr. Chairman.

Mr. MINETA. Thank you very much, Mr. Ashcraft.

Chairman Anderson.

Mr. ANDERSON. Thank you.

All the members of the panel have asked that we provide a specific funding authorization for the costs associated with implementing the pending amendments to the Federal Clean Air Act and the Americans With Disabilities Act. However, the capital and operating costs for transit agencies of complying with both these measures are already eligible for federal funding under the 1987 Surface Transportation Assistance Act. Now given this, is not the issue actually one of providing a sufficient level of funding for all transit operations and capital improvements from which projects related to the ADA and the clean air mandates can be funded rather than creating a new specialized funding program category or set aside.

Mr. ASHCRAFT. Chairman Anderson, I believe that the current level of funding just barely helps us meet the requirements that we have today and in my opinion the additional burden that the 1990 Clean Air Act, and I am going to say the Alternative Fuel Mandates and so forth, with—and also the ADA mandates of—making sure that those with disabilities have the same opportunities to ride transit as those today, creates an additional burden on transit systems.

Mr. MINETA. Mr. Jackson.

Mr. JACKSON. I am not sure if I understood completely your question Mr. Anderson. But my perspective is the reauthorization has adequate funds and it does not mean money at existing levels, we need more money to deal with the operating situation in the future. But if there is adequate funding in general in the bill, from my point of view we do not need to have specific earmarks for those programs. But if there is not additional, if there—as the administration proposes a continuing cutback in those funds then we have got a major problem to contend with since we have to balance our budgets. To me it is as simple as that.

Mr. ANDERSON. I think we should provide enough for the whole operation instead of setting up a new specific project——

Mr. MINETA. Mr. Chairman, would you yield on that point?

Mr. ANDERSON. Sure.

Mr. MINETA. The point of our problem is not that the authorizing level is high enough. It is a fact that we are not getting enough out of the Appropriations Committee even though our authorizing leg-

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islation has sufficient funds for capital improvement and for operating assistance. It is just that we are getting short changed.

Mr. PEGG. I would note, Mr. Chairman that these programs impose significant incremental costs over and above those that we experienced today. Certainly, the issue of a new program versus adequate funding is one which belongs in your hands. But there is a significant cost here at a time when these programs are experiencing cutbacks and it is that additional cost that we need to speak to you about.

Mr. MINETA. If the Chairman would yield, what kind of incremental costs does that impose upon you? Can you give me an example of something——

Mr. PEGG. Yes, sir, we are in the process of implementing a substantial fuels testing program. We would estimate the cost of reequipping the existing RTD fleet in a range from $48 million for clean diesel to $175 million for compressed natural gas. That does not provide for service expansion; that does not provide for any change in the basic character of our service.

Mr. MINETA. But in the absence of, let us say, our even having passed the Clean Air Act, is that something that the Southern California Air Management District, what is it down here—the South Coast Air Quality Management District would have imposed on you in any event? Reg 15, is it?

Mr. PEGG. The regulations in California are more stringent than in many places in the country and in the absence of a federal mandate, which the Air Quality Management District rules will implement, it is reasonable to believe that there would have been some separate rulemaking.

Mr. MINETA. Thank you.

Mr. Chairman?

Mr. ANDERSON. Mr. Ashcraft, in your testimony you mentioned the Southern California Air Quality Management Districts Regulation 15, which requires that employers develop and implement trip reduction plans. Does the city of Culver City, as a transit operator, get involved with private business in developing these plans?

Mr. ASHCRAFT. Yes, sir, we do.

Mr. ANDERSON. You do.

Mr. ASHCRAFT. We offer ourselves as a resource to the private employers in our community to help them develop their plans and also tell them how they can effectively implement their plans and I have a staff person that meets on a regular basis with several employers within Culver City.

Mr. ANDERSON. Is the Los Angeles County Transportation Commission involved and is the Metropolitan Planning organization, the Southern California Association of Governments, are they also involved like you are?

Mr. ASHCRAFT. To my knowledge, they are, sir.

Mr. ANDERSON. Thank you.

Mr. MINETA. As all of you know, the President in this Fiscal Year 1991 budget eliminated the Federal Operating Assistance to transit districts in metropolitan areas in excess of one million population. I would like to ask the members of the panel to comment as to how much their fares would have had to increase if that was

a necessity or how many riders might be lost as a result of such a fare increase.

Now this information may not be readily available to you at this point, but I would appreciate it if you could maybe submit that for the record. I would also like to find out from the three operating districts right now as to what percentage of their operating budget comes from the federal coffers.

Mr. Ashcraft.

Mr. ASHCRAFT. From my budget, approximately 10 percent of my operating budget is a federally allocated share. Thirty-eight percent comes from the fare box and local contributions, 26 percent from the state TDA Act and 26 percent from Prop A discretionary funds throughout the county.

[Subsequent to the hearing, the following was received from Mr. Ashcraft:]

CITY OF CULVER CITY
9770 CULVER BOULEVARD • P.O. BOX 507
CULVER CITY, CALIFORNIA 90230-0507

August 8, 1990

The Honorable Glenn M. Anderson
Chairman
Committee On Public Works And Transportation
2415 Rayburn House Office Building
Washington, DC 20515

RE: Testimony Before Subcommittee on Surface Transportation

Dear Chairman Anderson:

Chairman Norm Mineta asked how much fares would have to increase and how many riders might be lost as a result of such fare increase if federal operating assistance would be eliminated to metropolitan areas with a population in excess of one million.

Culver City Municipal Bus Lines would have to raise our base fare from 50 cents to 75 cents in order to make up for the loss of federal operating assistance funds. This would result in a loss of ridership of over one-half million passengers from a base of 3.8 million. This information should be inserted on Page 205, line 4669 of the transcript.

Again, I want to thank you and your colleagues on the Subcommittee for the opportunity to present my views and comments on this very important subject.

If I can provide any further information to you, please do not hesitate to contact me at any time. I can be reached at (213) 202-5712.

Sincerely,

CULVER CITY MUNICIPAL BUS LINES

David R. Ashcraft
Transportation Director

cc: The Honorable Norman Mineta
Editor, Committee on Public Works & Transportation

Mr. ASHCRAFT. I think Mr. Pegg may have some information on what the fare increase might be.

Mr. MINETA. Mr. Pegg.

Mr. PEGG. We see 7 percent of our budget coming from federal operating funding at this point, and estimate that if it were to be removed we would require a 25-cent fare increase in order to replace those funds. I would note that our base fare today is a $1.10 and therefore a 25-cent increase is about a 22 percent increase on the fare.

Typically, in replacing lost funds we find a disproportional effect on the fares from this kind of funding cut. We would estimate that if in the alternative we were to make service adjustments with regard to this item, we would probably lose in the neighborhood of 60 million rides per year on a base of about 440 million.

Mr. MINETA. Twenty million? I am sorry I——

Mr. PEGG. Sixty million rides would ultimately be displaced on a base of about 440 million.

Mr. MINETA. Mr. Jackson.

Mr. JACKSON. Chairman Mineta, our base fare would either have to go from about 60-cents today to over $1 to offset the federal loss, the federal funding is approximately 10 percent of our operating budget and if we did not offset that with the fare increase, as was the case with the SCRTD, we would experience significant ridership loss. I would estimate in the area of about 3 million rides would be lost in Long Beach on a base of about 22 million passengers served per year.

So as you can see from all three of us, although the percentage has been declining in recent years of federal funding, the elimination of federal funding would either cut the heart out of our operation or would cause us to raise fares to the point that it would make it very difficult for many people to be able to ride the service.

Mr. MINETA. Mr. Patsaouras, if I might ask as you know right now the federal gasoline tax is nine cents of which a penny goes to the mass transit account. You are asking us for—actually it is the Ways and Means Committee that is the tax writing committee, one that we like to refer to as the Ways to be Mean Committee, that you are asking for a seven cent increase of the federal gas tax for transit purposes. I am wondering to what extent, even if that kind of an increase were enacted what guarantees do we have that monies would be spent and not just left to be accumulated in the mass transit account of the Highway Trust Fund the demography of the White House.

Mr. MINETA. Mr. Packard.

Mr. PACKARD. No comment, Mr. Chairman, no questions.

Mr. MINETA. Any questions—Mr. Hastert.

Mr. HASTERT. I might just comment if I may. Mr. Pegg was back in my office in Washington just a few days ago and left a packet and we reviewed that and I appreciate that and think we understand basically——

Mr. MINETA. Mr. Hastert, while you are at the microphone, let me just go ahead and ask you another question. At the national level, there has been much discussion about increasing private sector development or private sector involvement in the funding of

the transportation infrastructure and I am wondering, I am especially interested to hear what Mr. Patsaouras has to say given the SCRTD's experience in this regard and the financing of LA metro rail, and I would like to hear what other panelists might have as suggestions as to what we might do to encourage private sector involvement in transportation funding.

Mr. PATSAOURAS. I am very proud to say that, as always, RTD is a leader and trendsetter in new ideas, innovative ideas. Within a month the RTD is going to complete negotiations for multi-million dollar joint development. We are negotiating seven sites along the metro rail to provide joint development opportunities not only for the construction but also for the operation of the system. So I am a strong believer that there has to be a public/private partnership and not only are the joint development opportunities but the key factor in the federal funding agreement with the Federal Government was the benefit assessment, be as it may is contested at this point, but again it was innovative method to provide financing for transit systems.

Mr. MINETA. The transit agencies here in Southern California have probably been in the forefront of any kind of technology dealing with the connection between clean air and transit and, Mr. Pegg, I would like to have you, if you would, comment on—you mentioned a little while ago about going to clean diesel. Now is that a technology that you have worked on with the manufacturers of the engines, is that something that you have done in-house? And also I would like to have you explain table C of the RTD testimony.

Mr. PEGG. Certainly. Clean diesel is currently augmented with a device called a particulate trap. There are at least three manufacturers currently in this country. The device is one which traps particulate matter from diesel exhaust on a ceramic filter or ceramic fabric filter and then burns it off with a secondary heating element.

As a result when you look at the operation of the exhaust system you cannot see emissions from a bus so equipped. We are currently working with at least two manufacturers testing their products. This has been, to date, successful. I think it is an important technology for the conversion of the fleet, particularly in the interim period, as the clean air regulations take more and more strong effect. You asked for——

Mr. MINETA. As I recall the Clean Air Act talks about alternative fuels for what—1997?

Mr. PEGG. Yes. The Clean Air Act has a phase-in which clean diesel solutions, in at least one version of the act, are allowed and then there are increasingly stringent controls leading up to alternate fuels in later years.

Mr. MINETA. From my conversations with Detroit Diesel Cummings and Caterpillar, they are not that sanguine about being able to make that 1997 date on—with alternative fuels. They are on clean diesel because that is where their research and development has been. So what do we do if the 1997 mandate comes along and there are no alternative fueled engines?

Mr. PEGG. Well I am proud to be able to say that the RTD has been a leader in this area. We do have a fleet of 30 methanol busses currently that we are testing. I have regularly stated that

this is new technology. It is technology that we have some difficulty in making operate but as we continue with our trials, we are getting improved performance from this demonstration. It certainly will require additional work than I see with the current diesel bus but we are proceeding with the trial and we are having many successes with it.

Mr. MINETA. Let me ask about methanol. In terms of its toxicity as a fuel. Is it not or is it ethanol I am getting it confused with?

Mr. PEGG. Methanol is clearly a substance which we take additional efforts to control the fueling system——

Mr. MINETA. Do you color it, what do you do, I mean—is it not colorless, is it not one in which flames are hard to see if it is on fire, is this not, you know, as I recall just a couple of weeks ago when the Detroit races were on, there was a methanol fire. The driver was on fire. There were people in the pit on fire. You could not see the flames and yet they were dousing each other with water and the driver was beating himself like this and I am just wondering whether or not this is really, you know, I mean these are highly trained technicians in the pit in the races there, working on that stuff. This is not a controlled environment in which these busses are going to be operating and I just really have some real concerns about this. But you have no safety fears about that——

Mr. PEGG. Yours is a very real concern, Mr. Chairman. We have done several things in order to control the safety of this substance. The fire fighting characteristics for instance of diesel fuel are such that it is often difficult to put out a diesel fire simply with water. It is very easy to spread the fuel, whereas with methanol we actually have the ability to dilute methanol in order to put out a fire.

However, we also take additional safety precautions. We equip our entire methanol fleet with a fire fighting system in the engine. We have on one occasion had the system trigger. It was very effective in putting out the fire. So all fuels are risky substances with regard to fire and the fire fighting characteristics of methanol are different than they are for diesel fuel. I do not believe it is exclusively true to represent methanol as being worse, I think it is extremely important that we work with local fire departments to train them in fire fighting characteristics.

Mr. MINETA. If you could turn to Table C and explain that to me.

Mr. PEGG. Basically, Table C makes a comparison of a standard diesel equipped bus such as we run today with a clean diesel vehicle with a particulate trap with a compressed natural gas vehicle and with methanol. You will note that accompanying the table are an extensive list of footnotes. The footnotes are necessary because the characteristics of this table will vary substantially from property to property. For instance, somebody in Chicago where there is freezing weather and inclement weather will put their fueling facility indoors and will experience different costs and different problems than we do here in southern California.

What the table shows is that, for instance with regard to fuel facilities, there is an incremental cost with regard to compressed natural gas of $2.5 million per facility. It requires extremely powerful compressors in order to fuel the bus in the time cycle that allows us to meet the fueling requirements for the entire fleet overnight.

Similarly there is a much smaller increment with regard to methanol; the increment here in southern California is only 15 percent. Moving on down the table to passenger loading, all of the advanced fuel technologies reduce the—we have translated it into a reduced carrying load for the bus but basically if you look at the last line, "bus weight," passenger loading for clean diesel would be three less than with the base diesel bus. This is because of the additional weight factors.

Moving on down the chart, fuel costs, there are incremental costs, from a base of 17 cents for diesel, 17 cents per mile. Increasing for a clean diesel and the most expensive is methanol with a 37-cents per mile cost in our trials.

Again, looking down to maintenance. Specific maintenance items, brakes and tires, we see increased costs significantly because of the greater weights of the vehicles with regard to brakes and tires, but we also see increased maintenance because the technology is new and it is experience that we have yet to gain.

The initial cost of the vehicle today, a lift equipped bus in southern California costs about $190,000. CNG, the most expensive technology would be about $245,000.

Then moving on down, durability, we see that each of these technologies would be expected to be less durable in its earlier years than diesel. Looking on the right hand side of the line you see the same data presented for converting the bus fleet. Conversion is an extremely important issue because it allows us to get the benefits of clean air technology quickly rather than waiting for the entire 12-year cycle of converting the existing bus fleet.

Mr. MINETA. Very well.

Mr. ANDERSON. Mr. Chairman.

Mr. MINETA. Chairman Anderson.

Mr. ANDERSON. Mr. Pegg, about a year ago, maybe a little more than that, the city of Los Angeles, had three I believe it was, methanol burning buses that they brought into their fleet and I was out when they did that and I have been told that those have been operating pretty good. Cheaper and safer and everything. Now what I get from you it is just the opposite of that.

Mr. PEGG. Well I would not want to say to you that they were operating exclusively better. Certainly the customer reaction on the street, the reaction of the patron driving the car to those methanol vehicles, it is highly positive.

Mr. ANDERSON. Can you recognize it, can you tell it?

Mr. PEGG. You can absolutely tell it if you are driving behind a methanol vehicle there is no visible exhaust, and there is no odor of fuel.

Mr. ANDERSON. That is good, I would think that would be good.

Mr. PEGG. That is absolutely the benefit.

Mr. ANDERSON. For clean air. I have not heard that there was any danger of them and I heard it was also fairly reasonable as far as the costs are concerned.

Mr. PEGG. Well, clearly the costs are higher. I wish I could say that methanol technology was as cost efficient as diesel. Today it is not. I would also have to note that today methanol is supplied to us largely as a chemical grade substance and as we manufacture it in quantity for fuel one would expect the cost to come down. So I

think there still is a great deal of knowledge to be gained here about what the costs and performance of these new fuels are.

Mr. MINETA. Any further questions?

[No response.]

If not I would like to thank Mr. Medak, Mr. Patsaouras, and Mr. Jackson, Mr. Pegg and Mr. Ashcraft for lending us their operating knowledge. Thank you very, very much.

At this time I would like to call forward Neil Peterson, Chair of the Strategic Planning Subcommittee of the Legislative Committee of the American Public Transit Association and the person who is the executive director right here of the Los Angeles County transportation commission. Mr. Peterson, if you would go ahead and proceed in your own fashion, sir.

TESTIMONY OF NEIL PETERSON, CHAIRMAN, STRATEGIC PLANNING SUBCOMMITTEE, LEGISLATIVE COMMITTEE, AMERICAN PUBLIC TRANSIT ASSOCIATION, LOS ANGELES, CA

Mr. PETERSON. Thank you very much, Mr. Chairman, Chairman Anderson, Chairman Mineta and Members of the committee. It is a pleasure to speak before you today and I will be speaking today in my role as the Chairman of the Strategic Planning Committee of the American Public Transit Association which is the association charged with looking at the same questions you will be facing in the months ahead, how should this reauthorization bill be structured for the future?

Chairman Mineta has said many times that there is a real opportunity here to chart a new direction and if you think about where we are as a nation, we have a Clean Air Act, with clean air goals, we have a Clean Water Act with clean water goals but we do not have a National Transportation Policy with National Transportation goals. And you, as a committee, have an opportunity to set that forward this year. We are the one country in the western industrialized world that does not have such a policy.

What are the national interests and what are the federal roles? To me I think it is worth taking a little bit of time to review what they are.

Number one, we may be moving from the cold war to something else, but what we are moving to is an economic war. And so our productivity and our ability to be able to compete is vitally important. And those of us that live in the Pacific Rim here perhaps feel it more keenly than other parts of the country, but in Los Angeles alone the time we spent in congestion as opposed to being in our work place and doing something productive, cost us over $507 million in productivity this past year.

I can assure you with many of the trips and business dealings we have had with Japan, for example, that they are vitally concerned about our ability to be mobile in the Los Angeles area because they realize that we are a major trading partner with them so our ability to compete in that world of economic environment is a key national interest.

Secondly, clean air. You have heard from the speakers earlier. At least half of our air pollution here in Los Angeles and around the country is from mobile sources. Obviously to the extent that we

can do something about and we are helping with that national objective.

Accessibility, we are very involved with the ADA act. Or ability to give to all Americans regardless of disability, the ability to move around and this will become even more important in the years ahead as the demographics or our population change.

Fourth, the reliance on foreign oil. I can remember very well the late seventies and the gas crisis, President Carter's energy independence proposal. Today we are importing more oil as a percentage of our total demand than we were during the years of the Carter administration.

And finally, mobility. We all talk about freedom of the automobile and freedom to move around. I would at least suggest to you that it is one thing being able to get in your automobile and get out on the road and it is another thing to be able to move once you get out on that road. And we are actually reaching a stage here in Los Angeles County where that freedom is being jeopardized and we need to deal with that issue in order to be able to allow people to continue to have that freedom of mobility.

How are we doing against these national goals? I think we are doing poorly, frankly. We are facing a crisis here in our area. We made a report the other day on the six most congested corridors in Los Angeles County. The Santa Monica Freeway going east, from the Santa Monica area through West LA, through downtown and out on the San Bernardino freeway out to Pomona. That is the most congested corridor in our area. It is the most heavily trafficked freeway in the country.

How do we identify our most congested corridors? That corridor and several others have an average speed of less than 35 miles an hours for more than six hours a day. Chairman Anderson is very interested in the Harbor Freeway. That freeway has an average speed of less than 35 miles an hour for over 11 hours a day. Our average speed today is going to drop in half to down to 17 miles per hour within the next 10 years unless something dramatic is done.

Another interesting way of evaluating how we are doing as a nation in meeting these goals is to look at mode splits. In this country, 3.4 percent of the people take something other than their own automobile to work. In Canada it is 15 percent of the people using public transportation in their daily lives. In Great Britain it is 19 percent and in Sweden it is 11 percent. We stand in stark contrast to the other industrialized countries of the world in terms of the number of people who can, in fact, take alternative modes of transportation so that we can all move around better.

What do we need to do about it? Your committee is faced with a process of dealing with a variety of different interests and I have some empathy for that because I have been in the same process as Chairman of this committee in dealing with the various groups and interested or associated with the APTA. Large properties, small properties, urban properties, rural properties, eastern versus the west, sunbelt versus old, remodeled versus new and expansion. These kinds of issues are present in our association and it is not easy to pull together a coalition that brings everybody together and moving forward. But there are some conclusions that do come forth

and I would like to just highlight a couple of these as I am diverting from my prepared text here.

Number one, and the single most important is that there is an obvious need to dramatically increase the investment—and I use the word "investment" purposely—the investment we are making in our transportation infrastructure.

You know the history of what has happened to the authorization and appropriation process over the last 10 years. We have gone from $4.6 billion a year in transit alone, not even counting highways down to today's appropriation of 3.1. Almost a 50 percent drop in real terms. And more than that in inflated terms over that decade.

We feel, when I say "we" I am talking about a survey we did of all the transit agencies in the country, that $6.5 billion would be required to maintain the existing infrastructure that we have in public transportation in this country whether it is bus or rail. In other words, what we are saying is that we need to double the amount of investment that we are making at the federal level in order to maintain the existing infrastructure.

In addition, we see a need, a dramatic need for expanding the role that we are playing in meeting these national goals. The president of the R&E board, Mr. Pat Sorse and others have highlighted the fact that in order to meet these goals locally here, we are going to have to dramatically expand the effort that we are making. So when an additional 4.5 billion is being recommended at the federal level for a total of $11 billion, or an additional seven cents on the gas tax just to meet the transit piece of the pie here, and I have not talked about the highway piece yet.

It was mentioned earlier by our Vice Chairman Mr. Grabinski that we have got a four legged partnership here. A four legged stool that is the funding partnership for making all this happen. And that includes the State, the Federal Government, local government and the private sector. And as you know, here in the State of California in the last few weeks, we re-upped our investment here in the State which was a significant step forward. We also need to have the Federal Government re-up its share of this funding partnership and although it is not a majority of the funding, it is a very, very important part of that partnership.

You have heard the testimony prior to my coming here that between 6 and 10 percent of all the operating funds come from the Federal Government. Nevertheless, it is an important 6 or 10 percent. And you have also heard testimony that of the capital program that we have here in the next decade in Los Angeles County, approximately 25 percent of the total capital costs are coming from the Federal Governments. Seventy-five percent from local and State. Nevertheless, without that we would not be able to do what we have got planned here in order to deal with the issues I outlined earlier.

The second point I would make is that there is a tremendous desire to make permanent and to have some regularity in the funding whatever level of funding is agreed upon. I know Chairman Mineta has expressed a lot of concerns on the issue of the gas tax and taking it off budget and I can assure that the association is

supportive of any effort that would give us some ability to count on funds coming in on a regular basis.

Third, we need to expand the scope and the definition of what is called "transit," to include shared rides, car pools. Anything other than a single occupancy vehicle because that is really the issue here, is trying to improve congestion and whether it is in a 40-foot bus, a rail car a van pool or a car pool, it does not really matter as long as it gets the job done. What we need to do is focus national policy on moving people, not on moving vehicles.

Fourth, the federal tax code needs to be revised. Jim Sims the president of the Commuter Computer will talk about that I am sure in more detail in a minute regarding the incentives and disincentives for transit passes versus parking by private employers.

I would just add sort of an answer to an earlier question I believe the Chairman made, that there are a lot of things that could be done to encourage more private sector involvement. For example right now, the tax code does not allow private sector to float tax exempt bonds for a public purpose project. I would suggest that there is a way to carefully define a public purpose project so we do not get into the problems that we had in the past with the industrial development bonds that still would serve the public good.

And finally, I would point out that the effort needed to do more research and development is obvious. Just to give you a point of comparison, the West German Government last year spent $12 billion in R&D in public transportation and all forms of transportation. In this country we spend $150 million of Federal funds. We are not even in the ball park in terms of taking on an issue such as going to the moon and investing monies in that type of a research effort to produce results over a period of time. We need to take the same approach here in dealing with our transportation problems.

Also the Federal Section 9 operating assistance is critical and needs to be continued so that those properties that—where additional assistance, particularly smaller properties can continue to serve the important role that they play in their local communities.

And finally, we need greater flexibility in the metropolitan areas so that we can make decisions and trade offs and what makes the most sense to the traveling public. The traveling public does not care whether on a federal or interstate highway, a State road, a county road or a city street; they want to be able to get to where they are going and get there when they want to go there and to be able to count on some regularity on how long it is going to take. Similarly with our public transportation systems, they do not really care whether they are on a RTD bus or Long Beach Transit bus, Dial-a-Ride or what have you, they want to be able to get to where they want to go.

It is that kind of flexibility that we need here at the local level in order to better utilize the scarce resources that we have got. Mr. Chairman, I think I will stop my remarks at that point and I appreciate the opportunity to present this to you and I will be glad to answer any questions you might have.

Mr. MINETA. Chairman Anderson.

Mr. ANDERSON. Thank you, Mr. Chairman. Mr. Peterson, the Southern California Association of Governments testified in our Washington hearings that in Southern California more than 95

percent of all trips made in that region are made in automobiles. And less than 3 percent by transit in any form. Now how can transit operators such as yourself, increase usage of transit when the private automobile continues to remain the mode of choice even in urban areas with extensive transit systems available?

Mr. PETERSON. That is a very good question. And you are right. That is the current mode split. I think what we need to do obviously in order to solve the problems of congestion have to improve that mode split from 3 percent to 6 or 9 or whatever it is in the particular local area. And I think there is something we can do about it. I think the answers depend frankly on the quality of the product provided as an alternative. You have to have quality alternatives so people at least have a choice.

So that is why it is so important that we introduce rail into Los Angeles here in the next fourteen days. The first rail in 25 years. And that that is a quality ride. On time, safe, graffitiless, and courteous drivers. Similarly, our bus operations, the quality of that bus ride, and all those same aspects needs to be dramatically improved so that we have a quality product to offer as an alternative.

Secondly, I think we need to dramatically expand the way we think about transit and not just limit it to bus and rail. But start thinking more aggressively about car pools and van pools and ride sharing and other types of shared rides types of alternatives. The numbers are dramatic, small shift. If one person takes somebody else to work with them once a week it reduces congestion by 10 percent on our roads today. A small shift in consumer behavior would dramatically affect our congestion.

And finally, I think, the rules of supply and demand affect our business as well as many others. The reality is there is a constrained supply of freeway lanes and other major arterial lanes in our area and with the exception of the completion of the Glenn Anderson freeway and a couple of other completions, there are not going to be any major new freeways in our area. So, supply is constrained and the question is how do the laws of supply and demand work. And I think people are going to be demanding some other alternatives and—such as HOV lanes in our freeways so that some people will get rewarded for sharing rides and be able to get there a lot quicker.

Similarly in the laws of supply and demand are the costs associated with driving an automobile and are those costs reflective of the true costs of society that that car and that choice of going alone—those kinds of issues. I think if you put all those together you have a chance of doing something about that 3 percent mode split and I think that is the mission that all need to be about and we need to state it as a national policy and we need to move forward on it in the next 10 years.

Mr. ANDERSON. The American Public Transit Association has recommended a near tripling of the federal mass transit program, how do you justify this type of an increase in light of the above mentioned statistics? Will an increase of this magnitude necessarily result in a greater percentage of trips made by transit?

Mr. PETERSON. Well again it is a good question. I think some of that increase, as I mentioned earlier, is necessary just to hold our own. I think we have learned a lesson in this country that unless

you continue to maintain the investment you are making you are going to actually fall backwards. And a good example here is in the State of California 20 years ago we were the number one state in the nation in terms of per capita investment in our transportation infrastructure. Over a 20 year period we fell to last, dead last until a few weeks ago when we voted to increase our gas tax again. But we allowed ourselves to stop that reinvestment to maintain that infrastructure.

So part of that money, as I indicated, approximately 6.5 billion of the request is to maintain our current position, if you will. And the same thing applies to highways. We know we need to maintain those roads in order to continue to perform its role. And then part of it I do think is, as I mentioned, 4.5 billion is to reflect a chance to do something about that mode split statistic. And I think there is something we can do about it if we all get together and have a goal in front of us and we all work real hard to do it.

Mr. ANDERSON. APTA has stated and I made a commitment to more than double United States transit ridership to a level comparable to the current per capita transit use in Canada. Why does Canada have such a higher level of usage. How does that APTA plan to see this goal realized in the United States?

Mr. PETERSON. I think the major difference here, and this is the major point I am trying to make, is that the other countries, Canada is a good example, have made a national policy statement on what they want to do with respect to the national transportation policy. The price of gas in Canada and Germany and France is approximately say $2 or $3 a gallon compared to $1 a gallon. That is not because the oil costs more to bring it over to those countries, it is because they have made a conscious policy that they want to encourage alternative modes of transportation in addition to the automobile and then the money that they gain from that additional tax they put back into funding those alternative modes. It is a conscious public policy decision. We have not been willing to do that.

The second major difference is that in respect to land use decisions, generally speaking Canada is a good example, other countries have been willing to make more—I guess the best way to say it is to have more influence over local land use decisions to insure that they are focusing development in ways that would complement a good public transportation system as opposed to disburse and make it more difficult to serve by a good public transportation system. I think those are the two most significant factors.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. MINETA. Mr. Peterson, have you had a chance to look at the Caltrans report?

Mr. PETERSON. No, Mr. Chairman, I have not.

Mr. MINETA. I would appreciate it if you would have maybe some opportunity since this has now come to us, Chairman Anderson and all the Members of our Public Works and Transportation Committee and Members of the Surface Transportation Subcommittee, and we are going to be looking at this and so I would appreciate your analysis of what they are saying. Especially on that portion that talks about transit coming to the state through the TSNS program as they envision it.

Mr. PETERSON. I would be glad to.

Mr. MINETA. In your third point on the concept of transit should be broadened to include high occupancy, shared ride services, is there a definition of that? As to what high occupancy is? Is it two, three, four?

Mr. PETERSON. Well, my definition is anything over one. As you know LA, Los Angeles has the lowest vehicle occupancy rate of any major metropolitan area in the world. One point one seven. So anything over that is an improvement. The answer depends upon the local area. In Seattle for example it is considered more than three people in a car. Here, if you drove on the HOV lanes this morning from San Diego it is two or more. So I think it varies and it needs to be ratcheted up as those lanes get filled, then you would increase in another level. But anything over one is a tremendous plus for us at this point.

Mr. MINETA. You say that that will bring down traffic by 10 percent vehicular? What was the 10 percent?

Mr. PETERSON. Well it is even more dramatic than that. If you take one person to work with you one day a week that would reduce congestion by about 10 percent in our area.

Mr. MINETA. You say reduce congestion by 10 percent, that is what?

Mr. PETERSON. It takes that many vehicles off the road.

Mr. MINETA. I see. In the APTA Transit 2000 proposal, it is recommended that there be a new metropolitan transit program. What size area is envisioned for that program in terms of program eligibility and how would the mix between eligible transit and highway funding be determined?

Mr. PETERSON. We are thinking probably, although we have not finalized our recommendations on this, that we would be using the standard metropolitan statistical areas. Another option would be the urbanized areas. In terms of how the mix would be done, I mean this is a key question and our thought is that we basically require at the local level that the transit interests and the highway interests get together and give each one of them a veto power. In other words, the local area can not send forward a program that the highway programs will veto and vice versa, the local area cannot send forward a transit program that the highway people veto. That there be a mutual veto at the local level to insure that cooperation and to insure that one part of the program is not, you know, overwhelming the other part.

Mr. MINETA. I would describe it as a double green light system but when you have a stalemate what do you do?

Mr. PETERSON. Well it seems to me that that is the problem with the local area. That they need to work that out. I think there would be enough incentive for the local area to work that out because funding would be attached to it.

Mr. MINETA. And do you have a recommendation as to what the federal share for such a program would be?

Mr. PETERSON. The biggest recommendation I have is that it should be the same for all the different components of the federal program. In other words, right now, our federal interstate is 90/10. Our transit—I am sorry, FAU is 85/15. Section 3 transit is 75/25. Section 9 is 80/20. It is all in the——

Mr. MINETA. Should we make that all 80/20 or some other——

Mr. PETERSON. Yes, sir. It should be the same for all programs. So that we can make good decisions at the local level based upon need as opposed to trying to attract federal funds for whatever purpose.

Mr. MINETA. APTA has urged that the definition of "transit" should be broadened to include high occupancy—oh, I already asked that I think.

What would you say is your most pressing problem given the fact that you are one of the largest urban transit operators in the country?

Mr. PETERSON. Well, I think the answer that most would give is adequate funds, but I think my answer would be the ability to provide a quality product. And in order to provide a quality product, you have got to have so many things work together to make it work. You have got to have express lanes that allow buses for example to move freely and not get caught in congestion that other cars are caught in. You have got to have a good human resource program so you have qualified people with the right attitude dealing with the customers. You have got to have adequate funds so that you can pay for all of that. So I think it is the ability to provide a quality product that is the number one issue.

Mr. MINETA. Mr. Packard.

Mr. PACKARD. Thank you. Your testimony is excellent, Mr. Peterson. Of course your background is actually in this whole field of mass transit and we appreciate your willingness to come. Secretary Skinner has proposed that those that apply for grants, if they can put up a greater amount than the minimum local share, that they would be given priority treatment and consideration for federal funds. There are perhaps other methods of incentivising the use of private and local funds which I think all of us will recognize. With a shortage of funds at all levels we are probably going to have to look at all of these types of techniques. What is your opinion and evaluation of those kinds of programs?

Mr. PETERSON. Well, speaking with my Los Angeles hat on for a minute obviously we tend to benefit from that because we have made a major effort in that regard. The specific Metro rail projects that we applied for federal funds were contributing 50 percent in local dollars; and if you look at our entire rail program, over 75 percent of it is funded locally. So we believe in a strong local commitment and we are prepared to do it.

On the other hand, with my national hat on and I have had a chance to talk to people throughout the country on this issue, who are not in favor of it because there are some areas of the country that do not have the luxury that we have. We have imposed a local option sales tax on ourselves. We have a state that has just upped its gas tax. And there are some communities in this country that just do not have the luxury of doing that and yet their needs are very real.

Mr. PACKARD. How would you propose then to balance that? It is unfair for California to continue to subsidize because of their willingness to vote a half cent sales tax locally. How would you balance that out then so that we are not continually being called upon

to subsidize those areas that simply either would not vote such a tax increase or they cannot simply afford to fund at the local level?

Mr. PETERSON. Well, I think one way of perhaps dealing with it is that as you know now, there are a lot of federal regulations and requirements that come with any federal dollars that come through. Secretary Skinner has also indicated that he would be willing to relax those dramatically. The higher the local contribution. So we would be very interested, for example in getting a tremendous relaxation in those standards and regulations and requirements in return for having put in a larger local share.

I will give you an example. The metro rail project we have underway right now. We are spending $100,000 an hour, as we sit here. To the extent that we can reduce time on that construction project by not having to go through a variety of different tests and what have you, we are going to be able to save significant dollars. And since we are contributing if not a majority, at least a half of the cost of that project, it is in our interest to do that. So there is a way that we could get some real benefit and at the same time allowing another section of the country that does not have the option that we have to still get some money for their project.

Mr. PACKARD. The California Transportation Commission earlier, as you may have heard, was recommending passthrough mass transit monies from the feds, rather than going directly to operators pass through the state and allocate it, I think, through that mechanism. What would that approach and attitude be on that?

Mr. PETERSON. Well, we would disagree with that. We think that the current system is working well. For a public transportation monies it comes to a local metropolitan area where the problems are and as a designated recipient and that is working.

In answer to Chairman Mineta's question earlier, I was suggesting a way of allowing the existing system to work better. Where highway monies could continue to come through the state level, the transit—the public transportation monies could continue to come locally, but at the local level they are resolved. In other words, the use of any funds at the local level must have a buy off by all parties. And then come back and show you how this is improving mobility and reducing congestion regardless of the way it comes in.

Mr. PACKARD. Does that require another agency that would combine the different modes of transportation agencies?

Mr. PETERSON. No, I do not believe so. I think it is a question of sitting across the table with the existing agencies and reaching an agreement.

Mr. PACKARD. Thank you, Mr. Peterson.

Mr. MINETA. Thank you. Mr. Hastert.

Mr. HASTERT. Thank you, Mr. Chairman. One of the things we have been talking about here is being able to legislate federally and yet not mandate excessive costs on the local governments, the transit agencies, etc. How do you feel about the Clean Air Act and the ADA, the Americans With Disability Act. Do you think you are going to be able to, if they become law this year, actually implement them without a great increase in cost to your system?

Mr. PETERSON. Number one, I think the transit industry is behind making both of those happen. Those are national goals and we are going to make them happen but number two, I think you

have heard from the testimony there is no question that it will not increase the cost of doing business. So unless we have some additional relief in whatever form, as the Chairman has indicated, and additional funding is earmarked, it means that something else is going to drop off, you know. So it does have a financial impact.

Mr. HASTERT. Or an increase in the fare box?

Mr. PETERSON. That is correct.

Mr. HASTERT. Which tends to depress ridership too.

Mr. PETERSON. Yes, it is absolutely counterproductive right now because, as you heard, here we have one of the highest fare structures in the nation. Now we have the highest fare box recovery of any major bus agency in the country. We are doing our job in that regard. What we do not need to do is increase that cost even higher to discourage more people coming over on these alternative modes that I was outlining earlier.

Mr. HASTERT. You said something that perked my interest a little while ago. You said that you actually recommended the integration of transportation investment and land use decisions and said maybe the Federal Government ought to get involved. Maybe I heard you wrong, but you said maybe that the Federal Government would want to play a role in that. Don't you think that is an infringement really on local issues, where you are going to put the next planned community, etc.? It is hard for us to be able to, at least from my point of view, deal with that because all of a sudden you are really trampling on local interest city planning, state, you know, county planning, etc.

Mr. PETERSON. Yes, sir. But I think there is an opportunity here to maintain the integrity of local government decision making on land use decisions and yet provide incentives from the Federal Government that tell—that say very clearly where we want to go as a national policy.

Mr. HASTERT. What kind of incentives?

Mr. PETERSON. Yes, I would do it through incentives. In other words, additional funds would be available if, as opposed to telling local government you may not do this. And I think essentially that is what happened here at the state level. It was mentioned earlier that the Propositions 108 and 111 have a provision in there which means that any new development that goes in in a given area now if it has an impact, a negative impact on congestion in the surrounding area, that they must fund the mitigation necessary to improve, to fix that or provide dollars to some other form of improvement that will help the area. Now that is not saying you can't put it there. But it is providing the real incentive to the local government and to private business to make sure that they are dealing with the problem funding.

Mr. HASTERT. And that is really what the state does that, not the Federal Government, now—your example?

Mr. PETERSON. Right, but viewed from the local level, that is just as bad.

Mr. HASTERT. I understand. I see your point. There is really a hurdle there when you start to set up federal policy and tell us to tell local government or county governments what to do.

One of the questions or concerns that I have, I guess, prompted Congressman Packard's statement is that California would be sub-

sidizing other areas of the country. I guess there are unique problems when you start to have huge metro areas. I am from a metro area myself and we have a higher gas tax than anybody else in the state and maybe anybody else in the country. And I guess we all feel that we are protecting our own turf but I think those efforts have to come in that type of a tax which is really a use tax and in a sense a concentrated effort that—let us try to find solutions to these problems, light rail and etc. Some of the things we have to do and I guess maybe one of the things this Congress has to do is look at those unique situations and to start to do some strategic planning there.

I have enjoyed your testimony. Thank you very much and thank you, Mr. Chairman.

Mr. MINETA. Thank you very much for your testimony here as well as for your leadership as a member of the legislative committee of APTA. I know that we will be working with you and APTA in the next 16, 117 months as we put together this very big piece of legislation that we will have to have in place by 1 October of this next year. So, again thank you very much for your leadership here in LA County as well as on the APTA legislative committee.

Mr. PETERSON. Thank you.

Mr. MINETA. At this time, out of necessity, the Chair will recess for five minutes.

[Recess.]

Mr. MINETA. If the subcommittee would please reconvene. At this time we will hear from the Director of Service Development for the North San Diego County Transit Development Board, Mr. Paul Price. Mr. Packard?

Mr. PACKARD. Thank you. I would like to simply make a comment as we introduce Mr. Price. I had the privilege of working with him as I served on the North San Diego County Transit Development Board for several years and had the opportunity to work with him at that time. That was before I was demoted to this position several years ago. But we are very pleased to have Mr. Price here to represent transit in San Diego County and we are looking forward to your testimony, Mr. Price. Thank you very much for being here.

Mr. MINETA. Mr. Price, you may proceed.

TESTIMONTY OF PAUL PRICE, DIRECTOR OF SERVICE DEVELOPMENT, NORTH SAN DIEGO COUNTY TRANSIT DEVELOPMENT BOARD, OCEANSIDE, CA

Mr. PRICE. Thank you, Chairman Mineta, and Chairman Anderson, Members of the subcommittee, I want to think you for allowing me the opportunity to testify today on behalf of public transportation in the San Diego County area. Let me take a few moments to underscore the degree to which the San Diego region and the state of California has acted to improve public transportation throughout the region of San Diego and California without significant federal involvement. In fact, the efforts made in San Diego County were made despite federal reductions over the past 10 years. Locally the San Diego County region has taken initiatives in a very rapidly growing area to look beyond our current funding

shortfall and growing transportation gridlock to not only plan but to begin implementing one of the best and most cost effective new public transportation networks in the nation. I need only point to the San Diego trolley as one of the prime examples of leading the way of rail transportation in the last few years.

Locally, at North San Diego County Transit Development Board in 1980 federal funding provided 20.8 percent of North County Transit District's operating costs for an estimated 7 million riders. In 1990 the federal operating revenue amounted to only 11.9 percent of the cost for 10 million riders. To show the degree to which the public and the voters believed that we are in a transportation crisis, the voters in San Diego County in November of 1987 voted to tax themselves at the rate of one-half of one percent toward the state transportation sales tax for transportation. These monies were divided up for transit highways and local streets and roads. Then again in June of 1990 the voters in the state of California passed Propositions 108, 111 and 116 which will double the gasoline tax in the state of California over the next five years to pay for significant rail transit and highway programs. Yet this massive infusion of state and local funding has been met with reductions at the federal level as can be seen in the Tables, in figures on pages two and three.

The city and/or county regions unmet public transportation needs of the next 20 years amount to over $1 billion. The state and local governments have developed a plan to meet a $4.9 billion requirement over the next 20 years in San Diego County.

The state and local plans provide $3.8 billion of this $4.9 billion requirement. We would hope that the Federal Government would find its way to meeting its 20 percent share for this region. If we are to meet the national objectives of the clean air, reduce congestion, and fuel conservation, all layers of government, including the Federal Government must be willing to implement their share of the costs.

The San Diego region calls for the development of over one hundred miles of rail transit, new projects as well as significant improvements to the bus network to achieve our clean air and congestion relief goals.

On another matter the San Diego County region has been involved with both politically and financially the Los Angeles to San Diego rail corridor, or let me say now the southwest corridor for Amtrak service between Los Angeles and San Diego. This short corridor is the second busiest intercity passenger rail corridor in the nation carrying some 1.65 million passengers annually. Yet, as can be seen, the amount of federal participation and the improvements to this corridor amount to something less than 13 percent of the improvements made to date.

Even this 13 percent, comes up to federal participation of approximately $16.5 million over the past 11 years. In contrast, direct federal appropriations and UMTA grants they have spent some $2 billion over the last 15 years in the so-called northeast corridor. Some federal recognition of our corridor is paramount to our goal achieving mobility to the citizens of this region.

To that end, the representatives of Los Angeles, Orange and San Diego County regional agencies have established a Los Angeles to

San Diego rail corridor agency called LosSan and have developed a 12-year capital improvement plan necessary to maintain and improve services in this important industry corridor.

As you may be aware, this particular intercity corridor is generating 111 percent of its operating costs out of the fare box. If we are to sustain this phenomenal achievement, infrastructure improvements must be made immediately. The LosSan agency has developed a 12-year capital improvement plan which totals some $323 million. Of that we would be looking to Amtrak and UMTA for some $70 to $100 million of this improvement costs.

In conclusion, while we are all aware of the budget shortfall at the federal level, the state and local governments should not be penalized for being pro-active in developing local and state funding sources. To withdraw or even reduce federal participation at this time would send a clear message to other federally funded projects that locally developed funding sources hasten federal participation withdrawal which would then lessen any local attempts to solve future problems.

Specifically to the issues at your meeting here today we would recommend that the federal—on the federal level that there be developed a dedicated funding source through some sort of functional trust fund. The annual trial and tribulation of current UMTA funding policy leaves local agencies very much behind the eight ball in trying to second guess in budget development what may be happening. A degree of regularity would go a long way for practical budgetary decisions.

Second, allow for block grant funding for transit to be used discretionarily within the region without matched requirements. Locally matched efforts should be based on overall regional efforts and not on the effort of a single project. This would allow the region to package funding sources without distributing on a very bureaucratic basis preciously short funding to a multitude of important projects.

Third, federal laws, rules, and policies have the significant operating cost impacts. The Federal Government bears some responsibility for funding of these cost impacts. For example, pursuant to federal policy and soon to be law, the district has spent over $2 million to lift equip entire fleet of buses. This fleet of wheelchair lifts has cost approximately $200,000 a year to maintain. Current ridership figures show that out of 35,000 daily riders, only 10 trips made use the federally required equipment.

Fourth, federal appropriations to intercity Amtrak corridors should be made on a dense high use corridors. Public transit is not just an intracity issue, but an intercity as well. Already Amtrack carries more passengers between San Diego and Los Angeles than all major airlines combined. A small capital investment into this important intercity corridor may be able to minimize or mitigate the need for even larger and more expensive regional airports.

Again, I want to thank you Chairman Mineta, Chairman Anderson, for this opportunity to speak to you today and I will be pleased to answer any questions you may have.

Mr. MINETA. Thank you, Mr. Price. Chairman Anderson?

Mr. ANDERSON. Thank you, Mr. Chairman. Mr. Price, I have a couple of questions related to your projected costs and revenue

through 2010. Now first you factor in a declining amount of federal assistance under Section 9 and the Federal Aid Urban Program, now what assumptions did you make in determining this declining amount?

Mr. PRICE. Chairman Anderson, what we did in determining our cost allocations is that we tried to be very conservative and assume a worst case scenario or a practical scenario. What has been happening over the last 10 years has been a, in fact, budget reduction or investment reduction by the Federal Government on the basis of Gramm-Rudman and what we have done is projected what that would be over the next several years and assume that that would be the case in the future.

Mr. ANDERSON. Well, why do your projections assume no amount of Section 3 capital funds and have you received any Section 3 funds?

Mr. PRICE. Our Section 3 funds have been very limited. As we I understand it, the San Diego Metropolitan Transit Development Board is now trying to get on line when the first major and significant Section 3 project which is the extension of a trolley from Old Town in San Diego to the Del Mar area and that will be a grand application ultimately in the range of $275 million.

Mr. ANDERSON. Now your projections show a shortfall of more than $1 billion over the next 20 years. Now assuming the Federal Government will not be able to make up all or most of that shortfall, what kinds of programs will you have to cut or alternatively what other sources of revenue will you have available?

Mr. PRICE. In the region in San Diego, we are undertaking a very ambitious program to bring development fees into the process of funding public transportation and highway improvements. We have established a committee through SanDag that has deduced how much new development will cost the region for all kinds of facilities. And one of those facilities is transit and highways and what we would hope to do is to develop a model ordinance that would be adopted by the rest of the agencies, rest of the cities, and the county as an impact fee and that impact fee will go towards assisting the reduction of this deficit.

Mr. ANDERSON. I notice you limit yourself specifically to north San Diego. I thought I would let you know something that over the years I have noticed recently the congressman from your area, he always seem to manage to get a little bit out of one of my programs down there around Oceanside.

Mr. PRICE. Mr. Chairman, I cannot let that pass without just responding that you are so capable in developing up—developing such a surplus of monies coming to your area that you can almost afford to give away a percent of it to some of the poor people down south.

Mr. ANDERSON. In order to get his vote probably.

That is all, Mr. Chairman.

Mr. MINETA. Mr. Price, one of your recommendations for changes in federal funding is for block grant funding within the region without matched requirements and I am wondering if you could sort of expand on how this would work?

Mr. PRICE. What we are looking at in our particular region is an overall planning scenario. We have developed a list of projects that

we would like to fund. The difficulty that we have is oftentimes UMTA policy is to look very narrowly at how much investment is being made in a particular corridor and a particular project and not overall within the region.

Currently, based on our 20-year projections, less than 5 percent of the funds will be provided on a federal level. And what we would like to do is to develop a regional necessity list as we have done here and show that regionally we are not asking for that much or very significant federal funds but we do not want to be stuck into a position of having to spread it over a lot of small projects in order to make it look like we are providing 75 percent of the funding locally to any one project but be able to show that overall within our region the funding split is very significant towards—weighted towards local and state involvement.

I would be I guess remiss if I did not point out that although Metropolitan Transit Development Board will be submitting a request for $275 million for the corridor from Del Mar to Old Town that is about 75 percent of that particular individual project cost. But given all the projects in the county, it is a very small amount.

Mr. MINETA. I am not sure how that would differ from how the grant kind of process works right now.

Mr. PRICE. Right now, on a grant type of process UMTA is beginning to pay more attention to local participation and how much local participation there is on any particular given project and if we try to lump the federal funds into one particular project, it looks very heavily weighted towards a federal participation level. But if you take a look at all of the regional projects, for example, at north county, we are funding a commuter rail line, a 43-mile commuter rail line and a 22-mile light rail line entirely with local funds and we are not showing that as a match to any other federal project. So that one individual project that MTTV is attempting to go for does not look very heavily weighted locally but regionally it is. What we would like to do is to have the block grant come to the region as a block of money as a federal participation in San Diego County's development and not be concerned about how much of a percentage of that goes to any one particular project.

Mr. MINETA. I would like to ask about the Amtrak service in the Los Angeles to San Diego area and whether or not what you are doing does not create a conflict of some nature that with the kinds of—as I understand—capital improvements that they need, for instance like signalization, does that diminish their ability to do that, given the competition so to speak that will come in from what you are envisioning here in the Los Angeles/San Diego corridor?

Mr. PRICE. I am not sure that I understand the question.

Mr. MINETA. Well, maybe I am misinterpreting what you are talking about in terms of the Los Angeles/San Diego corridor and the service to be provided there and what Amtrak is going to be doing.

Mr. PRICE. On the Los San Corridor agency there are members made up—it is membership is made up on the GAPA of members from LACTC, Orange County Transportation Commission, Caltrans, and one from our board and one from the Metropolitan Transit Development board. And we developed our capital improvement plans on the basis of something that was mutually acceptable

to all the agencies. In other words, the CIP was developed which would be beneficial, not only to commuter rail but to intercity rail projects as well. And how we fund these sources is a matter of some discussion right now. There is definitely a lack of federal or Amtrak involved in these particular corridors and what we are trying to do is to develop that particular funding scenario. It has not at this point in time.

Mr. MINETA. I guess I am a little confused. Are you providing any kind of capital improvement for Amtrak?

Mr. PRICE. Yes, we are. On a locally provided basis. Our—a share of our locally—local sales tax monies are providing capital investment improvements on that corridor.

Mr. MINETA. Okay, all right. That is what I did not understand then. Thank you, Mr. Price.

Mr. Packard?

Mr. PACKARD. Your entire fleet of buses are retrofitted and have been for some years, is that correct, with lift facilities?

Mr. PRICE. For two years. For the past two years yes.

Mr. PACKARD. So those districts and operators that do not have all of their fleet retrofitted under the Americans With Disabilities Act, where will those funds come from? From Section 3 monies or what kind of capital funds will those districts use to retrofit their fleet?

Mr. PRICE. Some of the areas—Section 9 can be available—made available. That does reduce the number of buses that they can purchase because there is a finite amount of monies identified for each particular region or Section 3 is very difficult to get. It is a very competitive market for Section 3 funds and its very difficult to get those funds. I think what most transit operators have attempted to do over the last several years is phase these in as the buses reach their——

Mr. PACKARD. Well, they have certain requirements under the ADA bill. How will they meet those requirements? Where will the funds come from.

Mr. PRICE. I think they have the opportunity to do one or two things. Use their Section 9 monies to retrofit existing buses thus reducing the number of new buses that they purchase and that essentially is defeating another purpose of the Clean Air Act because it keeps older dirtier buses on the streets longer. Or they try to generate some local funding source to help retrofit these buses. But it does begin to get expensive over a course of time.

Mr. PACKARD. The law does not require that old vehicles be retrofitted but they will—most districts will want to retrofit I have to assume. They simply will not want to maintain a fleet that is not retrofitted. The point of the question I am trying to get to is, will that siphon away funds, for those districts that have already got their fleet appropriately serviced and fit with those facilities will that siphon away funds from them? Will you find that other districts will be competing for those funds to build up their fleet to comply with the ADA bill, and thus make those funds more competitive and more difficult for you to get?

Mr. PRICE. Well I think in the San Diego County region under Section 9 it would not be a problem. We should be able to meet the federal requirements. Under discretionary funds there is preciously

short discretionary funds as you are well aware. And if the competition increases with that particular funding source it does take monies away from the important expansions that we are looking towards.

Mr. PACKARD. Essentially, you will not have any major problems or concerns in terms of funding to comply with the ADA bill?

Mr. PRICE. Not in terms of our buses. We do have some significant concerns in terms of rail vehicles.

Mr. PACKARD. Have you evaluated what the Clean Air Act will do in terms of your budgeting?

Mr. PRICE. We, under the various versions of the bill, if the clean diesel alternative is maintained that goes a long ways to satisfying and ameliorating our concerns. We have to take a look at our alternative fuels. We would have a significant concern because alternative fuels have not proven themselves as very effective. Methanol has proven to be very costly operating cost wise and has shown a great deal of wear on the engine. Typically on a diesel bus engine we can get 250,000 to 300,000 miles. A methanol bus has been running 50,000 maybe 80,000 miles, so you have a significant cost increase in the fuel and a significant cost increase in the maintenance of the vehicle and out-of-service time so you have to increase your fleet size accordingly. The clean diesel approach at this time is the most logical approach.

Mr. PACKARD. Is the North County Transit District doing any—do they have any portion of their fleet that is using any of the alternative fuels?

Mr. PRICE. At this time, we have completed contract agreements with San Diego Gas and Electric and we will have a compressed natural gas bus on the road by this fall non-federally funded. Completely locally funded. We do have a grant in with UMTA under Section 3 discretionary for the last several months for seven C & G buses to go along with that. We do not know the status of that at this time.

Mr. PACKARD. What is your biggest problem that you have to deal with in a small district?

Mr. PRICE. As a small district, our biggest problem is we like to keep consistency in fleet types and size and equipment. As you get to exotics it requires a whole new training of personnel, mechanics, a very large management team to try to manage these new skills and techniques and we have tried to run a very lean operation. In San Diego County, as you are aware we have been in the forefront of going out for competitive bid for services in our region whenever we have a new service that comes on the road. At North County Transit District we have been able to not have competitive bids with private operators because they frankly admit that they cannot beat our price. We run a very lean and a cost effective operation. I am concerned that this would change as it gets more difficult to maintain a consistent uniform fleet.

Mr. PACKARD. Thank you, Mr. Chairman.

Mr. MINETA. Mr. Hastert.

Mr. HASTERT. Mr. Price, thank you very, very much for sharing with us your operating experience. I appreciate it very, very much.

Mr. MINETA. At this time I would like to call on Mr. James D. Martens, Chairman of the California Highway Users Conference.

Your statement will be made a part of the record and if you would go ahead and introduce your colleagues and proceed at your own discretion.

TESTIMONY OF JAMES D. MARTENS, CHAIRMAN CALIFORNIA HIGHWAY USERS CONFERENCE, UPLAND, CA

Mr. MARTENS. Today I have with me G. Robert Lewis, the executive director of the California Highway Users Conference, to my left and to my right, Mr. Ronald Johnson who is a member of our executive committee.

Mr. Chairman, my name is James Martens. I am the Chairman of the California Highway Users Conference and we are very pleased to have the opportunity to testify here today before the committee. We realize that the timing was rather tight and critical but we did get through.

The California Highway Users Conference is a state coalition made up of 80 organizations dedicated to encouraging the full development of the highway transportation system in the public interest. We are affiliated with the Washington, D.C. based Highway Users Federation but remain autonomous from the national association.

The Highway Users Conference was very active here in California in the passage and in supporting Proposition 111 and 108 which you are well aware of today was approved by the voters last month.

This referendum calls for an increase in California's vehicle tax—excuse me—motor vehicle taxes along with truck weight fees. These increases though are only going to be able to meet about half of what California's problems are. We did prove one thing here in California: as a people we are willing to vote an increase in taxes if they are sure that the proposed intent is vital to their needs.

As I stated, it only covers one half of our problem. The other half is the states highway picture from the federal highway program. We will depend very much on the reauthorization of a timely federal legislation. Your committee's task in shaping this legislation is vital to the state and our entire nation's economy through the next century.

I will not go through every detail of the future program but if you would allow me I would like to cover some general concerns.

First, we would like to start by noting the support of a nine point program placed before your committee by the Highway Users Federation. Some of the specific points we want this legislation to cover include providing increased resources. We support the federation's proposal for a 4-year reauthorization bill with annual funding from federal aid highway and transit programs of $22.9 billion annually beginning next year.

In real dollar terms, the Federal Government is spending 25 percent less today than they did in 1983. Even though travel has increased some 27 percent. These reductions have allowed the surplus to build within the federal highway trust fund. Today the surplus stands in excess of $17 billion. Highway Users share the national concern over the federal budget deficit and are willing to share in a reasonable effort to bring the deficit under control. But any decision to artificially constrain highway spending to create a

deficit masking surplus in highway trust funds clearly has an undesirable impact on the domestic economy.

Chairman Anderson, we applaud your efforts in sponsoring House Resolution 481 which clearly indicated the opposition of the House of Representatives for using motor vehicle tax for deficit reduction.

Distributions of funds. The major strength of a federal program is that it has been based on equitable distribution system that insures in even smaller—where even smaller states were able to construct an adequate highway network. Our conference urges, however, that donee states such as California have their guaranteed return increased from our current 85 percent to 90 percent.

Decisions must be made closer to home. In the post- interstate construction era, federal highway dollars will be needed to maintain the system and to make the highway improvements in metro and rural areas that were either passed over, unanticipated, during the post-interstate era.

The Conference supports increased flexibility for states in using funds under many of the programs classifications. This flexibility is particularly important in program elements such as a $4 billion metro transportation category proposed as part of the Highway Users Federation plan. The bill should also insure that projects be funded upon a basis of priorities set at state and local levels consistent with clean air goals.

The transportation sector has a tremendous responsibility to minimize travel related pollution. Clean air and a sound transportation policy allowing sufficient mobility to grow as a nation are not mutually exclusive. In fact, we are mutually reinforcing. By reducing congestion and free traffic flow, highway improvements can significantly improve air quality.

Mass transit. We support increased spending on mass transit. In large urban areas, its use is part of the transportation solution. In fact, the Conference believes that metropolitan ares should be able to choose to spend some of the their Federal Highway Trust Fund dollars on either highways or mass transit. In addition the legislation should earmark 3 billion annually out of the general fund for mass transit.

Research and Development. Increasing highway capacity is only part of the solution to traffic congestion. Increasingly, we will need to learn how to gain the maximum efficiency out of our highways. We will have to augment traffic capacity through the use of new technologies which allow the road system to be used more efficiently and made safer for all drivers.

The Conference recommends a program which will fund a public and private development for various smart car/smart highway technologies.

Passage of the reauthorization. Hopefully, we have all learned from the six-month delay of the Federal Highway Program in 1986–87. The transportation community has worked since that time to form a consensus on key issues and assist the legislative process. We realize that the Congress has many other issues besides transportation to consider so we believe it is critical that the subcommittee prepares legislation in a timely fashion. The sooner the legislation reaches Congress, the greater chance we have of passage of an

excellent bill and avoiding delays in the program. We should not risk the delay of badly needed highway projects because of late approval of the bill.

Mr. Chairman, the Conference believes that we have won a major victory here in California on June 5th and agreed to pay for badly needed highway improvements but yet we have only won half the battle. If Californians are to enjoy the freedom of mobility well into the next century, we must have Congress approve a far-sighted rebate of the federal highway program. We do not underestimate the difficulty of your task that your committee faces. But the Conference puts confidence in your leadership and this committee's ability to craft excellent legislation and then to insure that it receives timely Congressional consideration.

Mr. Chairman, we appreciate the opportunity to review the Conference's proposal with you and would be pleased to answer any of questions that you may have.

Mr. MINETA. Thank you very much, Mr. Martens. Chairman Anderson.

Mr. ANDERSON. Thank you very much, Mr. Chairman. Mr. Martens, in your proposed federal highway and transit program of $22.9 billion, how much of that would be for highways and how much for transit?

Mr. MARTENS. I will defer to Mr. Lewis.

Mr. ANDERSON. Okay.

Mr. LEWIS. Chairman Anderson, specifically the $22.9 billion is broken into the nine functional point program that Mr. Martens referred to that was suggested by the National Highway Users Federation. Specifically, and I do this very briefly in the interest of time, it was about 4 billion placed into the interstate program. Secondly there was the national arterial which was about $3 billion. Third was about $4 billion on the urban system of which was mentioned in this presentation.

In addition to that, there was another two and one-half billion dollars for the county road system, another $2 to $2.5 billion for the bridge network and in addition to that some $945 million for highway safety programs. In addition to that, another 900 million for the scenic highway network that was recommended and then there was some $100 million set aside for the research and technical proposal.

The transit recommendations was for the $3 billion of general funding as was mentioned in the presentation and then any additional transit monies that metropolitan areas—major metropolitan areas in the country would deem necessary it would go for highways or transit. I believe that was mentioned.

Mr. ANDERSON. Well, 3 billion was transit and about—Mr. Lewis. That was from the general fund, Mr. Chairman.

Now how quickly would these funding levels spend down the balances in the highway and transit accounts of the highway trust fund? Cause both of them, I think, are above.

Mr. LEWIS. Chairman Anderson, that would be, if I am not mistaken, I believe it would be approximately four years to 1995.

Mr. ANDERSON. That would take you that long?

Mr. LEWIS. I believe it would, yes, sir. I believe it would take about four years until 1995. This would begin in 1991 until 1995.

The program itself would not require an additional increase in any federal modal fuel tax but actually it would be a draw-down of the existing excess revenue within the federal highway trust fund today. Right now it is $17.28 billion.

Mr. ANDERSON. Are you proposing that metropolitan areas should be able to use some of their highway trust fund dollars for mass transit? Are you referring here to funds out of the highway account of the trust fund? And how much of this highway money should be available for transit purposes?

Mr. LEWIS. Mr. Chairman, Members of the committee. The specific comments that were made with regard to that urban areas, that is correct. That those specific monies that were directed towards the urban metropolitan areas would be allowed to be used for transit as well as road projects has to be determined on a local level. Also within the presentation as it was written there are the feelings that the local area should have that opportunity to make the decisions as they are the closest to the problems within transportation in the respective counties and cities. And so in answer to your question, it is yes. A portion of that money going to metro areas could be used for transit.

Mr. ANDERSON. It does come out of the highway account, doesn't it?

Mr. LEWIS. That portion would be able to come out of the highway account.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. MINETA. Mr. Martens on page 2 of your testimony you say that the—you are supporting a four year authorization bill. Is there any reason as to why four years since our present bill is five years. I believe the Highway Users Federation, I believe Mr. Lamb is talking about a five year period at the national level, I am not sure.

Mr. MARTENS. Mr. Chairman, on the conference—the California Conference, I believe basically settled on a four year bill just basically looking in terms of history of the 1970 bill, the 1974 bill that we had, the 1978 legislation, most of them seemed to have gone for two or four years. I do not believe that the conference would oppose at all a five year bill. And if the committee and our Congress believes that this would be in the best interests, certainly we would agree.

Mr. MINETA. Mr. Martens, if you would review for us the details of your $4 billion a year metropolitan transportation category, especially how would these funds be distributed and how much flexibility would the local government have in determining the types of projects that could be funded? You talk about the bill should also insure that projects be funded upon the basis of priorities set at the state and local level.

Mr. MARTENS. Mr. Chairman, Members of the committee. You have several questions that I will try to answer them in order. With regards to that $4 billion specifically. The urban areas throughout the country in California as well as I am aware of other states as has been stated in testimony earlier, has voted sales tax increases or other fees in some metropolitan areas—there are actually motor fuel fees—upon themselves for either road or transit improvements. And in this particular case, the $4 billion would

be, would go to the metropolitan areas on a direct basis, for it is our feeling that they know the best as to where those monies would be spent. The $4 billion, and Mr. Chairman, I would almost have to ask you a question, with regards to California and the rest of the country, it is our assumption that this $4 billion would be on a national level. Certainly within California, the major metropolitan areas. There are 17 right now—counties that have passed this half-cent sales tax. And certainly they would recognize the needs in terms of roads and transit.

And it is our feeling that the request would be made to our National Department of Transportation and to the Congress for these specific monies with an X amount, depending on the metropolitan area—an X amount to be going for transit and an X amount for roads.

Mr. MINETA. All right. Mr. Hastert.

Mr. HASTERT. The reason I asked you about this is—and you clarified it or mentioned right now with the application going to the Department of Transportation or to the Congress and I was just wondering whether you were trying to get at—whether you were aiming at demonstration projects there?

Mr. MARTENS. No. No, sir. Not demonstration projects in any way whatsoever. I think it is the feeling, the California Highway Users Conference as well as the Highway Users Organizations throughout the country for many years have supported not only increased revenue and funding for needed streets, roads and improvements, but also have supported strongly such ride sharing and car pooling measures, as far back as the early 1970's. There were comments earlier that were made with regards to the Environmental Protection Agency and Mr. Ruckelshaus as we spoke during our break and even in that era of 1971, 1972 and 1973, the Highway Users throughout the country have supported ride sharing and car pooling and van pool programs, so we support these to a great extent for the metropolitan areas as well. Traffic demand management.

Mr. MINETA. Mr. Lewis and Mr. Johnson, thank you very, very much. At this time I would like to call on Thomas Conneely, President Association of California Insurance Companies and James Snyder, President of the Personal Insurance Federation of California.

TESTIMONY OF JAMES SNYDER, PRESIDENT, PERSONAL INSURANCE FEDERATION OF CALIFORNIA, WASHINGTON, DC

Mr. SNYDER. Chairman Anderson, Members of the subcommittee, my name is Jim Snyder. I am president of the Personal Insurance Federation of California and I am please to appear before you today in behalf of America's Coalition for Transit NOW. Tom Conneely unfortunately can not be with us today but I am happy to report to you that the testimony that I shall offer is fully supported and endorsed by Mr. Conneely and his association of California Insurance Companies. Together our two organizations represent eight of the top 10 companies writing automobile insurance in California and 65 percent of the personalized market.

As many have observed, Transit NOW is a very unusual array of interests. We have come together to support a major increase in federal funding for public transportation. The diversity of Transit NOW's membership demonstrates the breadth of benefits that expanded and improved transit systems and services offer for all Americans.

Too often, Americans think of transit as the other way people get around, if they think of it at all. But as each of us confronts increasing problems of mobility, congestion, dirty air and inefficient land use, declining productivity and growing reliance on imported oil, we must come to see that public transportation offers solutions to each of these problems.

I will touch briefly on each of these points and then more specifically address the benefits the transit offers to control the cost of insurance.

Everywhere, congestion is a major cause of declining economic productivity. Nationally—and I should point out a typo in the prepared text here, lest you think we are prone to hyperbole—nationally 2 billion hours are wasted each year while we sit in traffic. In the next 20 years, urban and suburban travel is projected to increase by 400 percent on the nation's freeways, and by 200 percent on other roads.

And as congestion diminishes our productivity, our economic competitors are making massive investments in their transportation infrastructure:

Spain is investing $22 billion to rebuild its national rail network.

West Germany is investing $12 billion to build an intercity high-speed rail network.

Scandinavian countries are building Scanlink at a cost of $6 billion to connect Scandinavian rail and road systems to the rest of Europe.

Switzerland is spending $8 billion to build trans-Alpine rail tunnels to Italy and an additional $5 billion on a new rail and bus network.

The British and French are building the Channel Tunnel at a cost of $12 billion to accommodate 80 mile per hour rail traffic.

The French high-speed rail network is being expanded to Lille and Calais tying France, and all of Europe, into a network which will include Brussels, Amsterdam, Cologne and London.

These figures are just for the emerging European Community. Japan's bullet trains are legend, and they, too, are being expanded and improved.

The United States is the world's leading debtor nation. A major contributor to our trade imbalance is the growth in oil imports. In January 1990, 54 percent of the nation's oil supply was imported. The impact on our balance of trade is substantial. The Department of Energy recently reported that in the first 11 months of 1989, the cost of imported energy, nearly all oil, represented 38.5 percent of the $102.4 billion trade deficit in those months. Transportation accounts for 65 percent of petroleum use. Reducing the use of oil products for transportation by increasing the use of shared ride modes of transportation will result in a decline in the demand for imported oil. For instance, 30 million to 40 million gallons of gasoline would be saved each day if average commuter vehicle occupan-

cy were increased from 1.1 passengers per vehicle to 2.1 passengers per vehicle.

Mr. Chairman we can not continue down this road.

Similarly, the quality of our air has declined in virtually every community. As a result, our environment and our health have suffered. It is well documented that the major source of air pollution is motor vehicles.

One third of carbon dioxide, the most significant cause of global warming, comes from transportation sources.

Transportation sources cause 40 to 60 percent of pollution that produces ozone. Ozone standards were violated regularly in more than 100 U.S. cities in recent years.

Transportation also accounts for 70 to 80 percent of carbon monoxide emissions, with those standards being exceeded in 44 metropolitan areas.

A consequence of this motor vehicle pollution is that 110 million Americans are breathing dirty air according to the Federal Environmental Protection Agency and the cost to our health is staggering, with over $40 billion spent on air pollution related illnesses each year. And the American Lung Association reports that auto pollution is a major factor of the deaths of 110,000 people annually.

Mr. Chairman, we can not continue down this road.

We all hope that the soon to be enacted Clean Air Act will improve our air quality. But even these efforts will not be enough. Integral to our nation's efforts to clean the air must be a renewed commitment to making public transit available to all Americans, to offering meaningful transit choices other than one person per car.

Economic competitiveness and air quality are not the only reasons America needs an improved public transportation system.

For 65 million transportation disadvantaged Americans, people with disabilities, old Americans and rural residents in particular, our under-funded transit system has meant less mobility and fewer opportunities to contribute to society and maintain their independence. Limited public transit also condemns many rural communities to slow economic death.

In recent years the high cost of auto insurance in some of our urban ares has become a major political issue. Nowhere is that more true than it has been in California during the past year. Where auto insurers are confronted with more claims and skyrocketing medical and legal and auto repair bills and that is compounded by an unprecedented consumer anger and frustration with the consequences of the increasing frequency of automobile accidents on the price of car insurance.

Urban areas often face the most severe problems, largely due to congestion, higher accident rates, and higher costs associated with those loses.

A recent study by the Insurance Services Office and the National Association of Independent Insurers, entitled "Factors Affecting Urban Auto Insurance Costs", found that bodily injury liability claims in Los Angeles occurred 2.4 times more frequently than in the State of California as a whole. Similar rates of frequency are being experienced in Philadelphia, Baltimore, Newark, Boston, Chicago, Cleveland, Miami and New York City.

Insurance statistics are very clear. Increased congestion leads to greater insured losses and higher auto insurance rates. However, the insurance industry is not satisfied to simply note this phenomenon and pass the cost on to consumers in the form of higher insurance rates. We are engaged in a variety of efforts to make our roads and cars safer, to reduce drunk driving and to lower the cost of repair.

Greater use of mass transit and improved mass transportation systems will lead to a reduction in congestion and ultimately to fewer accidents, injuries and fatalities. Insurers have a vested interest in these issues and will continue to work with organizations with similar goals such as those in Transit NOW. We are proud to join with business, labor and consumers in urging increased funding for mass transit.

We need more effective public transportation and greater education on public transportation services to reduce traffic injuries and deaths, for a cleaner environment, for the economy and for insurance consumers.

Mr. Chairman, recently the voters of California approved three ballot initiatives which authorized billions of dollars to be invested in new mass transit infrastructure. In recent years many other states have also invested in the improvement and expansion of the public transit systems and services. And now it is time for the Federal Government to follow the lead of the states and not only be a rhetorical partner but a fiscal partner in revitalizing our nations public transit systems. The members of the Transit NOW Coalition and the insurance organizations I represent urge you and your colleagues to lay the public policy ground work for transit into the 21st Century.

Mr. Chairman, thank you for the opportunity to appear before your committee and I will be happy to try and answer any questions you might have.

Mr. MINETA. Thank you, Mr. Snyder. Chairman Anderson?

Mr. ANDERSON. Thank you, Mr. Chairman. Mr. Snyder, no one will dispute the many positive effects that mass transit has on reducing congestion, improving air quality and reducing our reliance on imported oil. However, most Americans even in urban areas, continue to rely on the personal automobile for transportation. Now what are the Coalition's plans for succeeding in changing the basic attitudes of many Americans who resist personal use of mass transit?

Mr. SNYDER. Chairman Anderson, the members of the Coalition very clearly acknowledge and recognize the tendencies that you just cited and that is one of the reasons that we believe that education about the benefits and efficiencies of public transportation are also a vital component involved with providing those services. We think that people's habits can be changed as it becomes apparent that it is more cost effective, more convenient, safer, cleaner and cheaper to use public transportation.

Mr. ANDERSON. Without improved ridership in all transit modes across the country, how will increased federal funding for transit programs help to reduce congestion? Without improved ridership in all—in other words we have got to get them—without improved ridership in all transit modes across the country, how will in-

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creased federal funding for transit programs help to reduce congestion?

Mr. SNYDER. Chairman Anderson, very simply by making the quality of the services that are available sufficiently better to entice greater use of those facilities.

Mr. ANDERSON. Get them out of their cars into the transit?

Mr. SNYDER. Yes, sir.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. MINETA. Thank you. Mr. Snyder, my own background is fire and casualty, having had an insurance agency so I am very interested in terms of what your Coalition is pushing for. You state that increased congestion results in a higher percentage of bodily injury liability claims. And I am wondering, is this simply a result of more vehicles being on the road even though they are traveling at slower speeds?

Mr. SNYDER. More people driving more miles running into each other more often and unfortunately demonstrating a great proclivity for suing one another when they do.

Mr. MINETA. And have higher bodily injury claims occurred more frequently in urban areas in relation to HOV, Higher Occupancy Vehicles, as well as cars with one or two occupants?

Mr. SNYDER. Chairman Mineta, I am not sure with respect to the HOV vehicles. We do know that there is a striking difference in the frequency of bodily injury claims being made in urban areas compared with suburban or rural areas based upon the number of miles driven in the vehicles on the road.

Mr. MINETA. Mr. Hastert.

Well, Mr. Snyder, thank you very, very much for your presentation here today.

Mr. SNYDER. Thank you, Mr. Chairman.

Mr. MINETA. I would like to call on Ray Remy, the President of the Los Angeles area Chamber of Commerce.

TESTIMONY OF RAY REMY, PRESIDENT, LOS ANGELES CHAMBER OF COMMERCE, LOS ANGELES, CA, ACCOMPANIED BY ROB CURTIS

Mr. REMY. Thank you, Mr. Chairman, Chairman Anderson, Congressman Hastert. With me is Rob Curtis who is an associate of mine at the Chamber of Commerce and we are pleased to have an opportunity to appear before you. I will not read my testimony but merely cover a few points relative to the business community and its support for public transportation and investment in our streets and roads.

The business community, through the Los Angeles area Chamber and also statewide are strong supporters of Prop 108 and 111. They served as some of the principal people who pushed for those measures to be placed on the ballot and served as one of the principal spokepersons and principal people on the campaign to get them approved. We are pleased in Los Angeles that the Chamber of Commerce was the co-chair for that particular campaign in this county and we served as election night headquarters for the passage of those two measures. So I think the commitment for transportation has been very strong. We have also served as part of the Transpor-

tation Coalition which is a public private partnership here in this county bring together the private sector in, the public sector on matters of transportation and of course have had the opportunity of testifying before your committees during the course of the years in support of transportation measures.

We recognize, as speakers have said to you throughout the course of the day, that the various economic fabrics of southern California if not the state depends upon a good transportation infrastructure. If you cannot move goods and people in this region you will not have an economic base to support our systems of public and private service. We have a huge economy in southern California and we have a huge population that needs to be served and indeed if we are stuck in traffic as Neil Peterson commented about the declining road speed on our freeway systems and our city streets and county roads, our congestion problems, that that investment will begin to dry up and go elsewhere, and the population that is here will be left a most dismal economic future so the investments are absolutely essential. International trade and commerce is of vital importance to southern California and indeed that too is greatly assisted by having good goods movement and good people movement throughout this basin.

Air quality as been mentioned and you obviously need a sound transportation system to deal with the air quality issues. A source of interest as well as concern to the business community is to assure, however, that air quality be not the only driving force in development in transportation policy but rather that it be done jointly between air quality interests and transportation interests to complement each other without one having a dominate role over the other which has often been expressed as a concern.

We feel in California that we have risen to the challenge of Secretary Skinner when he asked that states step forward to put additional funds into their system, and as it has been commented by a number of people who testified today, not only do we have the local sales tax measures but we have the recently passed gas tax measure and we now feel it is time for the administration in Congress to fulfill their commitment to also put monies into our systems that will help us to move the people and the goods.

We have a series of recommendations which I have noted and we feel that there must be reauthorization of the gasoline tax. We feel that gasoline tax should be spent for transportation purposes and not for deficit reduction. We have supported Congressman Anderson's resolution to that affect saying that we need that as a user tax to move the people of this country.

We feel that the current planning process that is built on a local planning process through county commissions, through metropolitan planning agencies and to a state transportation improvement program is a sound one. We think that those sorts of systems work provided that there is adequate flexibility in being able to make choices in metropolitan areas on the investment of your transportation dollars.

We urge that the trust funds be spent down and that those funds which were legitimately raised for transportation purposes indeed should be spent for those purposes and not held for budget balancing purposes.

As has been consistent in the past, the Los Angeles Area Chamber of Commerce and Transportation Coalition and others, look forward to working with this committee and with the Public Works Committee generally in the support of a Surface Transportation Reauthorization Act in Congress next year and you can certainly count on our vigorous support from the private sector in pursuing that end.

I would be happy to answer any questions and apologize for not sticking strictly to the script but I hopefully covered a few points.

Mr. MINETA. Chairman Anderson.

Mr. ANDERSON. Thank you, Mr. Chairman. First welcoming you, Ray, I just to commend you for all your efforts both as Tom Bradley's deputy mayor and in recent years with the Los Angeles Chamber of Commerce and improving local transportation. So I just to say want to say, good.

Mr. REMY. Thank you, Congressman.

Mr. ANDERSON. Now my first question is, does the Los Angeles Chamber of Commerce support increasing the degree of private sector funding of highways through the increased use of tolls?

Mr. REMY. We have not taken a position on the toll legislation when it came through. It is a demonstration project in Orange County. I think historically we have not supported tolls and toll roads in California. We do and have supported joint development. We have supported a variety of increased fees, transportation linkage fees for congestion relief. We have supported Richard Katz's bill that dealt with congestion management and linking it back to development generally.

The concept of toll roads side by side with gas tax may be somewhat inconsistent and while we support it on bridges, we have not supported the Orange County effort.

Mr. ANDERSON. I had kind of an interesting situation on that where I believe there were five or six states that asked us to change the law so they could do tolls and they—and then I know the secretary of transportation said in addition to the five or six local states, he and then later she wanted to add one or two more so I think it was up to seven and we had a rather unusual situation in California where you know most of us years ago kind of said we do not want any of your tolls in California. Then of course the Federal Government had somewhat the same thing and there has been a change back because we are running out of money everywhere and the local areas need it to be able to—they just cannot all go out and put gasoline taxes on or whatever it is to raise it, so they wanted to put the tolls on so we had them—Orange County where they had come up and said they wanted that before we would even move then we got the signed statement of every member of the board of supervisors, then we got every Congressman. I think there was whatever, five or six Congressmen. They all had to see it to show that it was Orange County and then we passed it limiting it to just Orange County because they needed the money to be able to match as their share. And it was kind of an unusual thing but it is also going to be watched because I know in the case of Orange County they are using—it is going to be developing some areas that—they would not be developed unless they had the highways in

there. And so we have got to have the toll road to get them the access to get the highways in. It was kind of a difficult one.

Now similarly would you support the use of special assessment districts and related value capture mechanisms to fund the construction of transit capital improvements? In other words, do you have any suggestion as to how we might amend the federal current transit programs to increase the private financial role? And they need that somehow.

Mr. REMY. Well I think that the extent that legislation gives states the ability and flexibility to have creative ways for financing is appropriate. I am not sure that you want to prescribe at the federal level techniques that have to be adopted. I would leave that to the states for their judgment.

Mr. ANDERSON. That is what we did. We left that to them, yes.

Mr. REMY. And I think that is the appropriate area. Clearly on joint development, particularly joint development for capital construction facilities and stations to me is quite appropriate and we have supported that. We have supported historically the benefit assessment which was part of the metro rail funding package. As Dick Patsaouras commented, that particular measure has been tied up in terms of litigation. But benefit assessment is another form by which the private property owner can participate in the construction.

The transportation linkage fees which have become more and more prominent for developers in California are another method by which the private sector participates, although I think we have reached the point where we have used linkage fees to the point of abuse. And if we continue to have those many linkage fees and other sorts of assessments on the property for developers, we just drive up the price of the property so high a majority of our population cannot afford the housing and shelter. So I think it has to be done with some judicious judgments. And in California I think we passed that point in increasing the cost of residential construction beyond what we ought to have in our state.

Mr. MINETA. Thank you very much, Mr. Chairman. I have no further questions. Mr. Hastert.

Mr. HASTERT. I just want to thank you again, as the Chairman has, for the leadership that you have brought to transportation issues on behalf of the Los Angeles Chamber of Commerce and I just want to thank you very, very much for your efforts.

Mr. REMY. Well, thank you very much, Norm. We would not have had the progress if it had not been or you and Glenn and members of your committee. We would not have a metro rail, we would not have the support that we have had and indeed our thanks are in the other direction.

Mr. MINETA. Thanks, Mr. Remy. Mr. Curtis, thanks very, very much. Now I would like to call on Mr. Jim Sims the president of the Community Transportation Services, Inc.

TESTIMONY OF JIM SIMS, PRESIDENT OF COMMUTER TRANSPORTATION SERVICES, INC.

Mr. SIMS. Thank you very much, Mr. Chairman, Members of the committee. For those of you who may not know, Commuter Trans-

portation Services is the nation's oldest and largest commute management agency. We are non-profit. We were founded in 1974 in the midst of the energy crisis in order to help commuters find a better way to get back and forth to work.

I came here today with the objective in mind of making the case for Transportation Demand Management, or TDM, as an important part of the package along with capital improvements, along with Transportation Systems Management; the package which is necessary in order to solve our nation's transportation problems. Luckily for me, nearly every speaker who has preceded me has already made that case so I would just like to hit on a few high points of what I intended to say.

By Transportation Demand Management, I think we mean three things.

First of course is increasing vehicle occupancy. Getting more people into the car pools and van pools.

Secondly, of course increasing the use of public transit.

Thirdly by decreasing the need to commute by convincing businesses to go on four day work weeks, flex time, work at home programs, biking and also walking to work.

We think that TDM is very cost effective; our annual budget this year for example is about $6.5 million. For that amount of money we will place 45,000 people who were riding alone in their own car into car pools, van pools and public transit. Those 45,000 people for example will reduce the number of vehicle trips on the system by about 19 million over a year's time and would reduce VMT, the total Vehicle Miles Traveled, by over 150 million during the course of a year.

TDM also makes a major contribution toward improving the air quality. As noted the 45,000 people we placed in ride sharing resulted in a 15,000 ton per year reduction in air pollution at a cost of about $400 per ton. Just to give you some perspective, it costs industry in the south coast air quality district about $4,000 per ton to reduce pollution. So if you can reduce it by $400 a ton you are making a pretty good buy.

Also TDM, by avoiding trips and reducing the number of trips, will reduce wear and tear on the system and really it is focused toward making better use of our existing system rather than adding new portions to it.

We have three recommendations. The first one is that we believe that the Surface Transportation Act should explicitly recognize TDM as part of the package which is the main point I want to make. In addition to capacity improvements and TSM.

Secondly, we think that highway funds and transit funds should be made available for Demand Management Programs on the same basis as other programs, especially in terms of the match. Neil Peterson was speaking earlier and he noted that if the matching basis is the same, that leave local officials the option to pick what is best and what works rather than which is the best deal in terms of getting the most federal bucks.

And lastly I think we would recommend to you in terms of a recommendation that the package include some research dollars for the area of TDM or Transportation Demand Management. We spend a lot of money on research, on thickness of pavements and

on transit. I think we need to look at Transportation Demand Management and try to get some answers to some of the tough questions about how much does it cost, how much difference will it really make. We believe it makes a big difference but I think our case will be strengthened if we had the ability to perform appropriate research and get those answers.

And lastly, not in my prepared remarks but something which I think we should touch on is that no transportation strategy is going to be complete unless we address tax equity issues. As all of you already know—some of you are cosponsors on the Congressman Matsui's bill—that we have, for example, in some cases employees in Los Angeles who receive up to $200 a month subsidy tax free for parking because they receive free parking. At the same time, the most that an employer can offer to an individual in terms of a transit subsidy is $15 without it being taxed. Above that the whole amount is taxed.

And I might point out also, that there is no provision at all for a tax free subsidy for ride sharing and for car pools and van pools which are another method of reducing trips on the system. Historically, the Highway Act, the Surface Transportation Act, has sort of given our nation a vision of what the transportation system and the transportation future ought to be and we hope and trust that this next act will do the same. We think the time has come for Transportation Demand Management to be a part of that package.

I would be happy to answer any questions you may have.

Mr. MINETA. Thank you, Mr. Sims. Chairman Anderson.

Mr. ANDERSON. Thank you, Mr. Chairman. Jim during your years with the LACTC you did such a great job and you worked so closely with us that I know you will be doing a terrific job for the Commuter CTC, so again I just want to congratulate you on what you did in the past.

Now my first question as you specifically request that Federal Surface Transportation Assistance Act be amended to set aside some amount of funds for research to evaluate transportation demand, management strategies as far as their effectiveness and to adapt them to different local needs. Now how much funding do you believe is needed annually on a national basis and will those research dollars be best met on in-house studies? Or outside contracts with public and private entities? Or some combination of the two.

Mr. SIMS. I think some combination of the two. First, your first question was how much money. I do not think we are talking about a lot of dollars here. I think we are talking about certainly less than $5 million nationwide would be adequate to fund a generous program in research and development. I do not think that this should all be done in-house with the DOT or with other federal agencies. I believe that you need to bring in the expertise of other people on the outside. I think you have to recognize also we are bringing a different partner to the table when we talk about transportation demand management. We are talking about bringing employers to the table as part of this program so I think that you need to include employers and employer representatives, perhaps Chambers of Commerce, or employee groups as a funding partner on a matching basis with this research and development program.

Certainly you need to bring in these agencies and these companies to help you fashion the right program.

Mr. ANDERSON. You speak to the need of making federal highway funds available for Demand Management programs. It is my understanding that federal funds can already be used for quite a few of the Transportation Demand Management strategies which you name in your testimony including HOV lanes, park and ride lots and organizing van pools. Would you please spell out for us precisely which TDM activities are not currently eligible for federal aid highway assistance and which ones you think should be made eligible for funding in our new legislation?

Mr. SIMS. Well specifically, let me use an example. We have an area of north Los Angeles County which you are familiar with, the Palmdale, Lancaster, Santa Clarita area, served by only one major highway. That major highway certainly needs to be improved and the cost of improving that highway is going to be tremendous but we think that as part of the package, we should include, for example, van pool subsidies as part of the package of providing the transportation in that corridor. Now van pool subsidies are now eligible for highway funding specifically related to a construction project, but we think a more general application of van pool subsidies for example where it can be proved, where it can be shown that it is a cost effective way of dealing with a specific transportation problem. We think for example van pools and either capital costs or some other subsidy related to van pools should be a part of the program.

Mr. MINETA. Just out of curiosity, Mr. Sims, on page one of your testimony with you are talking about the three ways to deal with TDM by increasing vehicle occupancy by increasing use of public transit, and by decreasing the need to commute, in that laundry list of things that are—you do not include zoning or land use. Is that something that CTS gets involved in in anyway?

Mr. SIMS. No, not directly, we are not involved in the land use zoning issues except to the extent that we work with developers as they are planning new developments and work with the cities as they develop and grow to try to help them design their developments such that they are transit friendly, if you will, or ride share friendly. But we are not directly involved in land use issues.

Mr. MINETA. I wonder if the old traditional ways of commercial over here, residential over here and industrial over here, if that is not really contributing to and perpetuating this whole need for the kind of long commutes that we have and whether or not we ought not to be getting into the old mixed used use where you had your store downstairs and you lived upstairs.

Mr. SIMS. I think you are right. Prior to working with the LACTC, I was with the Southern California Association of Governments, SCAG, and one of the policies we developed while I was there, one of the concepts, was job housing balance. Trying to get a better balance so that people did not have to drive so far—get in the car, for example, to go buy a loaf of bread. That those kinds of uses were mixed and closer together. I think there is a lot that needs to be done in that area but I would have to say that I believe that the local areas should work out these kinds of transportation housing issues.

In Prop 111 which you are familiar with, it requires localities to develop a congestion management plan and that congestion management plan specifically requires that air quality, land use, and transportation issues be linked into the development or else in the case of Prop 111 cities can forego their gas tax funds.

Mr. MINETA. Mr. Hastert.

Mr. HASTERT. Thank you, Mr. Chairman. You note in your statement that suburb to suburb commuting makes up a major portion of commuter vehicle miles traveled and that Demand Management Strategy can more effectively or efficiently serve these commuters needs. Would you please detail for us the kinds of transportation Demand Management programs CTS is using or would use to reduce the VMT and congestion for intersuburb commuting?

Mr. SIMS. We have in this county and the other counties we serve, several major developments where we will go in and we will survey all employees that work there. We produce then what is called a density map—and I am giving this a mechanical approach—a density map which identifies where each of these employees lives in the whole southern California region.

What we find, is we look for clusters and we look for the routes which these people carry and many times you have a cluster of only two or three or half a dozen people. Okay, with a small cluster, say located five to seven miles away, you could put together a car pool. With a larger cluster located maybe 10, 12 miles away, you could put together van pools.

What I am saying, it is easier in many cases to put together a car pool or a van pool program for these various clusters because they are so small than it is to put together say a fixed route transit system.

Mr. HASTERT. While I am picking your brain——

Mr. SIMS. Maybe I missed your question?

Mr. HASTERT. No, no, it is fine. A little bit here—we have a unique situation from the metro area that I represent, probably different from here. You have always had pockets of where people live and where people work, but we see more and more large entities, such as Sears and Roebuck moving out of the Loop in Chicago and into the suburbs and how do you move the people around. We have our commuter lines that run from suburbs into the city and so it is interesting to see how you start to develop those plans because I think we will probably be doing the very same thing very soon.

Let me ask you a question. How do you finance your ability to do that? You are a non-profit organization.

Mr. SIMS. We are non-profit. We are principally publicly funded. Our funds come through Caltrans, through the four counties that we serve and some private contributions. Primarily, we are publicly funded.

Mr. HASTERT. All right. Thank you. Thank you, Mr. Chairman.

Mr. MINETA. Thank you very, very much, Mr. Sims for sharing with us CTS's experience. I appreciate it very much. At this time I would like to call on Jerald G. Geismar, Vice-president, General Manager, TRW General Services Division and Chairman of the Board of the El Segundo Employers Association.

TESTIMONY OF JERALD G. GEISMAR, VICE PRESIDENT, GENERAL MANAGER, TRW GENERAL SERVICES DIVISION, AND CHAIRMAN OF THE BOARD OF THE EL SEGUNDO EMPLOYERS ASSOCIATION, EL SEGUNDO, CA

Mr. GEISMAR. Good afternoon, Mr. Chairman and Members of the committee. You already introduced me so I do not have to reintroduce myself. The El Segundo Employers Association, ESEA, is a privately funded non-profit coalition of aerospace and defense contractors and other major employers and commercial property owners.

ESEA members, who employ more than 75,000 people in the south bay area of Los Angeles County alone, include, among others, TRW, Hughes, Rockwell, Northrop, Xerox, Computer Sciences, and Chevron U.S.A. Since its founding in 1981, ESEA's sole mission has been to help improve the transportation system and to reduce traffic congestion in our area. As such, we are vitally interested in the future of the federal highway and mass transit programs, and welcome this opportunity to share our views in regard to what we consider to be one of our most important issues: good intermodal access, especially as it relates to ports of national and regional significance.

First, however, I would like to spend just a few moments telling you about ESEA's approach to our surface transportation problems.

We were perhaps the first transportation management association in California, if not in the United States. Almost a decade ago, we were founded. ESEA members began to develop and implement demand management strategies such as van pooling, car pooling, employer subsidized public transit and alternative work schedules. Long before the term public/private partnership became commonplace, we recognized that the private sector has the ability, the opportunity and indeed the responsibility to help address our transportation problems.

Today, ESEA members are continuing and increasing these efforts to help achieve critical mobility and air quality objectives for our area. At the same time, ESEA believes that demand management strategies cannot do the job alone. Public investment and transportation infrastructure at all levels of government must be in line with the needs of today and tomorrow.

This constitutes the other part of our overall approach: advocating capacity enhancements on a selective basis to reduce congestion and enhance the south bay as place to work, live and do business. ESEA continues to advocate a multimodal approach. Ride sharing, HOV lanes, rail transit, intersection improvements, and arterial widenings are all integral to our philosophy and strategy.

I have with me copies of ESEA brochure which summarizes our approach and accomplishments which I will make available to you.

We have long recognized that a good transportation system is critical if American business is to meet the challenges of the global market place. One issue which we think deserves special attention is the need to insure good intermodal access to airports and seaports. When trips involve transfers from one form of transportation to another, good connections between modes are essential. There is

an important and legitimate role for the Federal Government to play with regards to this issue, since intermodal access projects tend to be complex, costly, and beyond the financial resources which are normally available to state and local jurisdictions.

Here locally, for example, the new interstate I-105 Anderson freeway will be completed in three or four years, and will terminate just south of the Los Angeles International airport. The key link between the freeway and the airport is a tunnel on a local arterial. Studies have shown that this link will be massively overloaded once the freeway is in operation.

ESEA believes this is an excellent example of where the Federal Government can and should play an important role. The cost of expanding the tunnel is simply beyond the reach of State and local government even with the passage of Proposition 111.

It should also be remembered that LAX is in the middle of one of the most highly developed and growing corridors in Los Angeles County. Good surface access is important, not only to the over 40 million annual passengers who use LAX and for the billion of dollars worth of freight which are imported and exported there every year, but also for the hundreds and thousands of daily commuters in the area who must use the same congested corridor to get to work.

The irony is that completion of a portion of the federal interstate system will make access to LAX worse, not better, and will negatively impact area commuters as well. While the particulars may differ, my impression from traveling throughout the United States is that this is hardly a unique example but rather one which is typical of an entire genre.

As we move into the post-interstate area, ESEA recognizes that roles and responsibilities of all levels of government and the private sector in regard to transportation may be changing. We also recognize that budgetary considerations play a role as well. We believe, however, that it is appropriate for Congress and the administration to take the lead when national interests are clearly at stake, when the need—in this case good intermodal connections—is nationwide in scope, when the solution is beyond the financial capacity of local and state governments, and when other federal programs or projects have significant or unintended adverse impacts.

Thank you very much for your time and attention. I would be happy to answer any questions you may have.

Mr. MINETA. Chairman Anderson.

Mr. ANDERSON. Thank you, Mr. Chairman. Yes, Mr. Geismar, I have a couple of questions relating to your concern about the connection between the I-105 and LAX. Now surely completion of the freeway will improve access in the transportation corridor. Can you explain how you think that that access to the airport will be worse and what is the cost of the tunnel expansion that you were seeking? That is my first question.

Mr. GEISMAR. Okay, I guess the reason for the access to the airport being worse is that the tunnel which is a limited single access from the off ramps from the new freeway will be flooded, not only with the traffic coming from the local area as normally, but with the additional traffic that is essentially dumped down right at that

point and if it is heading to the airport, it is mixing in with a very heavy traffic flow that exists there already.

Secondly, the second part of your question in terms of the cost, I think you are well aware that we are undergoing a preliminary engineering and environmental clearance study right now. You helped obtain funds for that for us. $3 million matches 2.4 federal and 600,000 local match to try and come up with a better estimate and a better understanding of what the cost will be. If I were to hazard a guess it could run as high as $75 to $100 million. It is a very complex—would be a very complex project.

Mr. ANDERSON. It is a tough one for me. Back when we first built the airport—they were going to the present tunneling that is now currently—they were going to have just a one lane tunnel. And I was in assembly at that time and Assemblyman Vince Thomas who was from—as a matter of fact he was an assemblyman of where I live now, he and I joined together and we fought the program to try to get the additional lanes that are there today and of course, you are absolutely right, even today the tunnel as wide as it is and it is two to three times what it would have been. It is still is congested at certain times and I would hope that they have thought about—I think there are other ways to get into LAX area from—two or three different ways of getting in and I hoped that they—that it was not going to be that bad but I will—when I leave here I am going to check on your figures a little bit to make sure that maybe there is something we can do.

I could not agree more on your view that intermodal access to airports and ports is essential to our position in the global economy. In your view though, what projects in southern California are most needed in that regard?

Mr. GEISMAR. I guess I am really not qualified to speak beyond the particular area that I am familiar in. The association that I am chairman of and very actively involved in involves the area south of the airport. El Segundo and the employment areas surrounding that. This is the major concern of our organization and of our employers.

Mr. ANDERSON. The last time your organization contacted, which was a couple two or three weeks ago, it was to access from LAX to the port area and you were at that time worried about crossing at Rosecrans and Artesia, I think.

Mr. GEISMAR. Well we have Rosecrans in Aviation.

Mr. ANDERSON. It was Rosecrans and Aviation, yes.

Mr. GEISMAR. That is not directly access to the airport but it certainly——

Mr. ANDERSON. It was access to the ports and to the airport from going that way, yes.

Mr. GEISMAR. Yeah, I had not considered that in the same light, but you are absolutely right.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. MINETA. I am very pleased to see your executive director here as well. One of the top people, Don Camph. Don, it is good to have you here and see you here. Let me ask—in terms of the people who are within your employers association, have you ever figured out, oh let us say the vehicle miles traveled in terms of

where they live, where they are going to, what that total VMT might be just of the people within your association.

Mr. GEISMAR. Don might.

Mr. MINETA. Or—okay then, let me go to the next step. To what extent have the kinds of things that you have done in terms of arranging car pools, van pooling other kinds of programs reduced the number of trips and eliminated or reduced that vehicle miles traveled?

Mr. GEISMAR. Well we have varied records with successes with some of the companies. My particular company has only been active in promoting ride-sharing and van pooling for the past two years. And my organization happens to be responsible for that and it is a very difficult subject to tackle. It has been mentioned here earlier that to create a change in the habits of the driving public is very difficult. We are working on that by providing incentives. We saw in the last year some small amounts of improvement in the average vehicle ridership and we continuing by increasing the incentives offered by the employers to try and encourage that shift plus a lot of PR. Some other companies in the area, Northrop, and Aerospace Corporation have been at it much longer and have been quite successful. And, in fact, they have riderships that are up in the range of one and one-half, which is the AQMD target. So the successes vary amongst the companies, but now I can tell you that all of the companies are very active in it. Of course, Rule 15 of the AQMD has forced us to be, but we are all taking that very seriously and working very hard at it.

Mr. MINETA. You say that of the companies who are participating in ESEA that there is a total of 75,000 employees, how many are participating in some form of ride sharing, car pooling, any idea there again?

Mr. GEISMAR. I do not have those statistics.

Mr. MINETA. Okay, that is fine——

Mr. GEISMAR. I can tell you that in my own company of about 16,000 employees in the area, we have something in the order of 2000 to 2500 participating in some form of car pooling, van pooling, bike riding, walking to work, bus riding.

Mr. MINETA. Where do you think—what is it further that we could be doing from a federal prospective in terms of the reauthorization of this highway mass transit bill that would help your members cut down the use of their car, in a congested urban area like this?

Mr. GEISMAR. I think you have heard some of the suggestions before. HOV lanes, are very important. Tax benefits to help participants in van pools or to help the financing of van pools. Things of that nature.

Mr. MINETA. Mr. Hastert.

Mr. HASTERT. One of the things that has been talked about and maybe something in your realm, is telecommuting, otherwise a work station at home. Certainly in this realm of the next decade that could be a very possible thing, even today it could be a possible thing. Is that something your company would encourage to decrease congestion and work related trips?

Mr. GEISMAR. We have appropriate, yes, except we face a very difficult situation and I do not think you want to get into it, but it

has to do with being in the government business, doing work for the Federal Government. The rules about keeping track of your time and how you charge your time to government business are very rigorous and strict and it requires some changes and some relaxation in those rules to make it more feasible in terms of legitimate ways for us to do our government business. But we certainly in selected areas would be able to take advantage of that.

Mr. HASTERT. So you are saying that because of government bureaucracy or government rules and regs we make it almost impossible for you to be cost-effective?

Mr. GEISMAR. It is very difficult. The rules are you are supposed to be at work, if you are charging to the government. How does someone know how many hours you are working when you are at home, etc, etc, etc,. It is tough to audit and so that presents a problem.

Mr. HASTERT. Realistically, is there a problem for business to really supervise its people in that telecommunicating situation?

Mr. GEISMAR. I do not think that is the problem. I know companies who are not subject to those rules are working on that more so than we are.

Mr. HASTERT. Again, thank you very much. Thank you, Mr. Chairman.

Mr. MINETA. Mr. Geismar, let me thank you very much for your testimony and also to thank you for being so generous in allowing Mr. Camph being able to be with the Department of Transportation in his very important role as advisor to the secretary as we put together this new bill so we appreciate very much the time that you have allowed him to leave ESEA to do his work in DC. Thank you very much.

Now I would like to call on Donald R. Prescott, Plant Superintendent Facility Operations McDonald Douglas Corporation and Chairman of the Board of the Long Beach Airport Area Traffic Reduction Association. That title is longer than the testimony. Mr. Prescott, your testimony will be made a part of the record and if you go ahead and proceed in your own fashion.

TESTIMONY OF DONALD R. PRESCOTT, PLANT SUPERINTENDENT, FACILITY OPERATIONS McDONNELL DOUGLAS CORP., AND CHAIRMAN OF THE BOARD OF THE LONG BEACH AIRPORT AREA TRAFFIC REDUCTION ASSOCIATION, LONG BEACH, CA

Mr. PRESCOTT. Well, as Chairman of the Board of Directors of the Long Beach Airport Area Traffic Reduction Association, I would like to speak on behalf of that association and thank you for the opportunity to address the committee on the Reauthorization of the Federal Surface Transportation Program.

I recognize that the hour is late and the committee has listened to a great number of individuals and organizations today so I will attempt to be concise concerning my purpose here today.

However, I would be remiss if I did not recognize and welcome Congressman Anderson who has been extremely helpful and sympathetic to the past and present transportation needs in Long Beach.

Currently the Long Beach Airport Area Traffic Reduction Association is working toward solving the increasing transportation needs in and around the Long Beach Airport. Founded in 1989, the Association is a non-profit organization of employers and commercial property owners located at or near the Long Beach Airport.

The Association is actively pursuing a comprehensive program of transportation demand management strategies which will require a considerable amount of marketing and persuasion of employers and employees to change their existing commuting habits. We are making a considerable commitment in this regard and will continue to shoulder these kinds of responsibilities. The many commute alternatives which the Association advocates, including the car and van pooling, alternate work schedules, telecommuting which we discussed a little earlier and public transit will help achieve both the transportation and air quality objectives.

We believe that in the post-interstate era, federal surface transportation programs for urban/suburban mobility and intermodal access should be on a par with reserving the integrity of the nation's Interstate System. The economic health, vitality and competitiveness of our nation is being threatened by increasing congestion and a failure to meet the access needs of critical intermodal facilities. Typically, as is the case here in Long Beach, these facilities can have significant negative impacts on daily commuters, our neighbors, our businesses as well as the intermodal facilities themselves. To maintain the nation's economic competitiveness, we need a national transportation program that recognizes and funds urban and suburban mobility programs and intermodal access.

In the Long Beach area, we are blessed with two significant port facilities, namely, the Port of Long Beach and the Long Beach Airport. At the airport, we are concerned about insuring good access. To this end, the association's members have entered into a partnership with the city of Long Beach to develop and help fund a program of surface transportation improvements which will reduce peak period congestion in the area and insure a continued ease of access to the airport.

To date, our members have committed over $7 million to help finance these improvements in the vicinity of the airport. At the same time, a number of airport related highway projects remain beyond the ability of the private sector or for that matter, the city of Long Beach, to fund. Considering the commitment by the city of Long Beach and the recent significant private sector participation in improving access in and about the Long Beach Airport area, we strongly believe that the Congress and the Administration should be more active in finding solutions to congestion and access needs related to ports located in urbanized areas. We recommend that the committee seriously consider providing significant increases to urban surface transportation programs or new program initiatives so that port access and port-related congestion problems can be adequately addressed.

We appreciate the committee's past support and will look forward to working closely with all of you in forging a new federal transportation program. I would be happy to answer any questions that you might have.

Mr. MINETA. Very well, Chairman Anderson.

Mr. ANDERSON. Yes, Mr. Prescott, in your testimony you speak of the association pursuing a comprehensive program of transportation demand management strategies. Could you elaborate on a few of these strategies and how your association plans to pursue them?

Mr. PRESCOTT. Okay, they range from encouraging employers and in and about the airport to van pool, car pool, to meet their AQMD requirements for one point five AVR. It ranges from organizing guaranteed ride home programs to car pools and van pools. At our own company we have both company funded and also employee leased van pool programs with which we attempt to encourage people to van pool. We also are encouraging car pooling and providing a means of access to car pooling for people in and around the airport.

Mr. ANDERSON. You mentioned the telecommuting is a major alternative that you are pursuing. Do you have any other alternatives in mind and if so could you elaborate any of them?

Mr. PRESCOTT. Sure, one of these, alternate work hours, is certainly an interesting area to pursue. At Douglas Aircraft Company back in the late '60's, we had a situation where getting out of our parking lots was a thrill let alone getting onto streets.

One of the things that we began to do is to move shifts about a half-hour or forty-five minutes apart which permitted people to get out of the parking lot easier. It also kind of time-phased the flow onto the freeway systems and surface streets. And it assisted in mitigating some traffic congestion there.

In addition to that, I am experimenting now in certain of my organizations with alternate work hours. I have some people that work, for example a shift that is 1:12 to 9:00 o'clock. It does two things, one they are totally out of the peak period rush hours. Two, when you look at the computer—the reliance that we have on computing in this era, it provides better access to computing facilities for more of their shift. So, there are a number of alternatives there that we are looking at.

Mr. ANDERSON. I would like to see a federal program established to fund intermodal access and if so, what would you recommend such a program to consist of?

Mr. PRESCOTT. I think our Association has discussed a number of funding considerations—the capital projects that we are currently talking about in Long Beach. The members of the Association are participating with others in a benefit assessment district, which we are contributing to. In a nation program, I think we need to recognize that the solution to transportation needs and particularly intermodal transportation needs are not just one solution. It is an aggregate of all the solutions. I think a national program ought to deal with the transportation demand management, transportation system management, optimizing the existing system we have and ensuring that we have a balanced approach across the nation and an approach that is interrelated between the various modes of transportation.

Mr. MINETA. Do I assume that ESEA is looking at transportation issues from the employees prospective of how do I get from my place of residence to work whereas your association is really looking more from the companies perspective, how to improve the

intermodal access in terms of how do I get my goods from my plant to the port—or to the seaport or to the airport?

Mr. PRESCOTT. I do not think that is a correct description.

Mr. MINETA. Do you have programs for all residences around the airport.

Mr. PRESCOTT. I think that is skewing it a little bit, now we are not. Our main focus is in providing support to employers and employees.

Mr. MINETA [continuing]. To employees as well?

Mr. PRESCOTT. Yes.

Mr. MINETA. On page 3 of your testimony you say your members have committed over $7 million to help finance improvements in the vicinity of the airport. What kinds of improvements have those been?

Mr. PRESCOTT. That is correct. There are 19 intersections around the airport that are impacted by two things—the development around the airport and also the increased business at Douglas Aircraft Company. These intersection improvements range from line striping to grade separations that the city has identified and that Mayor Kells' Transportation Task Force has identified. These funds, the seven million that have been committed, are part of the benefit assessment district that we discussed in our presentation.

Mr. MINETA. Now is Douglas Aircraft Corporation, Aircraft Company located at Long Beach Airport?

Mr. PRESCOTT. Yes, it is.

Mr. MINETA. In terms of your employees than, do you have any idea as to what the average commuter pass might cost?

Mr. PRESCOTT. Commuter pass?

Mr. MINETA. Commuter for the local transit agency.

Mr. PRESCOTT. I do not really know the number precisely. I remember $30 or $40 a month a number of years ago—but I do not know if that is true or not today.

Mr. MINETA. The reason I was asking because then the present law that says $15 a month really is inadequate in terms of dealing with that commuter pass provision in the law right now.

Mr. PRESCOTT. Most definitely. In addition to that, looking at the transit systems in the interrelationships of things, the average employee lives in about a twelve mile to a thirteen mile radius of our plant and much of that outside the LA County. A certain portion of that is in Orange County and other counties where the interconnection of transit alternatives does become an issue.

Mr. MINETA. Other than those 19 intersections surrounding the airport, what kinds of other projects are you pursuing to reduce congestion at the airport?

Mr. PRESCOTT. Our guaranteed ride home programs that we were talking about. To encourage employers and employees to get into car pools, van pools. We have not pursued it actively at this point but we are looking at also encouraging alternate work hours similar to what we have at Douglas Aircraft Company.

Mr. MINETA. I take it there are increasing number of commercial flights at the airport?

Mr. PRESCOTT. The flights have increased but they have been limited. There are other people who could probably give you better data on that than I could.

Mr. MINETA. You have a curfew at the present——

Mr. PRESCOTT. Yes, 10:00 o'clock.

Mr. MINETA. Ten o'clock and then what time in the morning?

Mr. PRESCOTT. I believe it's 6:00 but I am not sure about that.

Mr. MINETA. Well, Mr. Prescott, thank you very, very, much for your presence here and your testimony. I appreciate it very, very much. I would like to call on Mr. William Woollett, Jr., Executive Director Transportation Corridor Agencies, Costa Mesa.

TESTIMONY OF WILLIAM WOOLLETT, JR., EXECUTIVE DIRECTOR TRANSPORTATION CORRIDOR AGENCIES, COSTA MESA, CA

Mr. WOOLLETT. Thank you very much, Mr. Chairman. Also to you, Mr. Anderson, and particularly Mr. Hastert. Your patience in listening to Californians trying to solve our problems all day, I sincerely hope there is some reciprocity in terms of their attendance at any hearings that will be held in your area.

Let me briefly report to you on some toll projects in Orange County which we are very proud of. Three transportation corridors in Orange County, the first toll roads in California since the turn of the century are an important step forward not only for the state, but for the nation. Design and construction is administered by a Joint Powers Authority and financed through locally generated funding.

They are unique public, private partnerships. In advance, the private sector has agreed to pay 48.5 percent of the cost of construction with the public sector paying the remaining of 51.5 percent. Ground breaking will begin on the nearly 70 miles of new highways late this year. All three will be under construction by next year. It will begin opening in late 1993, we hope to open the last one in 1996. Our ability to meet these deadlines depends on our ability to comply with a variety of federal environmental regulatory requirements.

I would like to focus my discussion today on our efforts to comply with the Clean Air Act and with Section 4(f) of the Department of Transportation Act. The Clean Air Act requires new transportation facilities to be in conformity with state plans adopted pursuant to the federal Clean Air Act. The new South Coast Air Quality management district has adopted a dramatically new plan for the Los Angeles Basin, including new provisions for transportation facilities. The essence is projects included in the regional mobility plan are not required to undergo separate determination for compliance. In our view, it makes no sense to require additional review of a project's conformity once that project is specifically included in the air quality plan. We sincerely appreciate the successful efforts of Chairman Anderson and other Members of this committee to amend the federal legislation to make it clear that project by project conformity is not required by the Clean Air Act.

Section 4-f prohibits the federal highway administration from approving use of parks and open space by highways unless there are no feasible or prudent alternatives. Recently, federal courts have narrowly interpreted this section in a fashion that may jeopardize the construction of the corridors. These courts have held that highways are subject to the 4-f requirements even where the park area

and highways have been jointly planned to minimize the impacts of the highway.

Many of the park and open space areas in Orange County were established with the explicit understanding that the corridors would be located in the vicinity of the parks. Indeed in many cases, the parks and the corridors were planned together to minimize the impact. We are proud of this planning process which has established large new park areas and environmentally sensitive alignments for the corridors.

Ironically, these court decisions are discouraging the establishment of new parks because of the legitimate fear that they will jeopardize the construction of new transportation facilities. We encourage this committee to investigate this serious problem and consider an appropriate legislative solution. Our agency in combination with the county of Orange and also with the environmental groups expect to make such a recommendation to the Congress by the end of this year.

Our transportation corridors have been made possible through an innovative combination of public sector support and private sector cooperation. Just as President Bush recommended in his transportation plan, we are a locally funded answer to a local need. The fact that the Federal Government cannot fund all improvements must be understood and incorporated into policy making at all levels of government. Because of the success to date in ensuring that these toll ways become a reality, the program designating the corridors is a pilot project through the 1987 legislation supported by Chairman Anderson and his committee is worthy of emulation.

The Orange County transportation corridor stand as an example of successful cooperation with all levels of government in accomplishing a goal befitting its citizens. Thank you Mr. Chairman. I will try to answer any questions.

Mr. MINETA. Thank you, Mr. Woollett. Chairman Anderson.

Mr. ANDERSON. Thank you, Mr. Chairman and Bill. Bill, as you know, I continue to be a strong advocate of the beltway concept for the San Joaquin Eastern Foothill Corridors.

In fact it was my legislation in 1987 which designated for the purpose of a federal highway program the three proposed corridors as a single demonstration project. I originally supported the beltway concept because the three corridors do serve a common transportation purpose to route traffic around the developed and increasingly congested I-5, I-405 corridors.

However, I have become increasingly concerned with the local implementation of this concept. Most specifically since the three corridors are not considered under federal law as one project, why must we have two local planning agencies, the San Joaquin Transportation Corridor Agency, and the Foothill Eastern Corridor Agency to implement one project. Quite frankly, it would seem that one local agency could more effectively and efficiently do the job of implementing the Orange County beltway concept.

I would venture to guess that if one local agency was formed to plan all three corridors, your success at Washington at the Federal Highway Administration might be greatly enhanced and as such, I strongly urge you to further examine this matter and would you agree with me at all on this Bill?

Mr. WOOLLETT. Mr. Anderson, as an executive director, my life would be a lot easier if I had only one board of directors instead of two. As I am sure you are well aware, the primary reason we have two agencies is that in the beginning we started out with two areas of benefit. And the concept was that the property owners in those areas would contribute money toward the construction of these corridors and even though the two areas of benefit overlap, under California law we find ourselves constrained currently, at least in terms of providing the benefit to those specifically designated areas. I think there are a lot of us, not only myself but people on my board who can see very much sense to the suggestion that you are making and as you know there are also movements in Orange Country right now to consolidate transportation agencies. I think those may be successful in the near future.

We are certainly willing to take a good look at the problem as I say, I am a little biased. I happen to think it is a great idea.

Mr. ANDERSON. Besides from the bias, take a good look at it again.

Mr. WOOLLETT. Will do that.

Mr. ANDERSON. Thank you. Thank you, Mr. Chairman.

Mr. MINETA. Mr. Woollett, you pointed out in your testimony the problems of dealing with Clean Air Act as well as Section 4-f. Are there other federal requirements that impose significant limitations on your ability to advance the toll pilot projects?

Mr. WOOLLETT. No, sir.

Mr. MINETA. Now your estimated cost of the toll pilot project is somewhat a little over $2 billion, I am wondering if you are able to quantify the additional cost that is incurred as a result of having to adhere to the federal requirements?

Mr. WOOLLETT. I do not have an answer to that question, but I will get it for you.

Mr. MINETA. And the Orange County transportation corridor was authorized as a toll project in the '87 legislation as you pointed out authored by our very fine Chairman, Mr. Anderson. Does the 35 percent federal match provide enough leverage to encourage the development of public/private partnerships to develop toll projects?

Mr. WOOLLETT. In our case, yes.

Mr. MINETA. And are you aware of any other projects in the state of California that are being considered for toll projects?

Mr. WOOLLETT. Only those projects that are currently being considered under the new 680. Those are private toll way projects and I think there will be four or five of those initially.

Mr. MINETA. Any other areas in the state here that are following your lead?

Mr. WOOLLETT. Not that I know of.

Mr. MINETA. You have not received any inquiries from other counties thinking about doing something like this?

Mr. WOOLLETT. No we have not although it is my feeling that we are very much on the cutting edge of this. Someone who was born and raised in Los Angeles and has lived long enough to remember World War II etc, and all the congestion we have had since then, it is my personal feeling any time you can get the private sector to make a commitment in advance to the extent that has occurred in Orange County, you are making substantial progress.

Mr. MINETA. You have right of eminent domain?

Mr. WOOLLETT. Yes.

Mr. MINETA. That is one of the biggest things that is lacking in the Virginia Toll Road Authority because they did not get grant it. And I think that is really what stymied Ralph Stemly and his efforts there.

Congressman Hastert.

Mr. HASTERT. No questions.

Mr. MINETA. Well, Mr. Woollett, thank you very, very much for your preserving efforts there in these projects because frankly, you know, you are being looked at nationally and we are very, very interested in what you are doing there. Thank you very, very much.

Mr. WOOLLETT. Thank you, Mr. Chairman.

Mr. MINETA. At this time I would like to call on Carol Margolis, the Assistant Program Manager at the Betty Clooney Center. Ms. Margolis is being accompanied by Richard Suenishi.

TESTIMONY OF CAROL MARGOLIS, ASSISTANT PROGRAM MANAGER BETTY CLOONEY CENTER, LONG BEACH, CA, ACCOMPANIED BY RICHARD SUENISHI, PATIENT, BETTY CLOONEY CENTER, LONG BEACH, CA

Ms. MARGOLIS. Mr. Chairman and committee Members, my name is Carol Margolis. I am the Assistant Program Manager of the Betty Clooney Center. It is a treatment and rehabilitation facility for brain injured persons in Long Beach. We appreciate the opportunity to testify before you.

I am here to introduce Richard Suenishi, who attends the Clooney Center. Unfortunately, Richard is only one of many members or clients who are at our center because they were in motorcycle crashes and were not wearing helmets.

Richard wanted to speak to you today because it is our nation's highway safety' laws which have the greatest influence on how many young men and women will suffer sever life-long disability and will thus join Richard at facilities such as the Clooney Center because they did not wear motorcycle helmets.

A recently released study by the San Francisco Injury Center indicates that helmet use is the single most important factor in preventing death and head injury in motorcycle crashes. The report concludes that the most effective method to prevent head injuries is to mandate helmet use by all motorcyclists.

If every California motorcyclist wore a helmet, as many as one hundred and sixty lives would be saved annually. One thousand serious injuries would be prevented and California could save an estimated $74 million in medical costs, property loss, and loss productivity.

In Richard's case alone, the medical and long-term care which he needs has cost his insurance company and U.S. taxpayers more than $1 million so far.

We at the Clooney Center hope not just for an all rider helmet law for California but for all states. Federal leadership is necessary if this hope is to achieved. Mr. Chairman, as you and your committee write the new highway safety programs, Richard and I urge you to include strong provisions and support of helmet laws so that

motorcyclists and their families around the country are spared the tragedy which Richard and so many others have endured.

Thank you very much. Richard.

Mr. SUENISHI. My name is Richard Suenishi and six years ago when I was 18 years old I was in a motorcycle crash. And I was not wearing a helmet. I was in a coma for six weeks. In high school I was a gymnast and now I must wear a leg brace. And I cannot use my right hand. I move very slowly and I talk funny. I cannot run or drive. I live with my parents. If I had worn my helmet that day, I would be on my own with a job, maybe a wife and kids by now. Instead I am dependent on the state for money and my family and the Betty Clooney Center for support and training.

Some day I hope to be able to hold a job but for now I am trying to regain some of the skills I had before the crash. I no longer have things to take for granted, like walking, talking, having friends, being independent with money in your pockets.

Please stop others from my fate. Pass the laws needed to save lives. Pass motorcycle helmet laws now. A brain is a terrible thing to waste.

Mr. MINETA. Thank you very much, Richard. Thank you very much, Carol. Chairman Anderson.

Mr. ANDERSON. Yes. Now California currently has a motorcycle helmet law for riders under the age of 18. Is this law enforced adequately? And what percentage of motorcycle riders in the state are under the age of 18? What percentage of motorcycle head injuries in the state are incurred by riders under 18? In general, are not under 18 motorcycle riders the most difficult to convince of the value of wearing motorcycle helmets or is this true for older riders as well?

Ms. MARGOLIS. Well most motorcycle fatalities occur, 90 percent of which occur over the age of 21 and I would say a great percentage of those were not wearing helmets. I think that it is extremely difficult to enforce a law because you cannot tell the age of a person that is riding by. I think that all states that have all rider helmet laws have proven to be 95 to 98 percent in compliance. I just think that a partial law is really not very effective at all and I do not see how it could be enforced effectively.

Mr. MINETA. Here in California did we not have a helmet law and then it was taken off the books, is that the case? It was just vetoed by the Governor, is that it?

Ms. MARGOLIS. Yes.

Mr. MINETA. I see okay. I think we do have some example of some states where there was a helmet law and then it was reversed, was it not? Do we not have some examples of states where they did have a helmet law and then in a subsequent legislative session they were—up to state legislative action—under the Cooper Bill this would reinstate a mandatory helmet provisions for—Ms. Margolis, what is your prediction for the likelihood that California would pass a mandatory motorcycle helmet law for all riders in the near future?

Ms. MARGOLIS. I know that there is strong opposition to this law by various groups that are of some importance. I think that—I really strongly believe that federal guidance is needed to support

the law throughout the land. I do not think California is enough to—support it.

Mr. MINETA. Do not both Ms. Feinstein and Senator Wilson have expressed their support of a motorcycle helmet law as I recall so at least some of us think that the prospects of at least something happening here in California are very good regardless of who is elected governor.

Congressman Hastert.

Mr. HASTERT. Thank you, Mr. Chairman. I just might want to make a comment here. I come from the state of Illinois and spent 10 years in the Illinois legislature and almost every session we had a helmet law before us but there was such a huge amount of protest of people against that helmet law and I would suggest that education is a very important aspect to this and educate mothers on what can happen and here we have mothers against drunk driving and those types of groups, and they have been very effective. And I would suggest that possibly an educational group of that type would be very instrumental in helping pass a state law let alone a national law.

Ms. MARGOLIS. Sir, we have people from our center that have suffered severe injury go out to high schools, especially, and try to educate the public. I think that Richard and people like him that have gone through it are the best teachers.

Mr. HASTERT. Thank you. And thank you, Mr. Chairman.

Mr. MINETA. Ms. Margolis and Richard, thank you very, very much for being here and as Congressman Hastert has indicated and Carol has indicated, your going around and speaking as you do is probably doing a lot so thank you very much for all your efforts.

Mr. SUENISHI. Yes, but do you know that when this is just the second time that I have been speaking out.

Mr. MINETA. Maybe this will encourage you to do some more. Thank you very much. I would like to submit for the record the statement from Sierra Club, the Los Angeles Chapter as well as from the Automobile Club of Southern California and ask unanimous consent to keep the record open in order to have other statements be made a part of the record.

If there is no other business before the subcommittee, we stand in adjournment.

[Whereupon, at 6:30 p.m., the subcommittee adjourned.]

[Statements of the Sierra Club and the Automobile Association of America follow:]

SIERRA CLUB — ANGELES CHAPTER

~~3450 WEST SIXTH STREET, SUITE 330, LOS ANGELES, CALIFORNIA 90020~~

Kindly respond to: 3104 Mount Curve Ave.,
Altadena, CA 91001
(213) 383-4087

July 28, 1990

Glenn M. Anderson, Member of Congress
2329 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Anderson:

We have learned, belatedly, of your hearings on the reauthorization of Federal-aid highway, mass transit and highway safety programs. This letter presents our views on this question.

Americans own and operate over one-third (36% in 1985) of the world's cars and trucks; they consume half the world's motor fuel, they generate one billion tons of CO_2 each year.

They are the world's largest consumer of fossil fuels and the largest generator of global warming gases. The burning of the Amazon forests, as deplorable as that is, is almost trivial by comparison.

In addition to the production of global warming gases, the American automobile/truck/highway sector is the origin of critical environmental abuse--air pollution, traffic congestion, traffic deaths and injuries, acid rain, ozone depletion, the Exxon Valdez syndrome, depletion of the world's oil reserves.

This unhappy dependence on the automobile and the truck, the so-called American 'love affair with the automobile' is the result of unwise government (local, state and federal) policies. These have permitted gross subsidization of these vehicles.

American motorists and the trucking industry are the beneficiaries of incredibly large subsidies; these are so large (the equivalent of $3.50 per gallon at present rates of consumption) as to create important obstacles to American generation of capital.

In other words, the American automotive/highway sector is not only destroying the planet's environment, it is also bankrupting the nation's economy because it absorbs 25% of its GNP.

This situation is now becoming more apparent to your constituency, the American taxpayer. Also, because of the federal budget crunch, it appears likely that a substantive increase in the federal fuel tax can now be contemplated.

We believe that a large increase in the federal fuel tax would be in the public interest. It may be that this public interest consideration may be sufficient to encourage the Congress and the Administration to act.

Ideally, such an increase should be accompanied by a decrease in the property and the sales tax burden because that is how, in part, Americans pay for these subsidies. However, we recognize that structural difficulties may not permit this.

There is a grave danger, however. The trucking industry will certainly press Congress for the right to use larger and heavier truck/trailer combinations. Historically, they have been most fervent and most successful in conjunction with (and at the time of) a fuel tax increase.

There are several reasons why larger and/or heavier trucks would be disastrous for the American highway system, the American motorist and, more importantly, for the American economy and the American environment. Of the automotive sector, the American eighteen-wheeler truck is the most heavily subsidized. While the motorist is heavily subsidized by the community through various channels, he, in turn, subsidizes the trucking industry.

Despite the propaganda of the Truckers Association, existing fuel tax and mileage-weight fees are far from sufficient to pay for the increased costs in highway construction, the destruction of pavements (see below), and for the space which they preempt on the nation's highways.

Large trucks already dominate the American highway; they are a principal cause of urban traffic congestion and safety problems. Their daily catastrophic accidents tie up traffic on urban freeways for hours. They fill, entirely, the two outside lanes on many freeways to the complete confusion and hazard to motorists in their vulnerable vehicles.

This problem is exacerbated by the recklessness which has become characteristic of drivers since the lifting of truck regulation, thus significantly increasing the hazards imposed by these ponderous, unmanageable vehicles.

Present pavements have not performed well; the failure of these pavements is a large part of the difficulty we have experienced with our infrastructure. The criteria for the design of pavements is based on the data collected by the AASHTO Road Test of 1960-1962. Professor Ken Small (U.ofC.Irvine) has recently (1985) reanalysed the AASHTO data, using modern statistical techniques not available in 1962. He has shown that the heavy axle loads are far more destructive than had been thought.

The 1962 analysis derived the theory that this destructive capacity was proportional to the fourth power of the axle weight.

Small's work has shown that the sixth power of the weight is more accurate. Thus, existing pavements, designed and built in accordance with the original analysis are not, by Small's reanalysis, capable of resisting existing truck axle loads. Experience, unfortunately, has demonstrated the validity of the Small reanalysis. To add more axles or heavier axles would compound the present disastrous overuse of these pavements.

I have made a study of the construction cost of an urban freeway in the Los Angeles area. I have shown that urban freeways owe as much as 40% of their construction cost to the requirement to accommodate these heavy trucks. Neither of these effects have been considered in calculating the present fuel tax or mileage/weight fees for trucks.

Thus, any increase in truck size, truck weight or in the numbers of trucks (which would follow from either or both of these) would add gross insult to already gross injury.

Sincerely,

Stanley Hart, Chairman
Transportation Committee

Recycled Paper

July 2, 1990

Automobile Club of Southern California

Statement: The Post-Interstate National Transportation Program

Introduction

Our nation's transportation system must provide for the safe and efficient movement of people and goods. As we approach the development of the post-interstate surface transportation program, there is one fundamental reality that must remain in the forefront: The highway system is the major building block of the nation's transportation system. Without adequate highways, other key travel modes--transit, trucking, aviation, railroads, waterborne--will not be able to fulfill their roles.

It is important that the national surface transportation program reflect a goal for the next era of highway system investment. We support the following two-part goal:

- The highway system must continue to support economic growth by providing the work force with congestion-free access to industry and commerce as well as providing efficient goods movement.

- The highway system must provide convenient and easy access to medical care, child care, shopping, recreation, education and cultural opportunities.

The scope of the program to accomplish these goals must be broad. The capacity of the highway system must be significantly increased. Existing highways and freeways must be modernized and new ones built. It is from this perspective that the following specific comments have been developed.

Highway Factors. The post-interstate national surface transportation program must ensure that a realistic and attainable mix of solutions are implemented for problems of safety, congestion, access and mobility. As we strive to ensure that all modes, all systems, all regions, and all segments of the market are included in policy, we may overlook the tremendous investment of our financial, economic and social wealth that we have already made in the highway system. Humanity has striven for increased mobility since the beginning of history. The vehicle-highway system has provided the best means to date to meet that need and has vast potential for further improvement. We are convinced that solutions to the environmental, community, and energy problems of the vehicle-highway system are within our grasp. Mobility need not be constrained to achieve other community and environmental goals:

1) We believe the provision of adequate freeway/highway system capacity is essential, supported by mass transit, transportation system management, and transportation demand management programs. The private automobile will continue to dominate our mobility system in spite of views expressed to the contrary which are well-meaning but short-sighted. Our highways provide the best available means of mobility, and can adapt to meet changing requirements.

2) It is our view that high national, state and local priority should to be given to freeway/highway system management, particularly in urban areas. Effective traffic surveillance, ramp metering, driver information, and incident clearance can reduce congestion to nominal levels on the existing freeway system and on new links as they are added, demonstrating that freeway capacity need not be filled to congested levels on opening day or during the life of the facility. Freeway system management is the natural precursor to the intelligent vehicle/highway system.

3) To meet highway maintenance, construction, and management needs, stable and adequate funding is an obvious well-documented need. Sufficient funds should be collected on the national, state and local level from users and others who benefit in proportion to benefits received. Sequestration of funds must be ended--spend down the trust funds and keep faith with the taxpayer.

Institutional Factors. The post-interstate program should encourage the development of institutional arrangements and processes that are appropriate and responsive to the changing transportation environment:

1) While national policy must give priority to issues of national significance, national interest clearly extends into urban areas. System continuity is critical. Urban systems are the vital interface between interstate interests and regional interests. The economic vitality of the nation is the aggregate of the economic vitality of the regions, urban and rural. Hence, national policy should not stop at regional borders or focus only on interstate systems. We believe, for example, that freeway system management and transit system development should be approached from a regional basis in Los Angeles and San Diego--and national policy should encourage and the new surface transportation act should support that approach.

2) More specifically, the linkage between land use decisions and transportation system decisions must be strengthened at all levels. National policy required such a linkage decades ago at the regional level. Achieving the vital balance between travel demand and system capacity will require strong state and national support, and must be achieved at the local level.

3) We believe highways can play a dominant role in revitalizing our urban areas. The construction of new urban freeways could be the vehicle for overcoming inertia to rebuild our cities. New urban freeways can not only provide vital regional access for communities, but can be the principal incentive for economic development. We propose a new partnership for community revitalization, with local communities taking the lead role in joint development authorities, guiding freeway and urban development.

Human Factors. Historically, human factors have been shown to be a major cause of transportation system casualties:

1) The new national transportation program must include elements to minimize alcohol and drug impairment for drivers--both commercial and those operating personal vehicles:

   - We strongly urge continued focus on the problem of driving while impaired by legal or illegal drugs.

   - It is our view that continued vigilance is called for in the area of commercial driving--to assure implementation of the 0.4% blood alcohol content limit and to consider the potential benefits of tightening this standard.

   - The lack of simple and reliable test for drug use is a critical technical deficiency in establishing and tracking changes in the role of drugs in highway crashes and casualties.

2) The post-interstate national transportation program must ensure that user capabilities are not exceeded by demands of the transportation system. Demographic trends such as changes in population age and culture of origin interact with higher volume and more complex traffic patterns:

   - We urge continued attention to the performance and needs of older drivers so they can safely retain their mobility.

- We are currently studying methods to identify problem drivers. An effective national driver information clearinghouse may be needed.

- Business and commute driving provide underused opportunities for improved driving through job site training and oversight programs. We view safe business driving programs as a needed and cost-effective component of road safety policy.

Vehicle Factors. The new national transportation program should encourage immediate and ongoing improvements in the vehicle and the vehicle/driver/highway system:

1) We encourage high priority for development of the intelligent vehicle/highway system:

   - Top priority should be given to improvements in collision avoidance through longitudinal and lateral guidance and control.

   - We urge increased research and development into on-board road information systems. Traffic flow and safety will be significantly improved as accident warnings, weather alerts, and congestion information are made more accurate and rapidly available to the driver.

   - We view development of in-road power systems as a promising alternative vehicle energy supply and as a step towards highway automation in large urban areas.

   - National policy should redirect planning and research funds to the smart car/highway area. The federal government should provide the link between public highway agencies and private vehicle manufacturers.

2) The vehicle itself can become safer and more efficient.

   - We urge continued and accelerated attention to improvements in internal combustion vehicle energy consumption and pollutant emissions. Significant further improvements are possible in both areas.

   - The same on-board diagnostics system managing vehicle energy consumption and pollutant emissions can provide real-time monitoring of vehicle defects over the full range of vehicle systems.

- We urge and support continued development of occupant protection systems.

- In-vehicle driver monitoring systems are needed such as steering reversal analysis, continual "g" loading assessment, and driver inattention alarms to signal driver impairment due to fatigue, illness or drugs.

- Research is needed into new methods to control vehicle noise. Noise pollution is a critical urban problem and a major impediment to highway system development.

Conclusion

Highways are the backbone of our mobility system. They carry carpools, vanpools, nearly all transit, and nearly all goods movement. Use of the highway system is increasing and will continue to increase in response to economic and social needs and desires. Sound development and management of the highway system must be the primary focus of national policy as we move to revitalize our cities and meet mobility needs of all the people.

PREPARED STATEMENTS OF WITNESSES

TESTIMONY

OF

DAVID R. ASHCRAFT
TRANSPORTATION DIRECTOR
CITY OF CULVER CITY
CULVER CITY MUNICIPAL BUS LINES
9815 JEFFERSON BOULEVARD
CULVER CITY, CALIFORNIA 90230

BEFORE

THE SUBCOMMITTEE ON SURFACE TRANSPORTATION

OF

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

REAUTHORIZATION OF THE POST-INTERSTATE
SURFACE TRANSPORTATION PROGRAMS

MONDAY, JULY 2, 1990

LONG BEACH, CALIFORNIA

Mr. Chairman and distinguished members of The Subcommittee on Surface Transportation, my name is David Ashcraft and I am the Transportation Director of the Culver City Municipal Bus Lines in Culver City, California. It is a privilege for me to appear before you on the subject of "Reauthorization of the Post-Interstate Surface Transportation Programs".

I am here to speak to you as the manager of a small transit system operating within a large urbanized area. Culver City Municipal Bus Lines, known as Culver CityBus, is one of thirteen municipal transit systems within Los Angeles County providing efficient and effective bus service that complements the regional transit operator.

The City of Culver City began operating its own municipal bus system on March 4, 1928. Next to San Francisco Muni, it is the oldest continuously operating municipal bus system in the State of California. Our City Council considers Culver CityBus a vital service to the residents and businesses in and around Culver City.

Today, Culver CityBus operates with a total fleet of twenty-eight (28) buses over six routes. The service area includes Culver City and the communities of Westchester, Marina del Rey, Palms, Rancho Park, Venice, Mar Vista, Westwood and West Los Angeles. Service runs from Los Angeles International Airport on the south to the University of California at Los Angeles on the north, and

from Fairfax Avenue and Washington Blvd. on the east, to Venice Beach on the west. Culver CityBus' service area encompasses 25.45 square miles of which the population is estimated to be 191,000.

Ridership continues to grow on Culver CityBus routes. During Fiscal Year 1990, over 3.8 million passengers, an all time record, rode on our buses. This is a 10 percent increase over last year and 35 percent above five years ago. Our buses traveled approximately 900,000 miles in FY-90 and we provided 81,000 hours of service. This calculates to 47 passengers for every hour of service that we were in operation in FY-90.

The ridership increase experienced by Culver CityBus is not unique. There are twelve other municipal transit systems within Los Angeles County who are also experiencing increased ridership. These increases can be partially attributed to area development, traffic congestion, and air quality concerns. However, a major contributor to ridership increases is the Southern California Air Quality Management District's Regulation XV. This regulation requires all employers in the Los Angeles Basin with more than 100 employees to develop and implement a trip reduction plan. The goal of Regulation XV is to meet the Federal requirements of the Clean Air Act.

Increased ridership is the goal of every transit system in the United States. However, with success comes additional financial burdens. Culver CityBus is reaching a point where ridership will soon exceed capacity, especially at peak times. To meet the need, additional capital and operating assistance will be necessary. Although, the State of California and Los Angeles County contribute substantial funds for transit services, there is still the necessity for increased transit funding from the Federal government.

In addition to these increased ridership demands, the regulatory requirements contained in the recent passage of the 1990 Clean Air Act and the Americans for Disabilities Act, will have an increased financial impact on all transit systems which will be considerable. Again, without Federal financial operating and capital assistance, transit systems will be unable to meet mobility needs of the public and Federal mandates.

I urge you and your colleagues in the Congress, as well as the Administration, to pass into law and again reauthorize the Surface Transportation Act and its various programs at levels which will enable our transit systems to meet the ever increasing demand for public transit in the years to come.

Thank you for this opportunity to express my concerns and views.

38-253 O—91——68

Testimony

of

MAYOR TOM BRADLEY

before the

SUBCOMMITTEE ON SURFACE TRANSPORTATION
HOUSE COMMITTEE
ON
PUBLIC WORKS AND TRANSPORTATION

July 2, 1990

Long Beach City Council Chambers

on

REAUTHORIZATION OF THE POST-INTERSTATE
SURFACE TRANSPORTATION PROGRAMS

REAUTHORIZATION OF THE POST-INTERSTATE SURFACE TRANSPORTATION PROGRAMS

Mr. Chairman, Chairman Anderson and other distinguished Members of Congress, I welcome the opportunity to testify before you today and to share with you some of the concerns of Los Angeles as you begin the process of formulating legislation to reauthorize the Surface Transportation Act of 1982.

I am particularly pleased to be here this morning with two distinguished Chairmen, both friends who give California an important and effective voice in Congress on an issue of such profound meaning to all Californians.

Chairman Anderson has been a force on the House Public Works Committee for more than two decades, and your legislative stewardship Mr. Chairman, has enabled us to improve our essential regional infrastructure: including the ports of Los Angeles and Long Beach, the regional airports and our highways and transportation systems as well as many of our water projects.

No place has your leadership been more appreciated than in helping us to secure federal support for the Los Angeles Metro Rail that, as the backbone of a county-wide system of light, heavy, and commuter rail, will effectively serve the people of Los Angeles in the decades to come.

Chairman Mineta, whom I first became acquainted with when we were both City Councilmembers, is one of the most respected members of Congress, and is widely heralded for his leadership of the House Aviation Subcommittee before taking over the helm of the Surface Transportation Subcommittee from Chairman Anderson. Mr. Chairman, you are well suited to take on the enormous task of formulating the Post-Interstate Surface Transportation Programs that will establish the criteria for new transportation projects well beyond the 1990's.

The Need for Transit

Although this Committee will conduct field hearings throughout the Nation, nowhere will you find a greater need for alernatives to single passenger automobiles than in Southern California. Challenges of air quality, congestion and continuing population growth require ambitious solutions.

The people of California spoke up for just such solutions last month by voting for an increase in our state gasoline tax and rail bonds dedicated to transit and highway improvements.

While these measures will provide critically needed financial support, they do not diminish the need for a strong federal role in transportation which has, unfortunately, been eroded over the past ten years. In fact, federal spending for transit has declined from $4.6 billion in FY 81 to just over $3 billion in FY 90.

The impact of this declining federal investment has been devastating to Los Angeles at a time when we should be increasing the number of shared rides as well as the market share for transit.

The Los Angeles Metro Rail

A continued federal commitment to Metro Rail is critical to the expansion of transit capacity which is needed to relieve congestion on our streets and highways.

It remains absolutely imperative that the Post-Interstate Surface Transportation Programs explicitly authorize funds for the completion of the Metro Red Line to the San Fernando Valley as well as for the beginning of the Orange Line extension to East Los Angeles and Westside.

Because of your existing legislative guideline for transit projects, the Metro Red Line stands out as the most promising new-start rail project nationwide, and as a model of strong local and private sector participation.

We are now more than 60% complete with the construction of the first 4.4 mile segment which extends from Union Station to MacArthur park. The full funding agreement was signed in a ceremony with the U.S. Department of Transportation on April 10, 1990 thereby providing the financial basis for construction of the next 6.7 miles referred to as MOS-2.

This extension proceeds northwest to a station at Wilshire/Vermont where the alignment branches north and west. The northern branch proceeds to an interim terminus at Hollywood and Vine while the western leg goes to an interim terminus at Wilshire and Western.

Provisions in H.R. 2 which allowed for the full-funding contract for MOS-2 were essential to our efforts to secure the $667 million federal share. Likewise, we estimate that the federal share of MOS-3, the 6.3 mile third segment from Hollywood and Vine to North Hollywood terminating at Lankershim and Chandler, to be $668 million, and we look to your leadership to include a specific authorization and contract authority for this funding in the reauthorization bill.

The light rail lines are entirely locally funded, including the Blue Line from Long Beach to Los Angeles which opens in less than two weeks. Therefore, overall, 75% of rail construction for light and heavy rail is being funded locally through Propostion A and other sources. In contrast with Section 3 policies, which require only a 25% local match, Los Angeles is providing 48% of the Metro Red Line funding locally.

The LACTC is pursuing a number of innovative strategies to control costs and accelerate design and construction of the Metro Red Line. We expect that MOS-1 will be open for service even before 1994 with the western extension of MOS-s open by 1996 and service to Hollywood and Vine by 1998. The full alignment to the Valley will be in operation by 2001, providing links with the Light Rail Lines including the Blue Line, the Green Line along the Glenn Anderson Freeway, as well as the Pasadena, Valley, and North Coast Lines providing more than 80 miles of rail transit.

This month, the LACTC submitted the documents for planning the route for the Orange Line, which will serve an identified corridor east of Union Station and west of the Wilshire/Western alignment.

A system planning study prepared by the Southern California Association of Governments (SCAG) found nearly 100,000 commuters traveling within the area between Santa Monica and Norwalk.

During the next two years, we will be studying potential routes for the Orange Line and conducting community hearings and other efforts to elicit public participation in selecting the final alignment.

We expect that the Orange Line will extend up to eight miles in both an east and west direction. This would enable us to connect Whittier and Arizona Boulevards in East Los Angeles to Century City and Westwood in West Los Angeles.

Although construction on the Orange Line will not begin until 1996, it is our hope that this reauthorization bill will earmark $50 million for preliminary engineering and final design of this new phase of Metro Rail.

We are very enthusiastic about the prospects for the Orange Line, and appreciate the support of this Committee in ensuring that progress continues for its planning and design.

Federal Aid Urban Program

The Los Angeles portion of the interstate system used to carry more than 60% of commuter trips, as congestion on the freeways increased, traffic has shifted so that now more than 60% of these trips are carried on our city arterial streets.

It is my understanding that with the completion of the interstate construction program, more funds will be available to repair and reconstruct exisitng interstate highways. I support this shift in priorities, but I would like to take this opportunity to point out the importance of increasing the Federal Aid Urban Program (FAU) which allows a pass-through of federal highway funds directly to counties and cities for the purpose of funding local highway projects.

Los Angeles, and I am certain other cities in the region, need an increased FAU program to fund projects which will meet this increasing demand on our local streets from traffic which used to be carried by the interstates. We must act as we have to keep this added traffic moving smoothly on our arterial streets in order to protect local residential streets from intrusion. The City of Los Angeles has made good use of its $10 million in annual entitlements for such projects as street widening and roadway reconstruction and signal synchronization.

In addition, ATSAC, Los Angeles' internationally recognized smart streets program, has and must continue to rely heavily on FAU funds matched with local funds for its development and expansion. It gives us automated traffic signal synchronization based on measurement and communication of intersection traffic flow. This also provides our control center information about areas where accidents or incidents have tied up traffic so we can exercise hands-on control and immediately alleviate the problem with changes in signal timing and dispatch of personnel and equipment. We need this program implewmented citywide as soon as possiblw. An increased FAU program will provide a crucial boost to allowing us to have this in place in less than ten years.

The effectiveness of this system has led to another local project I would like to bring to your attention.

Smart Corridor

The technology developed in the City's ATSAC Smart Streets Program has become a major component of the Smart Corridor Demonstration Project. This $50 million project is a cooperative inter-agency effort of the City Transportation and Police Departments, CALTRANS, California Highway Patrol, and LACTC. The Smart Corridor Project is one of the leading-edge Intelligent Vehicle/Highway System (IVHS) projects in the country. Its success is recognized as crucial to the evolving national IVHS programs. I would therefore ask that you consider a specific allocation of $10 million from the IVHS program to the City for the implementation of the Smart Corridor Project.

The Smart Corridor Project will utilize the most advanced electronic and communications technologies available to improve the management of traffic and better utilize available highway infrastructure. Traffic signal timing will be adapted to changing traffic conditions, emergency response teams will be dispatched to clear major incidents, service patrols will aid disabled vehicles, and motorists will be provided with accurate and complete information on traffic conditions so that they can make more informed route choices. Another important benefit will be improved management of spillover traffic from congested interstate highways and arterial streets to local residential streets.

It is estimated that implementation of the Smart Corridor will reduce travel times by 15%, fuel consumption by 13%, and air emissions by 10%. Contingent on favorable results from the demonstration project, we plan to expand the utilization of this advanced traffic management to other corridors such as the Harbor Freeway and Ventura Freeway in the City and County during the 1990's. The technology developed will also be transferable to other metropolitan areas in the United States.

Although the funding for this demonstration is largely local, there remains the need for federal involvement and support with flexibility to the City of Los Angeles as well as the other funding partners. This is particularly true in regard to the use of the Smart Corridor as a test bed for evaluating the use of various advanced technologies to improve traffic management, and thereby increase the efficiency of our overcrowded interstate highway system while protecting our local residential streets. If this test bed proves successful, we would hope for significant allocations to the City from an expanded IVHS program. Federal support through the expansion of the IVHS program will make possible the accelerated deployment of Smart Corridor technology elsewhere in the City and County.

Consolidated Transportation Corridor (CTC)

Mr. Chairman, I know that one of the principles guiding this reauthorization is its ability to help America compete in a global marketplace. We should not forget for a minute the role of an effective and efficient surface transportation system in the growth of the commerce and industry of our region. Clearly, we in California cannot expect to maintin our preeminent economic standing in the world if we do not construct and maintain a comprehensive network of highways, rails and mass transit lines. In my travels abroad, it is made clear to me time and again that cargo is not moving efficiently through the Ports of Long Beach and Los Angeles into the heartland of the nation and indeed even on to European destinations through the "land bridge". For that reason, I would urge the Chairman to consider giving added priority to intermodal projects that address this deficiency. You will be taking testimony from Councilman Jeffery Kellogg, of Long Beach, about our local initiative to form a Joint Powers Agreement to carry out a rail and highway consolidation project along Alameda Street running between the ports and the downtown rail-yard area of the City. This project will allow a more rapid movement of cargo while reducing truck traffic on the interstate system and freeing up the flow of passenger vehicles on those same federal interstate highways. Implementation of my truck management program, which will include night movement of container truck traffic, may be tested very soon. This will help alleviate the current problem. But we must begin work now on the CTC for the long term solution.

In closing, I commend the Chairmen of both the full Public Works and Transportation Committee and the Surface Transportation Subcommittee for holding these hearings, the location of which I suspect is no accident, and I look forward to receiving legislative proposals as they are developed in Committee. I further pledge my active support in the early enactment of a reauthorization bill in the 102nd Congress. A strong national infrastructure is essential to the cities, states and the country, and I am and will continue to be a vigorous supporter of the national highway and transit network that builds on solid local planning and agreed-on national priorities.

TESTIMONY OF

EVAN ANDERSON BRAUDE

COUNCILMAN, FIRST DISTRICT
CITY OF LONG BEACH, CALIFORNIA

ON BEHALF OF

THE CITY OF LONG BEACH

AND

CITIZENS FOR RELIABLE AND SAFE HIGHWAYS (C.R.A.S.H)

UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
SUBCOMMITTEE ON SURFACE TRANSPORTATION

LONG BEACH, CALIFORNIA

JULY 2, 1990

CHAIRMAN ANDERSON, CHAIRMAN MINETA, AND DISTINGUISHED MEMBERS OF THE SUBCOMMITTEE, GOOD MORNING. MY NAME IS EVAN ANDERSON BRAUDE AND I AM THE COUNCILMAN FROM THE FIRST DISTRICT OF THE CITY OF LONG BEACH. I AM HERE TODAY REPRESENTING TWO ORGANIZATIONS: THE CITY OF LONG BEACH AND C.R.A.S.H. (CITIZENS FOR RELIABLE AND SAFE HIGHWAYS). LET ME WELCOME YOU HERE TODAY TO OUR GREAT CITY ON BEHALF OF MAYOR ERNIE KELL, THE CITY COUNCIL, AND ALL THE CITIZENS OF LONG BEACH. WE ARE HAPPY THAT YOU CHOSE LONG BEACH AS THE SITE OF ONE OF YOUR FIELD HEARINGS ON THE REAUTHORIZATION OF THE POST-INTERSTATE SURFACE TRANSPORTATION PROGRAMS.

LONG BEACH HAS MANY MODES OF TRANSPORTATION. WE HAVE THREE INTERSTATE HIGHWAYS AND A VARIETY OF STATE ROUTES RUNNING THROUGH OUR CITY. OUR PUBLIC BUS SYSTEM, LONG BEACH TRANSIT, IS RATED THE NUMBER ONE PUBLIC BUS COMPANY IN NORTH AMERICA. ON JULY 14TH, LONG BEACH WILL BE HOME TO THE METRO BLUE LINE LIGHT RAIL SYSTEM LINKING DOWNTOWN LONG BEACH WITH LOS ANGELES. THIS LINE, BUILT BY THE LOS ANGELES COUNTY TRANSPORTATION COMMISSION AND OPERATED BY THE SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT, WAS COMPLETED WITH NO FEDERAL FUNDS.

CLEARLY THE CITY OF LONG BEACH RECOGNIZES THE IMPORTANCE OF TRANSPORTATION. THESE IMPROVEMENTS HAVE TO BE ACCOMPLISHED THROUGH INTERGOVERNMENTAL AND PUBLIC/PRIVATE PARTNERSHIP IN ORDER TO ALLOW NECESSARY GROWTH WITHOUT ENDANGERING THE QUALITY OF LIFE OF OUR COMMUNITY.

TODAY I WOULD LIKE TO TALK ABOUT THREE PROJECTS THAT WITH THE SUPPORT OF THE CONGRESS WILL HELP MAKE A POSITIVE IMPACT ON OUR TRANSPORTATION INFRASTRUCTURE.

THE CONSOLIDATED TRANSPORTATION CORRIDOR PROJECT, A DEDICATED RAIL AND TRUCK ROADWAY FROM THE PORTS TO THE RAILYARDS IN EAST LOS ANGELES, IS ESSENTIAL TO MOVING GOODS IN AND OUT OF THE PORTS OF LONG BEACH AND LOS ANGELES. IMPROVED ROAD AND RAIL ACCESS TO THE PORTS WILL NOT ONLY HELP THESE PORTS GROW BUT REDUCE NOISE AND DISRUPTION IN NEIGHBORHOODS IN LONG BEACH.

THE REASON THAT THIS PROJECT MAKES SENSE IS THAT IT WILL INSTALL DOUBLE TRACKING OF THE SAN PEDRO BRANCH OF THE SOUTHERN PACIFIC RAILROAD AND INSTALL CENTRALIZED TRAFFIC CONTROL. THE GOAL IS TO HAVE ALL THREE RAIL CARRIERS (THE UNION PACIFIC, THE SANTA FE, AND THE SOUTHERN PACIFIC) USE THIS ONE UPGRADED ROUTE. THE SOUTHERN PACIFIC SAN PEDRO BRANCH RUNS THROUGH A PREDOMINATELY INDUSTRIAL CORRIDOR, WHICH IS MORE COMPATIBLE WITH HEAVY FREIGHT TRAINS THAN THE

OTHER RAILROAD BRANCH LINES, WHICH INCLUDE PORTIONS OF RESIDENTIAL WEST LONG BEACH.

THE PROJECT ALSO INVOLVES WIDENING ALAMEDA STREET FROM FOUR TO SIX LANES FROM THE PORTS TO INTERSTATE 10. FUNDS FOR THREE OF THE GRADE SEPARATIONS AND FUNDS FOR THE WIDENING OF ALAMEDA STREET SOUTH OF STATE ROUTE 91 ARE ALREADY AVAILABLE THROUGH THE ASSISTANCE OF CHAIRMAN ANDERSON AND MEMBERS OF THE COMMITTEE. THE PORTS ACCESS DEMONSTRATION PROJECTS, FUNDED IN 1982 AND 1987, HAVE BEEN A MAJOR FACTOR IN THE PORTS' CONTINUED SUCCESSES.

SUPPORT FOR THIS PROJECT HAS ALSO COME FROM THE CITIZENS OF CALIFORNIA. THANKS TO THE PASSAGE OF STATE PROPOSITION 116 LAST MONTH, $80 MILLION HAS BEEN SPECIFICALLY EARMARKED FOR GRADE SEPARATIONS ALONG THE ALAMEDA STREET CORRIDOR.

THE STATE OF CALIFORNIA AND LOCAL GOVERNMENTS THROUGHOUT THE AREA ARE ALREADY MAKING SIGNIFICANT CONTRIBUTIONS TO THE PROJECT, HOWEVER, WE FEEL THAT FEDERAL ASSISTANCE IS ALSO JUSTIFIED. THE PORTS OF LONG BEACH AND LOS ANGELES PLAY AN IMPORTANT ROLE IN NATIONAL DEFENSE, TRADE AND ECONOMIC DEVELOPMENT FOR THE NATION. SPECIFIC FEDERAL SUPPORT IS APPROPRIATE TO ADD TO THE SUPPORT THAT THE STATE, LOCAL GOVERNMENTS AND THE CITIZENS OF CALIFORNIA HAVE ALREADY GIVEN IN SUPPORT OF THE COMPLETION OF THIS PROJECT.

THE SECOND ISSUE OF CONCERN TO THE CITY IS THE IMPROVEMENT OF THE INTERSTATE HIGHWAYS THAT CURRENTLY RUN THROUGH LONG BEACH. THE LONG BEACH (INTERSTATE 710), SAN DIEGO (INTERSTATE 405), AND SAN GABRIEL RIVER (INTERSTATE 605) FREEWAYS ARE AN IMPORTANT PART OF THE REGION'S TRANSPORTATION SYSTEM.

THE CITY OF LONG BEACH SUPPORTS THE ADDITION OF HIGH OCCUPANCY VEHICLE LANES TO THESE FREEWAYS IN EACH DIRECTION SO THAT BUSES, CARPOOLS, AND VANPOOLS CAN AVOID CONGESTION AND PROVIDE EFFICIENT AND EFFECTIVE COMMUTER MOBILITY. FUNDING FOR SUCH FREEWAY HIGH OCCUPANCY VEHICLE LANES SHOULD BE INCLUDED IN THE 1991 SURFACE TRANSPORTATION AUTHORIZATION ACT.

ONE INNOVATIVE WAY THAT THE CITY OF LONG BEACH IS TRYING TO MITIGATE TRAFFIC PROBLEMS IN THE CITY IS THROUGH THE LONG BEACH AIRPORT SURFACE ACCESS PROJECT. THIS PROJECT WOULD CREATE AN ASSESSMENT DISTRICT AROUND THE LONG BEACH AIRPORT TO FUND $24 MILLION IN TRAFFIC IMPROVEMENTS. THIS PROJECT IS UNIQUE IN MANY WAYS. FIRST, IT BRINGS THE CITY AND BUSINESS OWNERS IN THE AREA TOGETHER IN A JOINT PROJECT TO MAKE MANY NEEDED IMPROVEMENTS CAUSED BY THE CONTINUED DEVELOPMENT AT OR NEAR THE AIRPORT.

THE MC DONNELL DOUGLAS CORPORATION IS ON THE GROUNDS OF THE AIRPORT. DOUGLAS AIRCRAFT IS A LEADER AMONG AMERICAN

MANUFACTURERS OF COMMERCIAL AND MILITARY AIRCRAFT. LAST WINTER, DOUGLAS' LATEST COMMERCIAL JET, THE MD-11, WAS ROLLED OUT FOR THE FIRST TIME WHILE PRODUCTION CONTINUES ON THE C-17, A NEW MILITARY TRANSPORT. AS DOUGLAS CONTINUES TO INCREASE ITS PRODUCTION, OTHER COMMERCIAL AND OFFICE CENTERS HAVE GROWN AROUND THE AIRPORT.

THE LONG BEACH AIRPORT SURFACE ACCESS PROJECT WOULD BENEFIT OUR NATIONAL DEFENSE AND COMMERCIAL AVIATION INDUSTRY BY ALLOWING FOR NECESSARY MANAGEMENT OF THE INCREASED TRAFFIC CAUSED BY DOUGLAS AIRCRAFT'S OPERATIONS AS WELL AS STRENGTHEN OUR LOCAL AND REGIONAL ECONOMIES BY ASSISTING THE GROWTH OF THE BUSINESSES LOCATING NEAR THE AIRPORT. THIS PROJECT WILL ALLOW ALL OF THIS GROWTH TO OCCUR WITHOUT A NEGATIVE IMPACT ON THE NEARBY RESIDENTIAL AREAS.

THE PROJECTS I HAVE DISCUSSED SO FAR HAVE BOTH REGIONAL AND NATIONAL IMPACTS THAT INVOLVE BOTH THE STATE AND FEDERAL GOVERNMENTS AND THE PRIVATE SECTOR. LONG BEACH IS ALSO VERY CONCERNED ABOUT THE TRANSPORTATION NEEDS OF OUR OWN COMMUNITY.

THE CITY HAS IDENTIFIED A TOTAL PACKAGE OF $232 MILLION IN TRANSPORTATION IMPROVEMENTS THAT ARE ESSENTIAL TO THE GROWTH AND WELL-BEING OF THE COMMUNITY. THE PACKAGE IS BALANCED BETWEEN AUTO AND TRANSIT, AND ITS FUNDING IS DIVIDED BETWEEN PUBLIC AND PRIVATE SOURCES. THROUGH STATE-OF-THE-ART

COMPUTER MODELING, THE CITY HAS IDENTIFIED THE MAJOR TRAFFIC BOTTLENECKS IN ITS ROAD SYSTEM THAT CAUSE INORDINATE POLLUTION, CONGESTION AND DELAY.

ONE SUCH PROBLEM IS THE "IRON TRIANGLE" IN EAST LONG BEACH, WHERE THE PACIFIC COAST HIGHWAY (STATE ROUTE 1), SEVENTH STREET (STATE ROUTE 22), AND BELLFLOWER BOULEVARD ALL INTERSECT AND CAUSE OVER 100,000 VEHICLES PER DAY TO CRAWL THROUGH INADEQUATE AT-GRADE SIGNALIZED INTERSECTIONS THAT DO NOT HAVE THE CAPACITY TO MEET EVER-GROWING TRAFFIC VOLUMES TO AND FROM ORANGE COUNTY. THE SOLUTION IS A GRADE-SEPARATION TO INCREASE ROAD CAPACITIES FOR MAJOR TRAFFIC FLOWS. THE COST OF SUCH A PROJECT IN THAT LOCATION IS ABOUT $40 MILLION.

THE 1991 SURFACE TRANSPORTATION AUTHORIZATION ACT SHOULD PROVIDE FOR RELIABLE AND FLEXIBLE FUNDING TO CITIES THAT ARE READY TO IMPLEMENT A BALANCED, COMPREHENSIVE TRANSPORTATION PROGRAM SUCH AS THE ONE WE ARE NOW BEGINNING.

CHAIRMAN ANDERSON, CHAIRMAN MINETA AND MEMBERS OF THE SUBCOMMITTEE, THANK YOU ONCE AGAIN FOR COMING TO LONG BEACH TODAY. YOU COULD HAVE PICKED NO BETTER CITY TO FOCUS ATTENTION ON THE NEED FOR TRANSPORTATION IMPROVEMENTS. THE CITY OF LONG BEACH HAS TAKEN THE LEAD IN MANY AREAS TO ADDRESS IMPORTANT TRANSPORTATION ISSUES WITH THE HELP OF SURROUNDING GOVERNMENTS. WE WILL CONTINUE TO IMPLEMENT

SOLUTIONS TO MITIGATE TRAFFIC CONGESTION. HOWEVER, THE HELP AND SUPPORT OF CONGRESS IS ALSO NEEDED TO SEE US THROUGH ALL OF THESE SOLUTIONS.

THE OTHER HAT THAT I AM WEARING TODAY IS TO REPRESENT C.R.A.S.H. (CITIZENS FOR RELIABLE AND SAFE HIGHWAYS). THIS IS AN ORGANIZATION OF CITIZENS WHO ARE CONCERNED ABOUT A VARIETY OF TRANSPORTATION ISSUES. I WOULD LIKE TO TALK ABOUT TRIPLE AND TWIN FORTY-EIGHT FOOT TRAILERS BEING ALLOWED ON OUR NATION'S STATE HIGHWAYS AND STREETS. THE USE OF THESE TRAILERS WOULD NOT ONLY CAUSE MUCH UNNEEDED CONGESTION ON OUR HIGHWAYS, BUT ALSO PRESENT SEVERAL SERIOUS SAFETY HAZARDS.

THE AMERICAN TRUCKING ASSOCIATION HAS PROPOSED THAT TWIN 48'S AND TRIPLES BE ALLOWED NOT ONLY ON THE 44,000 MILES OF INTERSTATE HIGHWAYS, BUT ALSO ON AN ADDITIONAL 100,000 TO 120,000 MILES OF SECONDARY ROADS. THE PRESIDENT OF THE CALIFORNIA TRUCKING ASSOCIATION HAS EVEN BEEN QUOTED AS SUGGESTING THAT TWIN 48'S MIGHT BE ALLOWED ON CITY STREETS. HOWEVER, EVEN IF TRIPLES AND TWIN 48'S ARE NOT EXPRESSLY ALLOWED ON CITY STREETS, THEY WILL STILL BE ALLOWED ON ALMOST ALL CITY STREETS BECAUSE OF THE "REASONABLE ACCESS" PROVISIONS THAT WILL ALLOW THOSE HUGE TRUCKS OFF THE HIGHWAYS SO THEY HAVE "ACCESS" TO "TERMINALS," FUEL AND FOOD.

I HAVE CONDUCTED A QUICK ANALYSIS OF WHERE IN LONG BEACH TWIN 48'S AND TRIPLES WILL NOT BE ALLOWED. AS YOU CAN SEE FROM THIS MAP, THEY WILL BE ALLOWED JUST ABOUT EVERYWHERE IN LONG BEACH.

THE AMERICAN AUTOMOBILE ASSOCIATION FOUNDATION IN AN 1985 STUDY CONCLUDED THAT THE COST OF TRUCK ACCIDENTS IN LOS ANGELES COUNTY WAS $190 MILLION. $120 MILLION OF THAT COST WAS THE LOST TIME FOR PASSENGERS IN AUTOS STUCK IN GRIDLOCK CAUSED BY TRUCK ACCIDENTS. TRIPLES AND TWIN 48'S WILL ALSO TAKE UP MORE SPACE ON HIGHWAYS AND STREETS THAT ARE ALREADY OVERCROWDED. THE STUDY WENT ON TO FIND THAT IF TRIPLES AND TWIN 48'S ARE APPROVED, NOT ONLY WILL THERE BE MORE ACCIDENTS, BUT THE ACCIDENTS WILL BLOCK MORE LANES OF TRAFFIC.

THIS FINDING WAS BORNE OUT THIS PAST MAY 27TH IN PORTLAND WHERE A 37-YEAR-OLD MAN WAS KILLED AND SEVEN OTHERS WERE INJURED WHEN A TRIPLE TRAILER SLAMMED THROUGH A CONCRETE BARRIER ON INTERSTATE 5 AND COLLIDED HEAD ON WITH ONCOMING TRAFFIC. THE COLLISION OCCURRED WHEN THE TRAILER LOST CONTROL GOING THROUGH A POOL OF WATER THAT COLLECTED ON THE HIGHWAY DURING A HEAVY RAIN. AS THE TRAILER WENT OUT OF CONTROL, THE DRIVER OVER-CORRECTED, WHEN HE STRUCK A CONCRETE WALL, HIS TRUCK CAREENED ACROSS THE SOUTHBOUND LANES SLAMMING INTO THE CONCRETE BARRIER ON THE OTHER SIDE. THIS ACCIDENT BLOCKED LANES OF INTERSTATE 5 FOR EIGHT HOURS.

THIS ACCIDENT IN PORTLAND NOT ONLY DEMONSTRATES THE CONGESTION PROBLEMS AN ACCIDENT LIKE THIS CAN CAUSE, BUT ALSO RAISES MANY CONCERNS ABOUT THE SAFETY OF TRIPLES AND TWIN 48'S.

ALL OF US HAVE DRIVEN HIGHWAYS SURROUNDED BY TRUCKS. THE POTENTIAL HAZARDS THAT THESE TRAILERS TODAY PRESENT ARE STAGGERING, BUT THE THOUGHT OF HAVING EVEN LARGER TRAILERS ON OUR STREETS AND HIGHWAYS SEEMS TOTALLY INCOMPATIBLE WITH AUTOMOBILE TRAFFIC.

NOT ONLY WOULD THESE TRAILERS PRESENT A HAZARD ON THE STREETS, BUT THE ON-AND OFF-RAMPS IN LONG BEACH FOR OUR INTERSTATE HIGHWAYS ARE NOT LARGE ENOUGH TO ACCOMMODATE THE SWEEPING TURNS THAT TRIPLES AND TWIN 48'S MUST TAKE WHEN TURNING. WITHOUT NECESSARY COSTLY ADJUSTMENTS, THESE TRAILERS WOULD RUN OVER SIDEWALKS, LAWNS AND POSSIBLY EVEN PEDESTRIANS.

THE TRUE DANGERS ASSOCIATED WITH TRIPLES AND TWIN 48'S WERE DETAILED IN A STUDY BY THE CALIFORNIA HIGHWAY PATROL. SOME OF THE HAZARDS ASSOCIATED WITH THESE TRAILERS IF THEIR USE WERE EXPANDED INCLUDE:

- VAST AMOUNTS OF HAZARDOUS MATERIALS WOULD BE DIVERTED FROM RAILROAD TANKCARS TO HIGHWAY TANK TRUCKS;
- DOUBLE TRAILER TANK TRUCKS HAD A SIGNIFICANTLY GREATER PROPORTION OF CRASHES INVOLVING OVERTURNS THAN SINGLE TRAILER TANK TRUCKS;
- TANK STRAIGHT TRUCKS AND SINGLE TRACTOR TRAILERS OVERTURNED IN 50% OF THEIR CRASHES;

- STRAIGHT TRUCKS PULLING A SINGLE TRAILER OVERTURNED IN 60% OF THEIR CRASHES;
- TANK TRUCKS WITH DOUBLE TRAILERS HAD OVERTURNS IN 70% OF THEIR CRASHES.

OF PARTICULAR IMPORTANCE WERE THE NUMBER OF DOUBLE CRASHES INVOLVING OVERTURNS OF THE LAST TRAILER. I QUOTE FROM THE CHP REPORT:

> "THE LAST TRAILER IN A SET OF DOUBLES WAS PARTICULARLY SUSCEPTIBLE TO OVERTURN. THE REAR TRAILER WAS THE ONLY VEHICLE THAT OVERTURNED IN ALMOST TWO-THIRDS OF THE OVERTURNS INVOLVING SETS OF DOUBLES AND IN CLOSE TO HALF OF THE OVERTURNS INVOLVING TRUCKS AND FULL TRAILERS."

THESE ACCIDENTS INVOLVING OVERTURN OF ONLY THE SECOND TRAILER WOULD NOT HAVE OCCURRED HAD THE INVOLVED TRUCK BEEN HAULING ONLY ONE TRAILER.

CHAIRMAN ANDERSON, CHAIRMAN MINETA, AND MEMBERS OF THE SUBCOMMITTEE, TRIPLE AND DOUBLE 48 TRAILERS SHOULD NOT BE ALLOWED ON THE STREETS AND STATE HIGHWAYS OF LONG BEACH, CALIFORNIA OR ELSEWHERE IN THE UNITED STATES. IT IS CLEAR THAT THE CONGESTION THAT THESE TRAILERS WOULD CAUSE WOULD AGGRAVATE AN ALREADY HEAVILY IMPACTED TRANSPORTATION INFRASTRUCTURE ADDING TO OUR TRAFFIC GRIDLOCK. IN ADDITION, THESE TRAILERS WOULD POSE A GRAVE SAFETY HAZARD IN THE EVENT OF A COLLISION. THIS DANGER COULD COME FROM THE SPILL OF

TOXIC CHEMICALS, TRAILERS RUNNING INTO AUTOMOBILES OR OTHER TRAILERS, OR FROM VEHICLE COLLISIONS CAUSED BY SPILLED CARGO FROM THE TRAILERS, OR A COMBINATION OF ALL THREE.

THANK YOU FOR THE OPPORTUNITY TO SPEAK TODAY ON BEHALF OF C.R.A.S.H. I WOULD BE HAPPY TO ANSWER ANY QUESTIONS.

Testimony of Governor Edmund G. "Pat" Brown
Surface Transportation Subcommittee
Long Beach, California -- July 2, 1990

Chairman Mineta, Chairman Anderson and members of the Subcommittee: I am Edmund G. "Pat" Brown, former governor of the state of California and a member of the board of CRASH -- Citizens for Reliable and Safe Highways. I am here today to voice my opposition to proposals that would allow Congress to authorize triple trailer trucks and twin 48-foot trucks.

It is a particular pleasure for me to appear before Chairman Anderson, who was my running mate when I was a candidate for governor, and then Lieutenant Governor during the eight years I was governor. I believe we made a fine team.

One of Chairman Anderson's and my finest accomplishments while we governed California was to pioneer the California freeway system. I believe we provided our state not only with the best highway system in the nation, but also with the safest.

I worry, however, that California's highway system is breaking down. Not only is the pavement itself deteriorating, but the urban parts of our state seem to be approaching gridlock.

Our highways are no longer reliable. We cannot rely on what should be a twenty-minute trip taking twenty minutes. Frequently, what should be a twenty-minute trip takes forty minutes or even an hour. Sometimes this is because there are just too many cars and trucks on the road. Sometimes it is because of an auto accident. All too frequently, however, it is because a big truck overturned, like the double trailer tank truck that overturned last Thursday ten miles from here on the Lakewood Blvd. on-ramp to the Artesia

Freeway.

That double trailer tank truck crash spewed seven hundred gallons of diesel fuel onto the freeway and caused congestion all day long.

I believe double trailer trucks -- like the one that overturned last Thursday -- are unstable and unsafe. As a California Highway Patrol study demonstrated, double trailer tank trucks have a substantially higher incidence of overturn than do single trailer tank trucks.

I do not pretend, however, to be an expert on truck safety, or even to have read all the complex and apparently conflicting studies on the subject. My conclusion that double trailer trucks are unsafe comes from conversations with experts on the subject.

If double trailer trucks with three articulation joints are unsafe, common sense tells me that triple trailer trucks one-third the size of a football field must be even more dangerous. The experts tell us the same thing.

The experts tell us that triple trailer trucks have five articulation joints and that the more articulation joints a vehicle has, the more dangerous the vehicle.

The experts tell us that the third trailer of a triple trailer truck sways back and forth as much as four feet on a windless day on a straight freeway.

The experts tell us that the "crack-the-whip" effect -- which causes trucks to overturn -- is three and one-half times as great for triple trailer trucks as it is for single trailer trucks.

The experts give us many other reasons not to like triples and

the even more mammoth twin 48's. But I do not need an expert to tell me that it takes much longer to pass a triple or twin 48 on dangerous two-way highways. Nor do I need an expert to tell me that the freeway on and off ramps here in Long Beach were not designed to accommodate these monster trucks.

In my opinion, if Congress authorizes triples and twin 48's, there will be many more truck crashes than there are today. Many more lives will be lost. Many more will live the rest of their lives with crippling injuries. And congestion will become radically worse as triples and twin 48's block traffic for miles.

Therefore, I urge you to adopt the goals of CRASH -- Citizens for Reliable and Safe Highways -- as your own. Let's work together to make our highways reliable and safe.

AMERICA'S COALITION FOR

TRANSIT NOW

TESTIMONY OF

Mr. Thomas Conneely
President
Association of California Insurance Companies

Mr James Snyder
President
Personal Insurance Federation of California

on behalf of

AMERICA'S COALITION FOR
TRANSIT NOW

before the

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

UNITED STATES HOUSE OF REPRESENTATIVES

Field Hearing
Long Beach, California
Council Chamber
City Hall
3 P.M.
July 2, 1990

AMERICA'S FUTURE RIDES ON TRANSIT
BUS • SUBWAY • LIGHT RAIL • HOV LANE • CARPOOL • VANPOOL • COMMUTER RAIL • HIGH SPEED RAIL
1317 F STREET, NW 6TH FLOOR WASHINGTON, DC 20004 202-638-0215 FAX 638-7045

Mr. Chairman, we are pleased to appear before you today on behalf of America's Coalition for Transit NOW.

The Transit NOW coalition is made up of over sixty national organizations, including the three major insurance trade associations, labor unions, environmental groups, senior citizen advocacy organizations, investment bankers, transit systems and others who provide public transportation, consumer groups, and other varied organizations.

As many have observed, this is a very unusual array of interests. We have come together to support a major increase in federal funding for public transportation. The diversity of Transit NOW's membership demonstrates the breadth of benefits that expanded and improved transit systems and services offer for all Americans.

Too often, Americans think of transit as the other way people get around, if they think about it at all. But as each of us confronts increasing problems of mobility and congestion, dirty air and inefficient land use, declining productivity and growing reliance on imported oil, we must come to see that public transportation offers solutions to each of these problems.

I will touch briefly on each of these points and then more specifically address the benefits transit offers to control the cost of insurance.

ECONOMIC IMPACT/COMPETITIVENESS

Everywhere, congestion is a major cause of declining economic productivity. Nationally, 2 trillion hours are wasted each year while we sit in traffic. In the next 20 years urban and suburban travel is projected to increase by 400 percent on the nation's freeways, and by 200 percent on other roads.

And as congestion diminishes our productivity, our economic competitors are making massive investments in their transportation infrastructure:

- Spain is investing $22 billion to rebuild its national rail network.
- West Germany is investing $12 billion to build an intercity high-speed rail network.
- Scandinavian countries are building Scanlink at a cost of $6 billion to connect Scandinavian rail and road systems to Europe.
- Switzerland is spending $8 billion to build trans-Alpine rail tunnels to Italy and an additional $5 billion on a new rail and bus network.
- The British and French are building the Channel Tunnel at a cost of $12 billion to accommodate 80 mph rail traffic.
- The French high-speed rail network is being expanded to Lille and Calais tying France, and all of Europe, into a network including Brussels, Amsterdam, Cologne and London.

These figures are just for the emerging European Community. Japan's bullet trains are legend, and they, too, are being expanded and improved.

The U.S. is the world's leading debtor nation. A major contributor to our trade imbalance is the growth in oil imports. In January 1990, 54 percent of the nation's oil supply was imported. The impact on our balance of trade is substantial. The Department of Energy recently reported that in the first 11 months of 1989, the cost of imported energy, nearly all oil, represented 38.5 percent of the $102.4 billion trade deficit in those months. Transportation accounts for 65 percent of petroleum use.

Reducing the use of oil products for transportation by increasing the use of shared ride modes of transportation will result in a decline in the demand for imported oil. For instance, 30 million to 40 million gallons of gasoline would be saved each day if average commuter vehicle occupancy were increased from 1.1 passengers per vehicle to 2.1 passengers per vehicle:

Mr. Chairman, we can't continue down this road.

ENVIRONMENT/AIR QUALITY/HEALTH

Similarly, the quality of our air has declined in virtually every community. As a result, our environment and our health have suffered. It is well documented that the major source of air pollution is motor vehicles.

- One third of carbon dioxide -- the most significant cause of global warming -- comes from transportation sources.
- Transportation sources cause 40 to 60 percent of pollution that produces ozone. Ozone standards were violated regularly in 101 U.S. cities in recent years.
- Transportation also accounted for 70 to 80 percent of carbon monoxide emissions, with those standards being exceeded in 44 metropolitan areas.
- A consequence of this motor vehicle pollution is 110 million Americans breathing dirty air, according to the federal Environmental Protection Agency.
- The cost to our health is staggering, with over $40 billion spent on air-pollution related illnesses each year. The American Lung Association reports that 110,000 people die yearly from auto pollution.

Mr. Chairman, we can't continue down this road.

We all hope that the soon to be enacted Clean Air Act will result in improving our air quality. But even these efforts will not be enough. Integral to our nation's efforts to clean the air must be a renewed commitment to making public transit available to all Americans, to offering meaningful transit choices other than one person per car.

MOBILITY

However, economic competitiveness and air quality are not the only reasons America needs an improved public transportation system.

For 65 million transportation disadvantaged Americans -- people with disabilities, older Americans and rural residents in particular -- our under funded transit system has meant less mobility and fewer opportunities to contribute to society and maintain their independence. Limited public transit also condemns many rural communities to slow economic death.

THE IMPACT OF CONGESTION ON AUTO INSURANCE RATES

In recent years the high cost of auto insurance in some of our urban areas has become a major political issue. That is certainly the case in California, where auto insurers are confronted with myriad problems, including more claims and skyrocketing medical, legal, and auto repair bills. Urban areas often face the most severe problems, largely due to congestion, higher accident rates, and higher costs associated with losses.

A recent study by the Insurance Services Office and the National Association of Independent Insurers, entitled "Factors Affecting Urban Auto Insurance Costs," found that bodily injury liability claims in Los Angeles occurred 2.4 times more frequently than in the State of California as a whole. Similar rates of frequency are being experienced in Philadelphia, Baltimore, Newark, Boston, Chicago, Cleveland, Miami, and New York City.

Insurance statistics are very clear. Increased congestion leads to greater insured losses and higher auto insurance rates. However, the insurance industry is not satisfied to simply record this phenomenon and pass it on to consumers in the form of higher insurance rates. Insurers are engaged in a variety of efforts to make our roads safer, reduce drunk driving, and to lower the costs of repair.

Greater use of mass transit and improved mass transportation systems will lead to a reduction in congestion and ultimately to fewer accidents, injuries and fatalities. Insurers have a vested interest in these issues and will continue to work with organizations with similar goals such as those in Transit NOW. We are proud to join with business, labor, and consumers in urging increased funding for mass transit.

We need more effective public transportation and greater education on public transportation services to reduce traffic injuries and deaths, for a cleaner environment, for the economy and for insurance consumers.

We need more Transit NOW!

Mr. Chairman thank you for the opportunity to appear before the Committee, and I would be happy to answer any questions you or the other Members of the Committee may have.

SENATOR ED DAVIS TESTIMONY
JULY 2, 1990
HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
HEARING ON HR 3389-FREEWAY BILLBOARDS
LONG BEACH, CALIFORNIA

IT IS MY PLEASURE TO HAVE THE OPPORTUNITY TO PRESENT TESTIMONY TO YOU TODAY IN SUPPORT OF CONGRESSIONAL EFFORTS TO AMEND THE FEDERAL HIGHWAY BEAUTIFICATION ACT TO ALLOW LOCAL GOVERNMENTS TO MORE EQUITABLY DEAL WITH NON-CONFORMING LAND USES IN THEIR JURISDICTIONS.

I HAVE BEEN A CALIFORNIA STATE SENATOR SINCE 1980 AND HAVE HAD THE PRIVILEGE OF REPRESENTING AREAS IN VENTURA COUNTY, SANTA BARBARA COUNTY, AND NORTHERN LOS ANGELES COUNTY. THESE REGIONS ARE BEAUTIFUL AREAS WITH CONTRASTING NEW URBAN COMMUNITIES AND EXTRAORDINARY NATURAL AREAS. IN MANY CASES THESE AREAS ARE DEFINED BY THEIR SURROUNDING MAJOR FREEWAYS. FOR EXAMPLE, INTERSTATE 5 BISECTS NORTHERN LOS ANGELES COUNTY ON ITS WAY TO OREGON, WHILE THE 101 FREEWAY WINDS ITSELF THROUGH THE SANTA MONICA MOUNTAINS NATIONAL RECREATION AREA UP THE CALIFORNIA COAST.

FOR THE PAST SEVERAL YEARS I HAVE ATTEMPTED TO ASSIST THE LOCAL GOVERNMENTS IN MY DISTRICT, SPEARHEADED BY THE CITY OF AGOURA HILLS, TO IMPROVE THE SCENIC BEAUTY OF THEIR COMMUNITIES BY ADOPTING STATE LEGISLATION.

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SENATOR ED DAVIS TESTIMONY
HR 3389
JULY 2, 1990

IN 1988 MY LEGISLATION, SB 1879 (CHAPTER 654, STATS. 1988) ADOPTED SCENIC HIGHWAY DESIGNATION FOR THE 101 FREEWAY FROM THE SAN FERNANDO VALLEY, THROUGH AGOURA HILLS, WHICH IS LOCATED WITHIN THE SANTA MONICA MOUNTAINS NATIONAL RECREATION AREA, UP TO SANTA BARBARA COUNTY. I AUTHORED THIS MEASURE BECAUSE THE 101 FREEWAY IS THE NATURAL DESCENDANT OF THE VENERABLE EL CAMINO REAL OF ANTIQUITY, AND CONSTITUTES AN INTEGRAL LINK WITH OUR RICH SPANISH HERITAGE THAT MUST BE SAVED. THE 101 FREEWAY WINDS THROUGH TERRAIN NATIONALLY RENOWNED FOR ITS UNIQUE SPLENDOR. THIS LEGISLATION IS THE FIRST STEP IN THE PROCESS THAT COULD RESULT IN THE ADOPTION OF VERY STRICT ENVIRONMENTAL CONTROL ALONG THIS FREEWAY.

UNDER CALIFORNIA STREETS AND HIGHWAYS CODE SECTION 261, AND STANDARDS ADOPTED BY THE STATE TRANSPORTATION DEPARTMENT, A CITY MUST TAKE ADDITIONAL STEPS TO REGULATE THE DENSITY OF LAND USE; HAVE NATURAL AREAS MAINTAINED, OR APPROPRIATELY LANDSCAPED; AND CONTROL OUTDOOR ADVERTISING.

THE PROBLEM FACING THE CITY OF AGOURA HILLS, AND SEVERAL OTHER CITIES AND COUNTIES IN CALIFORNIA, IS THAT THE FEDERAL HIGHWAY BEAUTIFICATION ACT MAKES IT FINANCIALLY IMPOSSIBLE FOR LOCAL GOVERNMENT TO ENACT REASONABLE SIGN ORDINANCES WHICH REMOVE BILLBOARDS WITHIN 660 FEET OF A FREEWAY. WHEN I ATTEMPTED TO

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PASS LEGISLATION IN THE STATE SENATE TO ALLOW LOCAL GOVERNMENTS TO COMPENSATE THE BILLBOARD COMPANIES BY AMORTIZING THE BILLBOARD OVER A SEVEN YEAR PERIOD, WHICH IS NOW ALLOWED FOR POLE SIGNS, I WAS INFORMED THAT WE WERE IN CONFLICT WITH THE FEDERAL LAW AND WOULD LOSE 10% OF OUR FEDERAL GAS TAX IF WE ENACTED IT.

THE INFORMATION CENTER FOR THE SANTA MONICA MOUNTAINS NATIONAL RECREATION AREA IS NOW LOCATED IN THE CITY OF AGOURA HILLS, WHICH IS RAPIDLY BECOMING A DESTINATION POINT FOR TOURISTS. IT SHOULD BE GIVEN THE OPPORTUNITY TO CHANGE ITS IMAGE FROM THE BILLBOARD CAPITAL OF THE LOS ANGELES AREA, BUT THAT CAN ONLY HAPPEN IF YOU ALLOW THEM TO MAKE LAND USE DECISIONS AT THE LOCAL LEVEL.

BILLBOARD COMPANIES' RIGHTS ARE NO GREATER THAN THOSE OF THE CITIZENS OF MY DISTRICT. I URGE YOU TO RETURN THE ISSUE OF THE REMOVAL OF NON-CONFORMING BILLBOARD USES TO LOCAL GOVERNMENTS. THANK YOU FOR YOUR CONSIDERATION.

esea EL SEGUNDO EMPLOYERS ASSOCIATION

P.O. Box 547
El Segundo, CA 90245
(213) 640-3403
FAX: (213) 391-9764

TESTIMONY BY GERALD G. GEISMAR
CHAIRMAN OF THE BOARD
EL SEGUNDO EMPLOYERS ASSOCIATION

Presented to:

THE SURFACE TRANSPORTATION SUBCOMMITTEE
of the
HOUSE PUBLIC WORKS COMMITTEE

FIELD HEARING ON
THE REAUTHORIZATION OF THE POST-INTERSTATE
SURFACE TRANSPORTATION PROGRAM

Long Beach, California
July 2, 1990

THE GREEN LIGHT FOR COMMUTERS

Good afternoon Mr. Chairman and members of the Committee. My name is Gerald G. Geismar and I am Vice President and General Manager of the TRW General Services Division. I also serve as Chairman of the Board of Director of the El Segundo Employers Association - ESEA - and it is this latter capacity that I am here before you today.

ESEA is a privately funded, non-profit coalition of aerospace and defense contractors, other major employers, and commercial property owners. ESEA's members, who employ more than 75,000 people in the South Bay area of Los Angeles County alone, include (among others): TRW Inc.; Hughes Aircraft Company; Rockwell International; Northrop Corporation; Xerox Corporation; Computer Sciences Corporation; and Chevron U.S.A.

Since its founding in 1981, ESEA's sole mission has been to help improve the transportation system and to reduce traffic congestion in our area. As such, ESEA is vitally interested in the future of the Federal highway and mass transit programs, and we welcome this opportunity to share our views in regard to what we consider to be a most important issue: good intermodal access, especially as it relates to ports of national and regional significance.

First, however, I'd like to spend just a few moments telling you about ESEA's approach to our surface transportation problems.

- ESEA was perhaps the first Transportation Management Association in California, if not the United States. Almost a decade ago, ESEA's members began to develop and implement Demand Management Strategies such as vanpooling, carpooling, employer subsidized public transit, and alternative work schedules. Long before the term "public-private partnership" became commonplace, ESEA recognized that the private sector has the ability, the opportunity and, indeed, the responsibility to help address our transportation problems. Today, ESEA members are continuing and increasing these efforts to help achieve critical mobility and air quality objectives for our area.

- At the same time, ESEA believes that demand management strategies cannot do the job alone. Public investment in transportation infrastructure - at all levels of government - must be in line with the needs of today and tomorrow. This constitutes the other part of ESEA's overall approach: advocating capacity enhancements on a selective basis to reduce congestion and enhance the South Bay as a place to work, live and do business.

ESEA continues to advocate a multi-modal approach: ridesharing, HOV lanes, rail transit, intersection improvements and arterial widenings are all integral to ESEA's philosophy and strategy. I've asked that copies of ESEA's brochure, which summarizes our approach and accomplishments, be made available to you.

ESEA has long recognized that a good transportation system is critical if American business is to meet the challenges of the global marketplace. One issue which we think deserves special attention is the need to ensure good, intermodal access to airports and seaports. When trips involve transfers from one form of transportation to another, good connections between modes are essential. There is an important and legitimate role for the Federal government to play with regard to this issue, since intermodal access projects tend to be complex, costly and beyond the financial resources which are normally available to state and local jurisdictions.

Here locally, for example, the new interstate I-105 Anderson Freeway, sometimes called the Century Freeway, will be completed in 3 or 4 years, and will terminate just south of Los Angeles International Airport. The key link between the Freeway and the Airport is a tunnel on a local arterial, and studies have shown that this link will be massively overloaded once the Freeway is in operation. ESEA believes this is an excellent example of where the Federal government can and should play an important

role: the cost of expanding the tunnel is simply beyond the reach of State and local government, even with the recent passage of Proposition 111.

It should also be remembered that LAX is in the middle of one of the most highly developed and growing corridors in Los Angeles County. Good surface access is important not only for the over 40 million annual passengers who use LAX and for the billions of dollars worth of freight which are imported and exported there every year, but also for the hundreds of thousands of daily commuters in the area who must use this same congested arterial to get to work. The irony is that completion of a portion of the Federal Interestate system will make access to LAX worse, not better, and will negatively impact area commuters as well.

While the particulars may differ, my impression from traveling throughout the United States is that this is hardly a unique example, but rather one which is typical of en entire genre. As we move into the post-interstate era, ESEA recognizes that roles and responsibilities of all levels of government, and the private sector, with regard to transportation may be changing. We also recognize that budgetary considerations play a role as well. We believe, however, that it is appropriate for Congress and the Administration to take the lead: when national interests are clearly at stake; when the need - in this case, good intermodal connections - is nationwide in scope; when the

solution is beyond the financial capability of local and state governments; and when other Federal programs or projects have significant though unintended adverse impacts.

Thank you very much for your time and attention; I'll be happy to try to answer any questions which you may have.

GGG:test-trw

THE AEROSPACE CORPORATION

AEROSPACE/LAAFS

BICYCLE getting to work THE BEST WAY

Mail to: Commuter Services
M2/351 or call extension 6-POOL

Name _____ Mail Station or AF Office Symbol _____ Ext. _____

Building location _____

Please send me the folloiwng bicycle information:

- ☐ Bike route maps
- ☐ Bike Club
- ☐ Bike locker request

Why not bicycle to work?

As the traffic in El Segundo gets more and more congested and as the cost of owning a car continues to increase, why not bike to work? If you're driving during peak traffic hours, biking may not take much longer.

Many employees already commute to Aerospace by bike on a regular basis. Because bicycling is an efficient way of commuting for individuals who live close to work, Aerospace provides certain conveniences to assist bikers.

Facilities available to bike riders

BICYCLE STANCHIONS are located at the south end of Buildings A2 and A3. These high-security stanchions clamp to your bicycle frame and provide a cable to secure your wheel. You only need to provide a padlock.

Enclosed BICYCLE LOCKERS are located at Buildings A2, A6, and D5. Lockers are assigned by the Bike Club. You need not be a member. Call Commuter Services for current club extension.

BICYCLE RACKS, located at Buildings D4, D6, and D8, are available to employees using their bikes on interfacility visits.

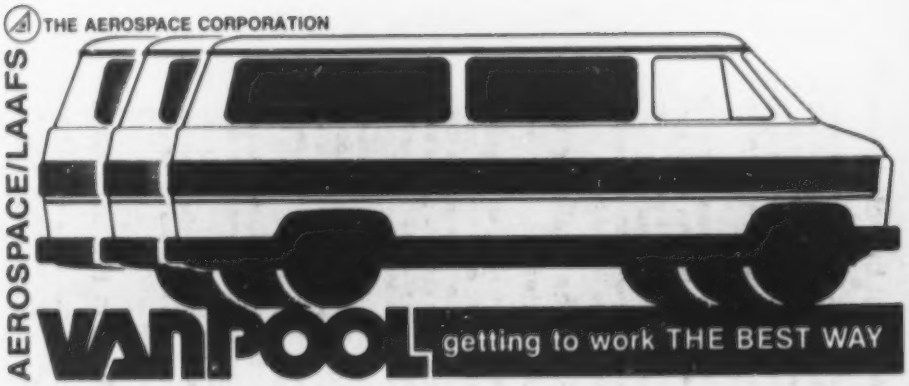
SHOWERS are available for both men and women at Building D3 and at the Air Force gym.

What is the Bike Club?

The Bike Club, part of the AEA Outdoor Sports Club, offers special films and workshops on bicycle repairs, safety in bicycling, and other useful topics. To help you determine the best route to bike to Aerospace, the Outdoor Sports Club can give you the name of an experienced bicyclist who lives near you. An experienced cyclist can ride with you the first time you bike to work and tell you about the shortcuts, bad intersections, potholes, etc.

How can I get more information?

El Segundo and regional bike route maps and information are available f.om Commuter Services. Contact that office at extension 6-POOL or send in the form on the back.



Mail to: Commuter Services
M2/351 or call extension 6-POOL

Name Mail Station or AF Office Symbol Ext

☐ Please send me information about vans from the (city) area.

☐ I would like to start my own vanpool from the (city) area.

☐ with my own van ☐ with a company van

What is a vanpool?

A vanpool consists of approximately 8 to 15 people commuting to work in a van. Generally, one vanpool member acts as the operator in charge of the group. The operator may also be the driver, or several members can share driving responsibilities. The group determines its own rules regarding route, pickup locations and times, smoking, etc., to allow flexibility for individual needs and circumstances. Usually, a vanpool will have one or two central locations near the riders' homes where everyone meets.

Is vanpooling for me?

Vanpooling is ideal for employees who travel 30 miles or more round-trip to work. More than 600 employees at Aerospace and Space Division commute to work in a vanpool. Vanpools are operating from Orange, Riverside, San Bernardino, Ventura, and Los Angeles counties.

What are the advantages?

Statistics indicate that vanpooling is one of the safest forms of transportation—safer than driving alone in a car. The Aerospace vanpool program has accumulated more than 13 million miles since 1975 without a serious accident.

Vanpoolers ride in air-conditioned comfort, with individual seats and reading lights in most vans. Passengers can relax on their way to and from work while reading, catching up on work, or sleeping.

Vanpooling costs less than driving alone.

What does it cost?

Fares are based on the cost of operating the vehicle, which varies depending on the number of miles driven and the number of seats. Vanpool members share these costs on a monthly basis. The driver usually rides for free or shares the free ride with other drivers. The average cost per person for an 80-mile round trip is $68 per month.

Who provides the van?

Three types of vanpools are operated at Aerospace:

- **Company vehicles**. Aerospace provides an in-house vanpool program. Employees pay a monthly fare that covers the company's cost of operating its vans.
- **Owner-operated**. If you own a passenger van, you can use that for commuting with other employees to work. Your passengers help pay the cost of commuting.
- **Vanpool vendors**. Vendors lease a vehicle to a group of commuters for vanpooling. The monthly lease cost includes insurance, maintenance, and licensing.

Will vans allow occasional riders?

Employees who can't ride on a daily basis because of travel, overtime, or other commitments can be casual riders. When a seat is available, casual riders pay to ride on a day-to-day basis.

Tell me more!

If you want more information about a vanpool near you OR you would like to start your own vanpool, fill out the card on back and mail to Commuter Services, M2/351, or call extension 6-POOL.

THE GREEN LIGHT

VOLUME 4 • NUMBER 1 | A PUBLICATION OF THE EL SEGUNDO EMPLOYERS ASSOCIATION | SUMMER 1990

ESEA Board Elects Officers for 1990

At their January meeting, the ESEA Board of Directors unanimously approved the slate of new officers for 1990, including two new positions: Deputy Director-Transportation Demand Management; and Deputy Director-Air Quality and Alternative Fuels. These positions were created to respond to the increase in environmental issues facing ESEA member corporations.

The 1990 officers are: Chairman: Gerald G. Geismar, TRW Inc.; Vice Chairman: Phil Humphries, Chevron, USA-El Segundo; Secretary-Treasurer: Hugh Greenup, Kilroy Industries; Deputy Director-Legislative Affairs: Michael Jackson, TRW Inc.; Deputy Director-Membership: Karen Ackland, Continental Grand Associates; Deputy Director-Transportation Demand Management: Lenny Courselle, Xerox Corporation; Deputy Director-Air Quality and Alternative Fuels: Todd Gerstenberger, Northrop Corporation.

Chairman Gerald G. Geismar is Vice President and General Manager of the General Services Division for the Redondo Beach based Space and Defense Sector of TRW. Mr. Geismar has been involved with major aerospace programs for more than 30 years. Prior to joining TRW, he was Project Manager for Sperry Gyroscope Company and for the U.S. Army at Aberdeen Proving Ground, and Manager of Planning and Control for ARMA Division of AMBAC Industries. He received his B.S. degree in electrical engineering from Union College, Schenectady, New York, and an M.B.A. from Columbia University, Graduate School of Business. Mr. Geismar is active in the community and is an Associate Fellow of the AIAA.

esea

ESEA Successfully Opposes Cuts to Norwalk - El Segundo Light Rail Line

Following five months of intensive lobbying by ESEA and the City of El Segundo, the Los Angeles County Transportation Commission (LACTC) has decided not to eliminate essential features of the Norwalk - El Segundo light rail project. By a 9-2 vote, the LACTC opted to retain all stations and fully automated train control. Power to the system will be via overhead catenary instead of third-rail as originally proposed.

At a special briefing by LACTC staff in early June, 1989, ESEA members were stunned to learn of a cost-cutting proposal which would have limited the system's effectiveness and ability for accommodating future demand on the line. "We understand the need to save money wherever possible," noted Donald Camph, ESEA's Executive Director, "but we felt it would be short-sighted to compromise the system's long term capability to respond to the mobility, air quality and energy conservation challenges of the next 30 years."

El Segundo Mayor Carl Jacobson echoed this sentiment: "The cost-cutting proposal was penny-wise and pound-foolish and would have severely compromised the line's fundamental mission. I'm glad the LACTC chose to keep its commitment to build a system which will meet the community's needs well into the 21st Century."

Although a fully-automated system will cost about $30 million initially, ESEA analyses showed that this will be more than offset by lower operating costs and higher revenues due to increased ridership. "The LACTC staff has estimated that ridership on the line will be as much as 30% higher due to the increased frequency of service made possible by full automation," Camph noted; "this will be critical as ESEA member companies strive to meet their transportation demand management and air quality objectives."

Funding Approved for Aviation-Rosecrans Project

In June, 1989 the Los Angeles County Transportation Commission approved the first phase of the City of Hawthorne's application for $3.0 million in regional Federal Aid Urban (FAU) funds for the Aviation/Rosecrans intersection improvement project. The City of Hawthorne has been designated Lead Agency and will oversee the initial design and engineering phase of this project which includes preparing plans and specifications for the reconstruction of the Santa Fe freight bridge to allow for the widening of the intersection.

The City of Hawthorne has selected the firm of DeLeuw, Cather & Company to perform the design and engineering phase of the Aviation/Rosecrans intersection project. DeLeuw, Cather prepared the original study on the intersection at the request of ESEA in 1987-88. According to Jim Mitsch, Chief of General Services and Public Works for the City of Hawthorne, "DeLeuw, Cather has the qualifications we feel are important to successfully redesign this intersection and we are pleased the cities of Manhattan Beach and El Segundo agree with the selection." The consultants will begin the preliminary engineering phase of the project in the next few months.

ESEA led the effort to secure $900,000 in Federal funds during FY '89 for the design and engineering phase of this intersection project, as well as the extension of Douglas Street.

Major corporations contributing rights-of-way to the Aviation/Rosecrans project are Xerox Corporation, TRW Space & Defense and Continental Development Corporation. These

See page 3

National Transportation Policy Sets Stage for 21st Century

by Dr. Thomas D. Larson
Federal Highway Administrator

[Ed. Note: Dr. Thomas D. Larson was sworn in as the Nation's 12th Federal Highway Administrator on August 10, 1989. Prior to joining FHWA, Dr. Larson served as a Professor and Administrator at Pennsylvania State University from 1962 to 1979. He was Secretary of Transportation in the Commonwealth of Pennsylvania from 1979 to 1987. Dr. Larson received his B.S., M.S. and Ph.D. in Civil Engineering from Penn State, and has completed post-doctoral studies at M.I.T. and Oklahoma State University.]

Thirty-five years ago, President Eisenhower's goal in establishing the program to build the Interstate Highway System was to "Unite the Nation" in a way that only an effective interchange of people and goods can provide. The Interstate Highway System is now virtually complete, and we have extensive transportation facilities and services in place in other modes. On the ground, over the waterways, in air and space, our mission for the next decade and the next century is to build on those achievements, to ensure connections among all parts of the United States and with the world. Our competitive success in a global economy depends on it.

Toward that end, over the last twelve months, the U.S. Department of Transportation, under the leadership of Secretary Samuel K. Skinner and with the help of thousands of Americans who participated in the Department's outreach efforts, has given time and attention to rethinking our national transportation programs and policies. It has been my privilege to co-direct this effort along with Deputy Secretary Elaine L. Chao. The product of this year long effort, *A Statement of National Transportation Policy: Strategies for Action*, was announced by President Bush at the White House on March 8, 1990.

The National Transportation Policy presents a framework for decision making that will help our transportation system meet the needs of the 21st Century. Now all of us - the Federal government, State and local governments, industry, and private citizens - must work together to put this agenda in motion. To ensure continued vitality of our Nation, we must all participate in making the investments today that will spur productivity and allow transportation to be an engine of tomorrow's growth and prosperity. We need to focus our investment dollars on the areas with highest payback, and we need to take full advantage of new and emerging transportation technologies such as "smart cars and highways" or magnetically levitated trains. At the same time, we must ensure that transportation supports the interests of safety, national security, efficient use of energy, and environmental quality.

The basic direction for the National Transportaiton Policy are captured under six major themes:

- Maintain and expand the Nation's transportation system.
- Foster a sound financial base for transportation.
- Keep the transportation industry strong and competitive.
- Ensure that the transportation system supports public safety and the quality of life.
- Advance U.S. transportation technology and expertise.

The National Transportation Policy sets out the rationales, strategies and actions to accomplish these objectives and to help meet the goals which President Bush has established.

The Nation has short-term and long-term milestones and objectives for our transportation system, and the agenda for achieving them must be phased accordingly. With the issuance of the National Transportation Policy, the Administration has taken an important step in providing guidance and leadership on the direction of transportation policy for the future. The Congress plays the key role in authorizing structural changes and providing funds for the policies and programs administered by the Department of Transportation. State and local governments and the private sector are crucial to the overall execution of sound transportation policy. The entire process is incremental and on-going.

The steps are many; the solutions diverse. The strengths of the Federal, State, and local goverments and the

Dr. Tom Larson

private sector must be brought together in a new partnership to move the Nation toward a sound and balanced transportation system, that will meet our Nation's multiple and varied needs for the future.

One Third of El Segundo Employees Say "YES" to Rail Transit

Results released from a survey of employees in the El Segundo Employment Center conducted to determine their interest in riding Light Rail Transit (LRT) to work demonstrated that of 5,100 respondents, 1,758 or 34.4% said they would commute on rail transit if the service were available today.

"This is a stunning result," stated Gene Diamand, former ESEA Board Chairman and Executive with Xerox Corporation in El Segundo. "It clearly demonstrates how critical rail transit is to solving our transportation problems in the South Bay."

The survey was conducted by the Los Angeles County Transportation Commission (LACTC) with the cooperation of ESEA and area employers. Of the 15,000 surveys distributed, about one-third were returned, a relatively high percentage for a survey of this type and another indicator of the strong interest in rail transit.

To avoid "pie in the sky" answers, survey respondents were asked to examine a map of the three lines currently under construction or design (Century-El Segundo; L.A.-Long Beach; Metro Rail Phase 1) to enable them to locate their homes and workplaces in relation to those lines. They were than asked, given their work schedules and on-the-job requirements, how they would get to work if the service were available today.

Light Rail Extension Status Report

In March, 1990 the Los Angeles County Transportation Commission voted to approve the next light rail transit projects to be built in Los Angeles County. The three lines are: the North Coast extension of the Norwalk-El Segundo line; the San Fernando east/west line; and the Pasadena-Los Angeles line. Environmental Impact Reports have been prepared on all three of these lines.

The North Coast extension is proposed to follow Aviation Boulevard north from Imperial Blvd., turning west at Century Boulevard through the Airport area via 96th Street to Westchester Parkway and Lincoln Boulevard north to Culver Boulevard. The initial phase of this extension will likely terminate at LAX Parking Lot C.

Local efforts encouraging the Commission to support the North Coast extension were substantial, including support from ESEA and the Westchester Chamber of Commerce. Toni Reina, Chairperson of the Chamber's Traffic and Transportation Committee states, "Business and community groups in and around Westchester realize the importance of the North Coast extension not only to enhance the Norwalk-El Segundo line currently under design, but as an important element in the overall management of traffic in the region." Ms. Reina goes on to stress the importance of this extension "To provide access to several planned developments in the area such as the Playa Vista project; the Northside project at LAX and Continental City."

ESEA Supports Completion of Douglas Street

Kathleen A. Meyers, Deputy Executive Director of ESEA, testified at a January 8 hearing of the California Public Utilities Commission (PUC) in support of the City of El Segundo's application for an at-grade crossing of the AT&SF tracks at Douglas Street. This crossing would complete the southern extension of Douglas Street to Rosecrans Ave. The City presented testimony from business and industry located in the area citing specific benefits which would result from the extension of Douglas Street, such as providing an alternative route for the transportation of spacecraft from the TRW Redondo Beach facility to LAX. If the Public Utilities Commission approves a grade crossing at Douglas Street the extension will not only help alleviate north/south arterial congestion but will provide greater access to the Douglas Street LRT station. In addition, a study sponsored by ESEA has shown that completion of Douglas Street will significantly enhance the effectiveness of the Aviation/Rosecrans intersection reconstruction project.

Richard Lundquist, ESEA member and President of Continental Development Corporation, notes "This project has been an important focus of ESEA members as well as the City of El Segundo. The proposed extension of Douglas Street would provide an alternative north-south artery and thus relieve a portion of the present congestion at the Aviation/Rosecrans intersection."

In an effort not to increase the number of grade crossings in the area, the Santa Fe Railroad indicated the City's request for an at-grade crossing at Douglas might be considered if another crossing in the area were closed. The City of El Segundo has offered to close the 118th Street crossing which is one of three ingress/egress points into the Northrop parking lot on Aviation. The possibility of closing 118th Street remains under discussion.

The PUC is expected to render its decision on this issue later this year.

ESEA Participates in LACTC's Art for Rail Transit Program

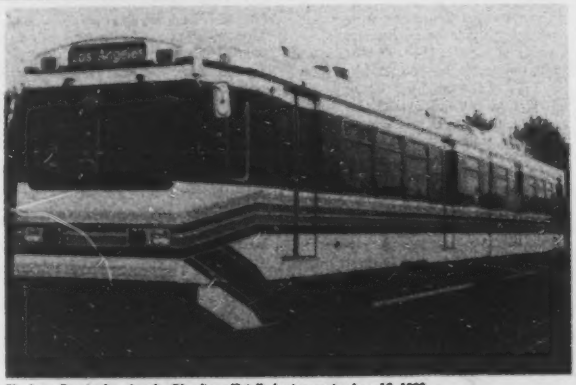
Five ESEA member companies are participating in the Los Angeles County Transportation Commission's Art for Rail Transit program which will commission works of art for five passenger stations in the El Segundo Employment Center on the Norwalk-El Segundo "Green Line". An Art Advisory Committee, comprised of representatives from neighborhood citizens groups, local businesses and other area interests, has been established to involve the local community in the selection and installation of art works for these stations.

See page 8

Aviation-Rosecrans *Continued from page 1*

contributions, along with financial contributions from the cities of Hawthorne, Manhattan Beach and El Segundo, comprise the local match that was required to secure $900,000 in Federal funding FY88/89 for the design and engineering of the intersection as well as the extension of Douglas Street.

ESEA Chairman and Aviation/Rosecrans project oversight committee participant, Gerald Geismar, states "The reconstruction of this intersection is vital to the economic stability of the region". Once labeled the second worse intersection in the County, Mr. Geismar goes on to state, "We are pleased the consultant is on board and the business community will assist wherever necessary to keep this project on a critical path".



The Long Beach - Los Angeles Blue line officially begins service June 14, 1990.

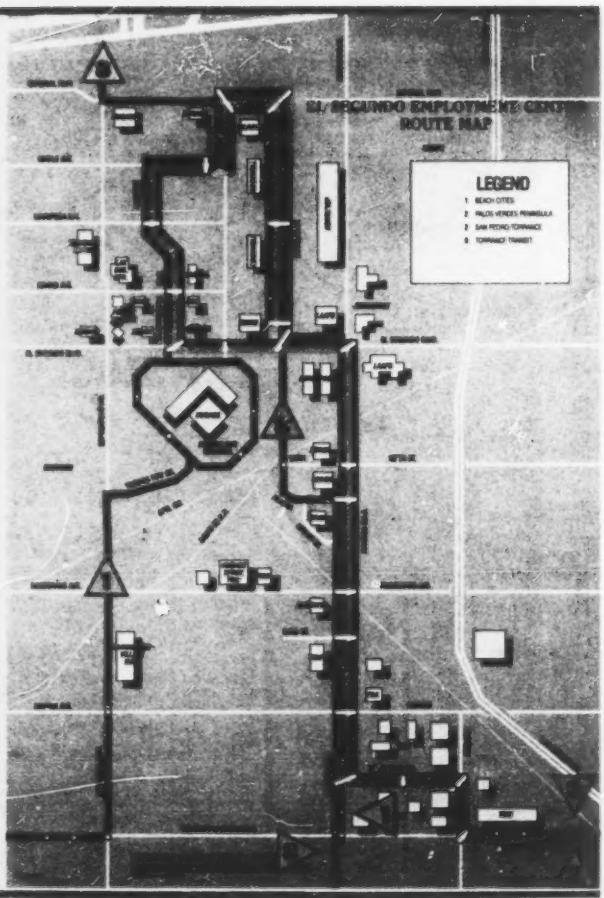
Municipal Area Express "MAX" Bus Service Begins in April

The new Municipal Area Express "MAX" bus service, which was designed to shuttle South Bay commuters to their jobs in the El Segundo Employment Center, began operation April 18, 1990. Formerly the CTIP progrm, MAX operates three weekday routes into the El Segundo area with busses running every 20 minutes during the morning and evening peak rush hours. The first route will travel through the South Bay beach cities; the second originates in the Palos Verdes Peninsula and the third begins in the San Pedro-Torrance area.

Each MAX bus carries 25 passengers and offers amenities such as highback reclining seats, air conditioning, overhead luggage racks and reading lights. For $1.50 per ride, or $54.00 for an unlimited monthly pass, riders can relax and enjoy the daily commute in an atmosphere of comfort.

Jacki Bacharach, MAX Chairwoman and member of the Rancho Palos Verdes City Council is enthusiastic about the significance of the MAX Program. "One of the most important things about MAX," she states, "is that it brings all the cities and the private sector together to solve a regional transportation problem".

The MAX bus service is sponsored by a coalition of South Bay jurisdictions including: El Segundo, Hermosa Beach, Lawndale, Los Angeles, Manhattan Beach, Rancho Palos Verdes, Redondo Beach, Rolling Hills Estates, Torrance, and Los Angeles County, with Torrance serving as the administrator. The project is funded by these jurisdictions in partnership with the Urban Mass Transportation Administration, the Los Angeles County Transportation Commission, and the Southern California Association of Governments.



Hermosa Beach City Council Votes to Retain Parking on Pacific Coast Highway

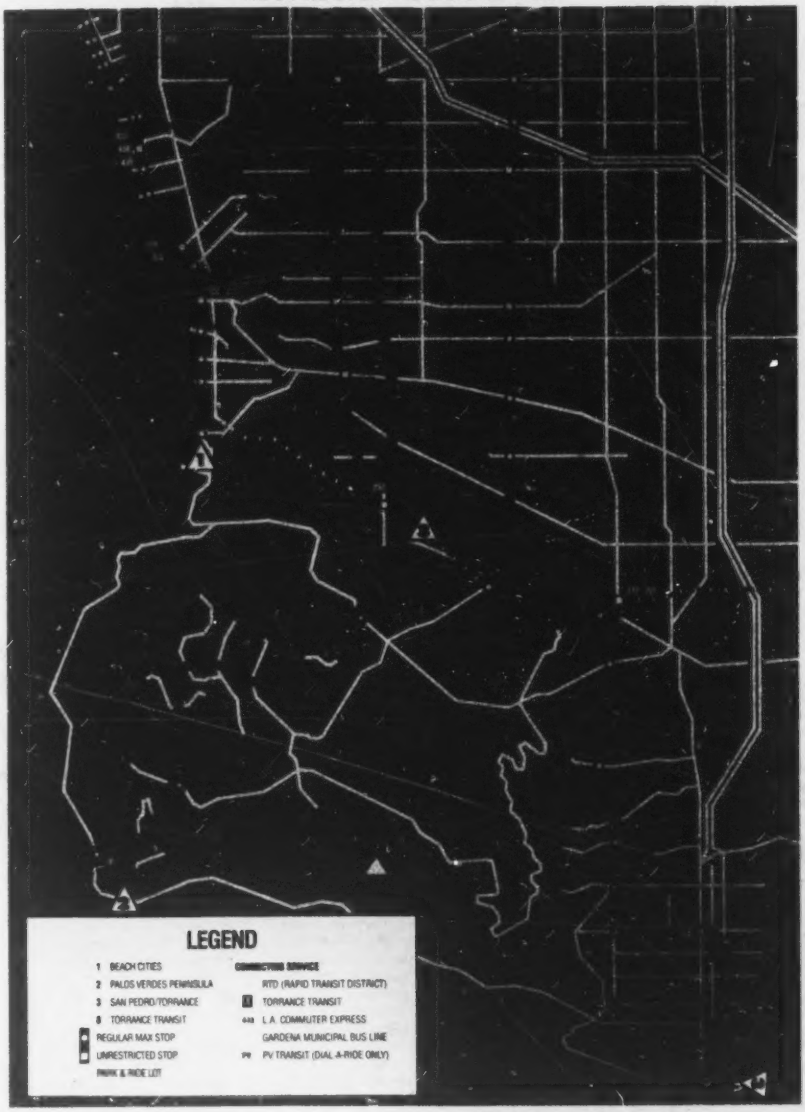
In spite of a majority approval from the City Planning Commission in November to remove parking on the west side of Pacific Coast Highway (PCH) during p.m. peak hours, the Hermosa Beach City Council voted at their January meeting not to include the parking ban as part of the revised circulation element of the City's general plan.

The Hermosa Beach Chamber of Commerce opposed the parking ban claiming a revenue loss to those businesses who rely on on-street parking would be significant. Business owners located on the west side of PCH stated the increase in traffic volume resulting from the parking ban would create a hardship on their operations. The City Council expressed concern over the possible increase in parking on residential streets, and called for El Segundo aerospace companies to start a transportation system and work harder at persuading their employees to rideshare.

Hermosa Beach residents, and some business owners, concerned with the volume of commuter traffic using residential streets, support the parking ban as a way to alleviate congestion on PCH and help deter commuters from using alternative residential routes.

The City of Hermosa Beach's longstanding policy of allowing on-street parking on PCH during the p.m. peak continues to act as a major impediment to the flow of southbound commuter traffic. Traveling on 3 lanes through Westchester, El Segundo and Manhattan Beach, commuters are forced to merge to 2 lanes in Hermosa Beach.

MAX REGIONAL ROUTE MAP



SCAG Develops Regional Employer Fare Subsidy Program

The Southern California Association of Governments (SCAG) has developed a Regional Employer Fare Subsidy Program to create a transit voucher that employers can buy and disseminate to employees as a form of subsidizing transit costs.

The program, modeled after one in the New York City area, is designed to allow greater flexibility in subsidizing employee transit expenses by providing a voucher that can be accepted by any transit carrier in the region. The voucher will be produced for sale to employers, who will in turn distribute the vouchers to their employees. The employees then have the opportunity to decide for themselves which operator is best for them based on individual transportation requirements.

Phase One of the program has been completed by SCAG staff and the program's working group. The working group includes regional and local transit operators, county transportation commissions, and several other public and private entities. Phase Two will include implementing an 18-month demonstration project, while Phase Three will focus on program review and analysis.

The program is envisioned to be partially funded through an UMTA Section 8 grant covering implementation, administrative, marketing and analytic expenses. Additional costs will be paid through revenues generated by the program, which are expected to lead to a self-sustaining program.

The program requires four players: the employer; employees; the transit operator; and the program manager or vendor. The vendor produces a voucher worth the subsidy amount (expected to be $15 due to tax regulations). The voucher is then sold to the employer, who in turn distributes it to the employee. The employee takes the voucher to the operator and applies it toward the purchase of some type of transit pass, coupon book, or tokens. The operator returns the voucher to the vendor in exchange for a full refund of the voucher amount.

The advantage for employers is that they need only work with one entity to provide a transit subsidy good on many different transit systems using diverse fare structures and forms of payment. Transit operators benefit by reaching a broad range of employers while maintaining their own fare program. Commuters benefit by receiving a subsidy for the transit option of their choice.

Ticket to Ride(share) at TRW: Southern California Program Aims for Smogless Skies

The San Diego Freeway is jammed tighter than a free Bruce Springsteen concert. The dirt-brown blanket of smog over Los Angeles stings in your bloodshot eyes, and as you crawl along too fast for first gear and too slow for second, you notice a commanding similarity among the surrounding sea of automobiles: the vast majority have but one occupant.

Regulation XV aims to drastically alter this picture. The South Coast Air Quality Management District (SCAQMD), armed with the responsibility to enforce the legislation, is getting tough. That means TRW and other employers are required to help solve, or at least drastically reduce, Southern California's chronic air quality problem.

On November 29, 1988, S&D submitted a plan outlining means to reduce the number of cars that take TRW employees to and from Space Park each day. Other TRW locations that fall under SCAQMD's jurisdiction (Ballistic Missiles Division, Capistrano Test Site, Domin- guez Hills, etc.) followed suit in 1989. The mandate is to increase TRW's average vehicle ridership (AVR) from about 1.1 riders per vehicle to 1.5 for Space Park, that means a minimum of 3,750 fewer automobiles daily.

"Some companies with longtime ridesharing involvement have AVRs of 1.25, so for TRW to jump from 1.1 to 1.5 is a pretty tall order," says S&D's newly hired ridesharing expert Craig Rogers, Supervisor of Transportation Services. "When people think of ridesharing, they usually think of the negatives. The challenge is to make it more convenient than driving solo."

And challenge it is; failure to develop an acceptable plan can result in a possible fine of $25,000 for each day of non-compliance.

"Regulation XV is a dramatic way to say the good old days are gone and that we must do something before we choke on our indulgence in the automobile," says Red Baisden, Director of Procurement and Material Services who is charged with the responsibility to implement Space Park's ridesharing plan.

Just what will Regulation XV mean for TRW's Southern California employees? "Effective ridesharing results in time and money saved and a more enjoyable commute to and from work," maintains Bill Wells, Manager of Transportation and Traffic. "But these gains come with some pains—healing a mental addiction to the automobile and overcoming a sense of losing privacy, for example." Both pains can be cured on a voluntary basis according to Wells, and the Company will create incentives to attract employees to ridesharing in vans or cars and other alternatives to solo commuting. The details aren't final, but potential means to attain the 1.5 AVR goal include company-subsidized van pools, preferred parking for carlvan pools, computerized ride sharing match services and noontime shuttle services. But there's also a more difficult barrier — the powerful role the automobile plays in Southern California culture, where you are what you drive and where the automobile provides a certain sanctuary.

"These are all legitimate concerns," says Wells, "and we'll devise ways to address them, such as improved transportation between buildings, a lunchtime shuttle to local malls or restaurants and the availability of a ride home in an emergency."

Regulation XV is destined to make "ridesharing" a household word in Southern California. And it won't just be affecting big corporations like TRW — companies employing as few as 100 people at a single work site will eventually be required to develop transportation plans.

Though the prospect of relinquishing the privacy of their own automobiles may be a dark cloud hanging over car-conscious Southern Californians, perhaps the potentil for Regulation XV to clear the air and the freeways means that cloud has a silver — instead of brown — lining.

(Reprinted courtesy of TRW's Sentinel)

California Voters Approve Proposition 111 A Spending Limit for the 1990s

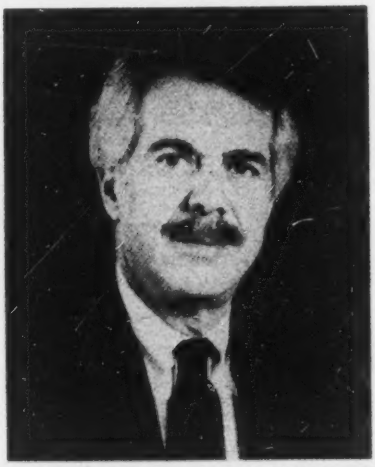
On June 5, 1990, California voters approved Proposition 111 The Traffic Congestion Relief and Spending Limitations Act and Proposition 108 The Passenger Rail and Clean Air Bond Act. What is Proposition 111? It is probably the most significant fiscal policy achievement to emerge from the Legislature in decades. It directly and responsibly addresses vital State needs in the most expedient way possible.

Prop. 111, originally Senate Constitutional Amendment 1, authored by Senator John Garamendi and passed by the Legislature June 30, 1989, was the culmination of months of negotiations led by a coalition inspired by Cal-Tax to solve serious problems plaguing State fiscal policy. "These problems are so great as to threaten the delivery of essential State and local government services, and endanger the State's current and future economic health." Larry McCarthy, President of Cal-Tax states "This package represents an important investment in a comprehensive transportation program that will produce higher productivity and a smoother flow of everything traveling on our State highways."

An $18.5 billion plan... Prop. 111 is a comprehensive effort to address California's mounting transportation crisis. In conjunction with Prop. 108, $18.5 billion will be raised over the next ten years in the following way:

- A five-cent per gallon increase in the gasoline and diesel user tax effective August 1, 1990 and additional annual one-cent per gallon increases until the total reaches nine cents - $12.9 billion.
- Increased sales tax on the sale of gasoline and diesel fuel due to the increase in the gasoline and diesel user tax. - $600 million.
- A 55% weight fee increase for trucks over 4,000 pounds starting August 1, 1990 and a 10% increase on January 1, 1995. - $2.0 billion.
- General obligation bonds to raise funding for passenger rail transportation, $1 billion approved by voters on the June 1990 ballot, $1 billion on the November 1992 ballot, and $1 billion on the November 1994 ballot. - $3.0 billion.

Prop. 111 will adjust the State spending limit to accommodate the higher gas tax and truck weight fees. Prop. 111 will also let increased sales tax revenues attributable to a gas tax increase be spent on transportation. "These measures will work to reduce traffic congestion and ensure cleaner air" notes Mr. McCarthy, "drivers on California highways now spend 300,000 to 400,000 hours a day in grid-lock with cars operating inefficiently under these conditions and causing pollution."



Gerald G. Geismar
ESEA Chairman
1990

Transportation Needs ....

- California's current transportation spending program (State Transportation Improvement Program, or STIP) is underfunded by an estimated $4 billion.
- The State may be unable to match available Federal transportation dollars.
- California rates last among all States in per-capita spending on transportation - even behind the District of Columbia.

New Programs... Prop. 111 creates a new funding category, called flexible congestion relief. Any capacity enhancement project designed to reduce or eliminate traffic congestion, including local road and mass transit guideway improvements, will qualify for funding... An interregional road system, with defined routes, will be prepared by the Department of Transportation, for completion within 10 years. $1.25 billion in high priority projects will be funded and included in the STIP." A state-local demonstration program that was created by SB 140 in 1988 will become permanent and funded annually. Cities and counties will receive 11.5% each of the new fuel tax revenues. Distribution of these revenues to cities will follow current law, based on population. County funds will be apportioned based on a formula that allows the state controller to compute two different apportionments and select the highest for each county. "Propositions 111 and 108 are critically important to California's economic and environmental future," states Mr. McCarthy.

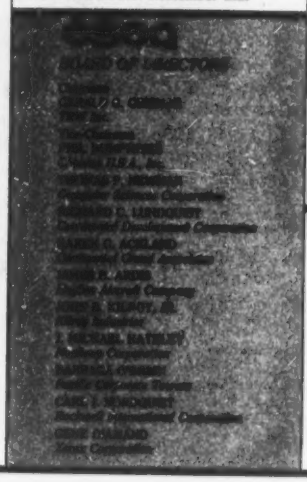
ESEA Employers Form Commuter Discount Task Force

The City of Redondo Beach, Xerox Corporation, TRW Inc., The Aerospace Corporation and a number of other employers have formed a task force to jointly develop a regional Commuter Discount "pilot" program. Commuters of all participating Reg XV employers will receive a discount card which will enable them to receive various discounts on food, merchandise, and services offered by the businesses that elect to support program efforts to reduce vehicle miles traveled. The task force is confident that the participating businesses, as well as employers and card holders, will benefit from the implementation of this program. For more information call Cara Rice at (213) 373-1171 x 2275.

TIPS...On The Road

(Reprinted courtesy of the South Coast Air Quality Management District (SCAQMD). If you would like to know more about any of these tips to clean the air, please contact them at the AQMD, 9150 Flair Dr., El Monte, CA 91731, (818-573-6283)

RIDESHARE - you can cut down on the pollution coming from motor vehicles by sharing a ride. Carpooling or vanpooling also strike at another woe: freeway congestion. LEAVE THE DRIVING TO THEM - use public transportation. The bus reduces car repairs and commuting costs, along with stress. For bus schedules, call 213/626-4455 in LA County; 714/636-7433 in Orange County; 714/682-1234 in Riverside County; and 714/825-8341 in San Bernardino County. RIDE A BICYCLE OR WALK - cycling and walking are great for short trips. Human power produces no emissions and the excercise has benefits of its own. COMBINE ERRANDS INTO ONE TRIP - instead of hopping in the car whenever you need something, set aside time to plan your errands. Cluster as many as possible. And, when you're out doing those errands, walk into, don't drive through, banks, cleaners and fast food restaurants. Vehicle idling produces large amounts of carbon monoxide and other pollutants. Drive-through lanes may be tempting, but they're also serious smog factories. MAKE SURE YOUR CAR'S AIR CONDITIONER IS WORKING PROPERLY - leaky air conditioning in cars is the single greatest source of chlorofluorocarbons (CFCs), another greenhouse gas. Check your auto air conditioner to make sure it's leakproof and, if it needs to be recharged, have its CFCs recycled. Ask your mechanic if he has a system for recycling freon. PREVENT GAS SPILLAGE. NEVER TOP OFF YOUR TANK - topping off fills your tank with gas and the air with contaminants. Remember, gasoline is another source of smog since it contains pollutants such as benzene. KEEP YOUR CAR ENGINE WELL-TUNED - dirty carburetors, clogged air filters, worn points and plugs not only waste gas and lower engine performance, they cause increased emissions of particulate matter and nitrogen oxides (NOx), two of our most persistent smog problems. DRIVE ON RADIAL TIRES - radial tires produce less air-damaging particulate matter per mile traveled than bias-ply tires do. Properly inflated tires can save up to 10% of your fuel consumption. COOPERATE WITH THE STATE'S SMOG-CHECK PROGRAM - by obtaining a smog check on your car and making any necessary repairs, you'll be helping a statewide program to reduce emissions. Remember that removing a catalytic converter or other smog control equipment is illegal. REPORT SMOKING VEHICLES BY CALLING. 1-800-CUT-SMOG - you can call our toll free number to report cars, buses and trucks that emit visible smoke exhaust for more than 10 seconds. Drivers are advised in writing to make repairs. We get about 8,000 reports each month. So, if you see a smoking vehicle, we're ready to take your call.



Art Program *Continued from page 3*

ESEA members participating on the Advisory Committee include: TRW Inc.; Northrop Corporation; Kilroy Industries; Hughes Aircraft Company; and Xerox Corporation. "This is an important program for us to be involved in," notes ESEA's Executive Director, Don Camph, "as the voice of the local community, the Advisory Committee will be able to create an individual identity at each station by utilizing visual enhancement to depict community identification and pride."

The Green Line will traverse the length of the Century Freeway and wind through the El Segundo Employment Center terminating at Compton Blvd. near TRW's Space Park complex. It is scheduled to begin operation in 1984.

THE GREEN LIGHT

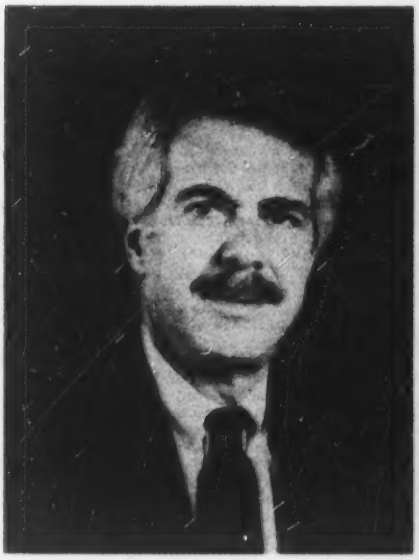
is published by
El Segundo Employers Association

Staff:
Donald Camph, *Executive Director*
Kathleen Meyers, *Deputy Executive Director*

P.O. Box 547
El Segundo, California 90245
(213) 640-3403

EL SEGUNDO
EMPLOYERS
ASSOCIATION
P.O. Box 547
El Segundo, California 90245

March 1990



Message from the Chairman of the Board:

Enormous challenges face the residents of the Los Angeles basin in the 90's, and transportation and air quality issues are at the forefront.

The South Bay business community will have to provide a strong private sector leadership role in addressing these issues. ESEA, as the representative of a significant number of employers in this region, will continue to provide leadership in cooperation with local government and community leaders to assure that such issues are aggressively addressed and resolved for the overall benefit of the area's employers, employees and citizens.

Sincerely,

Gerald G. Geismar
Chairman of the Board,
El Segundo Employers Association

Vice President and General Manager
TRW General Services Division

esea

March 1990

TO OUR FRIENDS AND ASSOCIATES:

In the very near future Congress will act to reauthorize the Federal highway and mass transit programs. ESEA looks forward to working cooperatively with our local elected officials and members of Congress in this watershed opportunity to negotiate a new transportation partnership with Federal, State and local governments and the private sector. As this process begins, we must recognize the framework for this partnership has changed, and that issues such as clean air, balanced land use and quality of urban life have taken on new importance. Our approach to solving our transportation problems must change to reflect and embrace this new reality.

As we enter a new decade and prepare for the 21st Century, the business community in Los Angeles must be committed to maintaining and enhancing its role in solving this region's transportation problems. Our quality of life and economic vitality depend on an effective transportation system which serves all Angelenos.

We need to anticipate and respond to the transportation challenges and new realities we face. We must focus on moving people and goods, not just vehicles. We must focus on performance and productivity, not just spending. We must encourage flexible and innovative approaches to planning, funding and decision-making and not be complacent with "business as usual." We must be aggressive in developing and deploying new transportation technologies. We must be continually mindful of transportation's role in global economic competition.

Finally, we need to remember that it is the quality of our lives and our environment that our transportation system must serve and support. Our transportation system does not function in a vacuum: it must be responsive to the complex and deeply-held societal values which comprise the very fabric of our lives and well-being.

I invite our friends and partners everywhere to join with ESEA in meeting this challenge.

Sincerely,

Donald H. Camph
Executive Director
El Segundo Employers Association

esea

El Segundo Employers Association

What is ESEA and why was it started?

Located in El Segundo, California, just south of Los Angeles International Airport, ESEA is a non-profit coalition of employers and commercial property owners seeking joint solutions to their companies' — and the community's — transportation needs.

Founded in 1981 as a 501(c)(4) non-profit, mutual benefit corporation, ESEA evolved out of a growing concern among the area's employers that rapidly increasing employment in the area could lead to traffic congestion and adverse impacts on the El Segundo area as a place to live and conduct business.

Reflecting their desire for a cooperative solution to emerging transportation problems and needs, and realizing that solving them was beyond the capabilities of any single company, several major employers and developers voluntarily joined together to form ESEA.

The El Segundo Employment Center is a major aerospace, defense and electronics complex that encompasses parts of four South Bay Cities: El Segundo, Hawthorne, Manhattan Beach and Redondo Beach. ESEA members include (among others):

Chevron U.S.A.
Computer Sciences Corporation
Continental Development Corporation
Hughes Aircraft Company
Kilroy Industries
Northrop Corporation
Pacific Corporate Towers
Rockwell International
TRW Inc.
Wyle Laboratories
Xerox Corporation

In the early years, ESEA and its members concentrated on establishing effective *transportation demand management* programs. Today, these ridesharing and alternative work schedule programs remain an integral part of the overall transportation strategy for the area.

By the late 1980's, with members representing nearly 75,000 employees, ESEA's focus had expanded to include proactive strategies designed to head off potentially greater transportation problems in the future.

Expanded Function for the 1990's

Today, ESEA acts as a bridge between employers, commercial property owners, local cities, and all levels of government to help respond to the challenge of growth and its effects upon the region's transportation systems.

ESEA is the business community's voice when it comes to advocating specific transportation solutions and facilitating government legislation and regulations for effective transportation decision-making. As such, ESEA serves as the forum for the evolving public/private partnerships on transportation issues and their solutions.

ESEA Philosophy

ESEA takes a multi-modal approach as it seeks to enhance the efficiency and effectiveness of transportation systems in the area.

ESEA works cooperatively with local and regional government and elected representatives in Sacramento and Washington, D.C. to build a balanced transportation system so as to guarantee a continued high level of mobility in and around the South Bay/El Segundo/LAX region.

ESEA takes a balanced approach to solving transportation problems. In order to ease congestion and smooth the traffic flow in the short run, ESEA members practice *demand management*, thereby reducing the number of vehicles seeking to use the existing transportation system. For the longer term, ESEA seeks approval and funding for projects that will provide *capacity enhancements* to the system.

ESEA Activities

Board of Directors: ESEA's activities are governed by a 12-member Board of Directors, which meets monthly to discuss topics of current interest. In addition, the Board:

- Sets association policy;
- Adopts an annual work program and budget;
- Maps strategy;
- Takes positions on legislation;
- Reviews progress toward accomplishment of the annual work program objectives.

Competition for Project Approval and Transportation Grants: ESEA represents the transportation interests of the El Segundo Employment Center to outside agencies. Through ESEA, local jurisdictions are in a better postition to compete for project funding from federal, state and regional sources.

Liaison to Government Agencies: ESEA represents members' interests in regulatory, legislative and transportation planning issues at all levels of government.

■ **Transportation Studies:** ESEA sponsors transportation studies to support specific project objectives; for example, studies to quantify the costs and benefits of reconstructing a particular intersection, adding a station to the light rail line, and widening a major arterial in the area.

■ **Transportation Systems Management Plans:** ESEA members have developed transportation systems management (TSM) plans that increase mobility for their employees. Member companies are aggressively implementing these plans for ridesharing, staggered work hours, etc.—all in compliance with the South Coast Air Quality Management District's Regulation XV—resulting not only in more mobility, but also cleaner air.

■ **Ad Hoc Task Forces:** ESEA forms *ad hoc groups* to focus on specific issues that are of significant interest to members. These task forces often include representatives from local cities and other interested organizations.

■ **"Quick Response" to Problems:** ESEA acts to expediently bring specific issues or problems to the attention of appropriate public agencies, and then provides the necessary follow-through to resolve them in an effective and timely manner.

■ **Newsletter:** An ESEA newsletter is published twice a year to keep members informed on new developments and provide timely information on issues.

ESEA Budget and Dues

■ **Budget:** ESEA's annual budget is approximately $160,000.

■ **Dues Structure:** Although there is no membership fee to join ESEA, member employers contribute $2 per employee per year, and commercial property owners contribute $2 per 200 square feet of leasable area per year.

■ **Funding of Association Activities:** ESEA's staff and administrative expenses are entirely underwritten by member contributions, without subsidy from public sources. On an as-needed basis, members may contribute additional funds for special projects of particular interest to them.

Specific ESEA Accomplishments

The following are some of ESEA's major accomplishments:

■ **1984** Responding to an ESEA-led advocacy effort, the Los Angeles County Transportation Commission (LACTC) decided to build a light rail line in the median of the Century Freeway.

In addition, the California Transportation Commission (CTC) allocated $3.4 million in state highway funds to widen Sepulveda Boulevard in El Segundo. These funds were also used to add left-and right-turn lanes at major intersections.

1985 The CTC allocated over $10 million in federal highway funds to add a lane to the South Bay curve of the San Diego Freeway. Approval of the project came after a joint request from ESEA members to the governor that stressed the need for improved transportation to respond to the continuing expansion of the El Segundo Employment Center.

1986 Caltrans agreed to redesign the Douglas Street on-ramp to the Century Freeway in response to ESEA concerns about traffic circulation in the area. ESEA sponsored a technical study that resulted in a new ramp design and a revision to the city's local circulation plan.

The state legislature re-enacted ride-sharing tax credit legislation (SB 1794) authored at the request of ESEA by Senator Robert Beverly, representing El Segundo and the South Bay.

After a broad-based advocacy effort led by ESEA, $150 million in funding was approved for construction of the El Segundo Extension of the Century Freeway Light Rail Transit Project. Los Angeles Supervisior Deane Dana played an important leadership role in securing approval.

Congressman Glenn Anderson, in response to a request from ESEA, secured $2.4 million in federal funds (requiring $600,000 in local matching funds) to examine the feasibility of expanding the Sepulveda Boulevard tunnel under the Los Angeles International Airport.

1987 Local jurisdictions lined up in support of the Sepulveda Tunnel (at LAX) traffic study. In a formula proposed by ESEA, the $600,000 local matching funds agreement involved contributions from the L.A. Department of Airports, the County of Los Angeles, and five South Bay Cities.

1988 The LACTC voted to make the Century/El Segundo Light Rail Line the first fully automated, driverless light rail system in the United States.

At the urging of Congressman Mel Levine, Congress approved $900,000 in funding for ESEA's proposed program for re-construction and widening of the the intersection of Aviation Boulevard and Rosecrans Avenue.

1989 The LACTC approved the Aviation/Rosecrans project for Regional Federal Aid to Urban Systems (FAUS) funding. The City of Hawthorne was named lead agency and the project implementation process began.

Following an intensive five-month lobbying effort led by ESEA, the LACTC rejected a proposal by its staff which would have severely compromised essential features of the Century/El Segundo Light Rail Line.

2186

TRW

commuter services information package

commuter services

Commuter Services

Eager to enjoy a relaxing commute to and from work? Care to cut commuting costs? Like to leave the driving to someone else? Isn't it about time you checked into commuting alternatives?

This packet contains much of the information you need to choose the commuting alternatives that are right for you. And, if you contact your Commuter Services coordinator, he will provide more details about the following alternatives, programs, and incentives:

- Carpools
- Public transit
- Preferential parking
- Vanpools
- Park-and-ride lots
- Interfacility shuttle bus service
- Bicycling

guaranteed ride home

Guaranteed Ride Home Program

TRW's Guaranteed Ride Home Program provides registered rideshare program participants (only) transportation in the event of an emergency. For example, the program enables a parent to pick–up sick children from school and take them home, or enables participants to get home if the driver must leave in an emergency. (Missing a ride or overtime is not a bona fide emergency.) The service is provided through a local taxi agency at no cost (up to four times a year) to registered rideshare participants only. The participant must reimburse TRW for taxi use should the four time use limit be exceeded.

How To Use Guaranteed Ride Home

When registered rideshare participants encounter situations requiring emergency transportation they must:

1. Call the Commuter Services Office at Ext. 34431 and provide name, TRW badge number, and the TRW building where the pick–up is to take place. (Participants must be in the lobby when the taxi arrives.) Commuter Services will verify participation and have the taxi dispatched. The taxi driver will ask the passenger to identify him/herself and take down the name and badge number.

2. If, for some reason, Commuter Service cannot be reached, call Ext. 25825, the Chauffeur/Courier Dispatcher and provide the same information as in #1 above. If the request is routed through the dispatcher, the participant's supervisor must certify that the caller is a registered participant and provide his/her name and badge number.

poolmatch

In–House Rideshare Matching

TRW Rideshare Matching List Registration

To assist employees wishing to carpool, vanpool, or take public transit, and to comply with the Air Quality Management District's Regulation XV requirements, TRW has established its own in–house, rideshare matching program: "Poolmatch."

Poolmatch is an on–line data processing system that provides personalized matching for employees interested in getting information on carpooling, vanpooling, and bus transit from within TRW.

At orientation you are requested to provide such information as your home location, work hours, work extension, and present method of commuting to work. All information is strictly confidential and used only for ridesharing purposes.

From the information provided, "Poolmatch" develops a Ridesharing Match List of neighboring co–workers with whom you may rideshare either on a regular basis, or on smog alert days, personal emergencies, fuel shortages, etc.

savings

How much do you spend commuting to work? Next to food and housing, the largest percentage of your annual income is spent on your automobile.

But this story could have a happy ending. Sit down and figure out how much money you now spend commuting to work. Then, using our formula, calculate how much you would save by ridesharing. Your answer just may surprise you.

Fixed Costs

Insurance – Add the premium of all policies directly related to car operation: property damage and liability, comprehensive and collision.

License, Registration Fees, and Taxes – These are usually once–a–year costs added to your total fixed costs. Sales or excise taxes paid when the car is bought are part of the purchase price and should not be included.

Depreciation – Basically, this is the difference between what you paid for your car and what you sell it for. To arrive at your annual depreciation expense, subtract the trade–in value of your car from the purchase price and divide by the number of years you plan to keep the car.

Finance Charge – If you finance the purchase of your car, the annual interest charges should be included in the fixed costs.

Want To Figure Out What You Can Really Save? No Problem. Start Here.

Your costs of driving alone to work:

1. Mileage–related operating costs for your vehicle–gasoline (price per gallon divided by miles per gallon) plus cost of oil, tires, maintenance, and repairs (use 5.95 cents per mile for subcompacts; 8.04 cents per mile for compact; 8.86 cents per mile for standard) _____Cts/Mi.
2. Annual mileage to work _____Mi.
3. Annual mileage–related operating costs (line 1 x line 2) $_____
4. Annual parking costs $_____
5. Annual operating costs (line 3 + line 4) $_____
6. Annual ownership cost – for all travel (See Fixed Costs above as a guide for your calculations)
   a. Depreciation $_____
   b. Insurance $_____
   c. Taxes $_____
   d. Fees $_____
   e. Finance Charge $_____
   f. Total for annual ownership cost $_____
7. Annual over–all mileage _____Mi.
8. Percent of ownership cost allocated to the work trip (line 2 ÷ by line 7) _____%
9. Annual ownership cost for work trip (line 6f x line 8) _____
10. Total cost for driving to work alone (line 5 + line 9) $_____

For A Shared Driving Carpool:

11. Total annual operating cost for the work trip (line 5 ÷ by number of people in carpool) $_____
12. Annual ownership cost (from line 6f) $_____
13. Annual work trip mileage for vehicle in a shared driving pool (line 2 ÷ by number of people in carpool) _____Mi.
14. Percent of ownership costs allocated to the work trip for a shared driving carpool (line 13 ÷ by line 7) _____%
15. Annual ownership cost allocated to the work trip for each person in a shared–driving pool (line 12 x line 14) $_____
16. Total cost for commuting to work in a shared–driving carpool (line 11 + line 15) $_____

bus

Bus Services

Public transit lines and private commuter buses are readily available as commuting alternatives for TRW employees. These buses provide a convenient and economical means of commuting.

Public and Private Transit
The **Southern California Rapid Transit District (RTD)** has more than 200 bus routes which provide safe and convenient transportation in the Los Angeles region. Many of its lines directly serve the TRW Greater Space Park sites.

In addition, a number of Municipal bus lines intersect RTD routes providing a comprehensive bus network.

Examples are:

- South Bay Transit (Torrance, Gardena, Carson)
- The Wave (Hermosa and Redondo Beach)
- The Lawndale Trolley

C–Tip (Commuter Transportation Implementation Plan) is being created to assist South Bay residents in getting to and from work. Nine South Bay cities are involved in this cooperative effort. Initial bus service is expected in the Winter of 1990.

The **Antelope Valley Bus Company** serving Palmdale and the Valley, operates a coach equipped with air conditioning, reading lights, and reclining seats.

Transit schedules, maps, and brochures are available from your Commuter Services Coordinator.

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van

Vanpooling

Let Us Give You A Lift

Traveling to and from work can be a demanding and a frustrating part of your day. TRW's Vanpool Program provides a commuting alternative that offers significant benefits to you, the Company, and the community.

A Quick Look At Vanpooling

The program offers you the opportunity to commute in a Company–sponsored van that is economical, reliable, and more fun than driving alone. Each morning passengers board a van that drops them off at their work location. At night, they are returned to their pick–up point.

Pooling Your Resources

Vanpool groups and routes will be established wherever enough interested employees live in an area convenient for pick–up and drop–off. The driver/coordinator will be a Company–approved employee interested in assuming driver responsibilities. In addition, each pool will need one or more passengers to serve as back–up drivers.

The Commuter Services Office will provide interested driver/coordinators with names and extensions to help organize vanpool groups. Once the driver/coordinator has a sufficient number of prospective passengers, a van will be assigned based on availability. Van poolers will then be invited to a brief meeting to get acquainted with each other and the vanpool administrator, and to discuss the best possible route.

It Makes Sense. . .As Well As Dollars

The employees will lease the van and pay for the program's organization and administration. Passengers split the monthly commuting costs, which consist of fixed costs – depreciation, license, and insurance – and operating costs – gas, oil, and maintenance.

The cost sharing results in direct out–of–pocket savings as well as considerable indirect savings in personal vehicle insurance. It also eliminates the need for an extra family car.

According to the nation's largest car rental company, the cost of operating an average car is 50.2 cents per mile. Compact automobiles cost 47.64 cents per mile to run. Intermediate cars cost 52.8 cents per mile. And full–sized cars cost 63 cents per mile.

See how much money you can save by leaving your car at home and taking a TRW van.

We Need Driver Coordinators

Each vanpool will need a driver/coordinator. Those who are approved by the Company will receive a free ride to and from work each day, as well as a free unlimited mileage allowance each month for personal use.

Sound Interesting?

If you are interested in participating in the vanpool program, complete the attached form and mail it to your Commuter Services Office. You will be notified if there is a vanpool that can accommodate you. If none is available, your name will be put on a waiting list.

Vanpool Interest Form

I am interested in ridesharing the vanpool as a:

☐ Driver ☐ Back–up Driver ☐ Passenger

Name _____

Address _____

City _____ Zip _____

Nearest Major Cross Streets _____

Badge Number _____

Phone (Work) _____ Phone (Home) _____

Bldg/Mail Station _____

Time Start Work _____

Time Leave Work _____

To Be A Driver/Coordinator, You Will Need To. . .

- Hold a current driver's license and have a good driving record
- Pass a California Department of Transportation physical examination and successfully complete a Company–sponsored defensive driving course
- Pick up and drop off passengers promptly each day
- Maintain the minimum number of passengers in the pool, with the assistance of the Commuter Services Office
- Arrange for fueling, washing, and servicing of the van
- Furnish a safe place for the van at home
- Provide monthly reports for operating expenses, and income

What We'll Do For You

- Help employees lease passenger vans equipped with air conditioning, AM/FM stereo, and front and rear speakers
- Assign approved driver/coordinators and back–up drivers
- Assist in organizing interested employees who live in the same area
- Help provide passengers to replace vanpool "drop–outs"
- Establish vanpool fares based on fixed and operating costs of the van
- Offer reserved, preferential van parking

It's Beneficial To Everyone. . .

Vanpooling gives a lift to the employee by providing safe and efficient transportation and lowering commuting costs.

The Company benefits by broadening its labor market, reducing the need for parking facilities, and increasing employee productivity.

And since the program helps reduce energy consumption, air pollution, and traffic congestion, it's good for the community as well.

Send To: Commuter Services
108A/1481

auto

Carpooling

A carpool consists of several people driving to and from work in one automobile. Actually, carpooling is easier, friendlier, and a lot more relaxing than driving alone. In fact, carpooling is a good arrangement whether you commute 5 or 150 miles, or carpool only two to three days a week. For every person carpooling, there's one less car on the road consuming gas, producing smog, and congesting the streets, freeways, and parking lots.

One of the benefits of carpooling at TRW is preferential parking. Check with the Commuter Services Coordinator for details and registration.

Park–and–Ride lots and freeway commuter lanes are another carpooling advantage. If you would like a list of park–and–ride and commuter lane facilities in the Greater Los Angeles area, simply contact the Commuter Services Coordinator.

To start a carpool quickly and easily, contact your Commuter Services Coordinator for a personalized match list of people who live and work in your area. If you know another TRW employee with whom you can carpool, fill out and send in the attached form. When you contact potential carpoolers, you'll want to discuss the following carpoolers' do's and dont's.

The daily drive to work and back with the same poolmates works to your benefit. That's its purpose. It should be as pleasant an experience as can be made possible.

To make it so, nothing beats straight talk. Over time, some people may find that riding together can get on one's nerves. Generally, this happens because the habits or mannerisms one person may seem annoying. Often a problem can blow itself out of proportion simply because the carpoolers involved are hesitant to talk about it.

The best time to discuss potential problems is before they happen. A friendly discussion on the subject of courtesies and procedures — before the wheel turns — will do wonders.

Get together. Discuss "the Rules of the Road." What to do about the bore, the conversation monopoilzer, the snoozer, the muncher, the chain smoker, the rock fan, and other irritants that can break up a carpool faster than it came together.

The Rules of the Road come straight from experience. Read them and you're miles ahead.

Carpool Do's And Dont's

1. **Likes and Dislikes** – This is mostly a matter of courtesy. You like the news, but the others prefer soft music on the way to work. How much is too much conversation? What do you do about the fellow who uses the commute to catch up on his sleep (and snores)? Or the guy to your left who feels it's his duty to coordinate all conversation? The chain smoker amongst non–smokers? These are questions you will want to settle in the beginning. Once done and in agreement, you can expect smooth riding.

2. **Communication** – It's mainly a point of coming to an agreement. Establish a chain of communications among pool members so that adjustments can be made at a moment's notice. If illness or other problems occur, have an alternative plan. If the driver can't make it, he should call the first passenger on his route and ask him to drive. If a rider changes his plans, he should notify the carpooler who is picked up immediately before him. This is a simple procedure to follow once the sequence of pick- ups is established. Carpoolers should also appoint one of the group carpool captain — the person responsible for maintaining communications.

3. **Who Drives** – Agree upon who will drive and when. Generally, it works best to alternate drivers weekly or monthly to avoid confusion. Even driving daily works well if arrangements are made on a pre–arranged schedule. Some carpools have found it easier and more dependable to have one permanent driver with whom they share the cost.

4. **Agree on Cost Sharing** – Make arrangements in advance on reimbursement for driving expenses and set regular payment dates. To determine what a non–driver pays, it usually works best to calculate the number of miles driven in a day multiplied by the driver's cost–per–mile, divided by the daily total of the number of occupants of the car.

5. **Establish Meeting Places** – Pick the place where members will be picked up to leave for work. Decide whether to drive to a common spot or be picked up at home, then set the time and place where carpoolers can meet for the drive home.

6. **Determine Route and Schedule** – Once you have chosen the most efficient route and schedule that allows for the occasional traffic tie–up, or a late member, stick to it.

(continued on back)

Send To: Commuter Services
108A/1481

7. **Replacing a Member** – Expect an occasional adjustment. People move or change jobs often. Your TRW Commuter Services Coordinator can help you find more riders, or you can re-apply for an updated ridesharing matchlist.

8. **Avoid Side Trips** – One of the easiest traps to fall into is "Oh, would you mind stopping at the market?" or, "Can we stop? I've got a prescription to pick up." Try to avoid the "shopping syndrome" and everyone will be happier. Straight to work and straight home again. Errand-running and carpooling do not mix.

9. **A Clean, Safe Car** – Make policy and stick to it. The car that carries you to and from work must be clean, safe and comfortable.

10. **Driving Safety** – No one should tolerate speeding, taking chances, or just plain negligence. Set the safety policy at the beginning and don't hesitate to straighten out a member who strays from the path.

11. **How Long to Wait** – Everyone must get to work on time. Wait one minute, perhaps two at the most, for the procrastinator. It's up to him to be ready. Don't honk. That upsets the neighbors. Wait the agreed length of time, then drive on.

12. **Plan Ahead for Car Service** – Schedule routine vehicle maintenance in advance so that alternate driver arrangements can be made for the day of the service.

13. **If at First You Don't Succeed** –If your first efforts to join a carpool don't work out, or only partially succeed, keep trying. More and more names are added regularly to the TRW Commuter Services Office matching file.

TRW Carpool Agreement

So that your carpool may use the preferred parking areas assigned to carpools only, the following procedures and requirements must be met:

1. Two (2) or more TRW employees riding to work together constitute a recognized carpool and are eligible for preferential carpool parking.

   1.1 One of the carpool members must be designated as the captain. This individual will coordinate all needs of the carpool with the Commuter Services Office.

   1.2 All carpool members must complete a carpool registration form.

   1.3 Regular members must carpool an average of four (4) days per week.

   1.4 Part-time members must carpool a minimum of one (1) prearranged day per week. Carpool permits will state effective days.

   1.5 Members may be registered in only one carpool at a time.

2. Each carpool group will be issued one permit with a current decal.

   2.1 The carpool permit is to be hung from the vehicle's windshield rearview mirror.

   2.2 If the permit is not showing, the preferential parking area may not be used. Should the permit become damaged or stolen, contact the Commuter Services Office, or the vehicle will be cited when parked in carpool parking areas.

   2.3 All carpool vehicles must also display appropriate TRW parking decals originally assigned by the Parking Office.

3. Preferential carpool parking will be provided in areas designated by the Commuter Services Office. These stalls will be properly marked.

4. Notification of changes in the carpool must be made to the Commuter Services Office as soon as possible.

   4.1 Should the carpool need a replacement rider/driver, the Commuter Services Office will refer persons from the same home/work area to the carpool captain.

   4.2 If carpool revalidations are not met on a semi-annual basis, each person in the carpool will lose carpool privileges for 6 months.

   4.3 All persons in the carpool are responsible for the carpool permit.

   4.4 Carpool permits are not to be given to or used by any person outside the assigned group.

   4.5 All carpool permits are to be returned upon termination of employment or disbandment of the carpool group.

   4.6 Failure to notify Commuter Services of additions and deletions to your carpool can result in loss of carpool privileges.

TRW Carpool Registration Form

Before signing, please read statement at the bottom of this card.

Name (Print) / Signature	Address	Bldg/MS	Work Ext	Badge No
Captain				
1.				
2.				
3.				
4.				
5.				

Office Use Only

Regular ___ Part-Time Days_____	Additional Seats Available Mo / Working hours to	Permit No / Date / Revalidation	Comments

I certify the information provided on this card is correct. I have read the carpool permit agreement for TRW. Under these requirements, I qualify to participate in the carpool. I will continue to comply with the requirements for as long as I participate in the carpool and enjoy carpool benefits.

bike

Bicycling

If you live less than 7 miles from work, try riding a bike. It's a great way to get exercise and, depending on your route and distance, it can be almost as fast as driving. Also, a bike is a lot easier to park.

Bike racks are located at various locations around the plant site. Shower facilities may also be available. Look for the location nearest your work place or check with your Commuter Services Coordinator.

Why Bike To Work?

Save Money
On a monthly basis, bicycle commuters spend 40 times less on transportation than motorists. In addition, many insurance companies offer lower rates to those who do not use a car for commuting.

Save Time
Mounting traffic congestion causes auto trip time to increase while travel time for bicyclists generally remains constant.

Improve Your Health
Cycling is excellent exercise. With continued use, it will benefit a person's cardiovascular system, improve muscle tone, as well as aid in weight loss.

Improve the Environment
Bicycles produce no adverse environmental impacts. Unlike motor vehicles, they are quiet, use no fossil fuels, and emit no pollutants.

Enjoy Your Commute
Moving under their own power gives bicyclists a sense of independence and accomplishment.

Tips For The New Commuter

Bicycling to work takes some planning:

Bicycle and Other Essential Equipment
Most bicyclists prefer a 10–speed bike, but some find a 3–speed bike sufficient. Whatever you choose, be sure your bike is adjusted to fit you and is kept in good working order.

A headlight and reflectors are legal requirements for traveling during darkness.

Saddlebags, racks, and handlebar bags are good ways to carry a change of clothing or a briefcase. **Do not carry heavy packs on your back.**

Head injuries are the most common serious injury bicyclists suffer. A helmet is a wise investment.

Riding and Repairs
Know and obey all bicycle laws.

Become thoroughly familiar with the operation of your bike before your first commute trip. Practice riding on low–traffic streets and in empty parking lots.

Learn to make simple repairs and to take care of routine bicycle maintenance.

Route Selection
It is a good idea to drive the street portions of the route first and to ride them again on a weekend.

If possible, the first day ride in with an experienced bicyclist who is familiar with the route.

Bicycle Security
Wherever you leave your bike, secure it carefully to protect against tampering, theft, and the weather.

Register your bicycle in the city/county where you live. This will help in tracking down your bicycle if it is stolen.

Clean-up and Work Clothes
For short commute trips, a quick "alcohol bath" will be sufficient to freshen you up once you arrive at work. Showers are also available to you (check with your Commuter Services Coordinator).

You can take a change of clothes on your daily bike commute or you may use the clothes storage facilities available to you at TRW (check with your Commuter Services Office).

HUGHES
Subsidiary of GM Hughes Electronics

The Open Road

CORPORATE COMMUTER SERVICES SUMMER 1990, ISSUE: 1

Welcome to the first issue of

"THE OPEN ROAD Commuter Newsletter"

Our main objective in developing this newsletter is to increase awareness of the transportation and air quality issues that plague our city. It's important that all of us become more open to alternate commute modes and believe me that's the hardest issue for you and me to deal with!

From left to right: Gordon Williams, Ed Clifford (in van), Dale Worrell, Brenda Derby, Jon Garrison, Rosena Brown, Cynthia Avery, Noemi Santos, Jim Di Bella, Supervisor Transportation, Carole Klement, Commuter Services, Don Armstrong (in van), Sara Jones, and Bob Yribe.

The open road graphic on the masthead (thanks to Art Designer, Kim Ige!) is an idea of what the quality of life in Los Angeles should be. Wouldn't it be marvelous to get to work on an uncrowded road or freeway and be able to see the mountains and skyscrapers that are the hallmark of this Southern California metropolis? We can make a difference through the commute choices we make.

We're really excited about two new programs that are being introduced to you in this issue . . . The Guaranteed Ride Home and the Transit Subsidy programs, both offered as incentives to become involved in an alternate commute mode (other than driving alone!). There is an article on carpooling, ridesharing tips, vanpool availability, registration for forming new carpools and, much more.

In future issues, we'll have a section on legislative issues that can affect all of us now and in the future. We'll talk with long-time vanpoolers and carpoolers who will share with you the many advantages of ridesharing. There will be a question and answer section where you can send us your questions and we'll get you the answers. We'll also have a section for carpool and vanpool information and availability.

So please, take a few minutes and read through our first issue . . . remember we're all in this together, and if we work together, we can make a difference and improve the quality of our lives.

Why Have a Commuter Program? One Company's Answer:

By John Lenz
AVCO Financial Services
Transportation Coordinator

(Editor's note: the following article is an abbreviated excerpt from the ACT Southern CA chapter newsletter, and is reprinted with permission of the author.)

As we move into the future of ridesharing, please remember why we are here. The Earth has had enough. This industry holds one of the master keys to the future of life as we know it on this planet. As this crisis "heats up," we will become more valuable representatives of hope. By continuing to push for change in peoples' lives we give the Earth the respect she deserves. We didn't inherit this Earth from our parents, we're borrowing it for our children.

Why are we here? Because:

• Children growing up in this (greater Los Angeles) region will only have use of 85% of their lungs.

• Every 10,000 miles a car releases its own weight in carbon into the air.

• We will have doubled the Earth's C02 by the year 2000.

• We have destroyed over 5% of the Earth's ozone layer.

• As Earth's air gets uglier, scientists find the human immune system begins to break down and becomes more susceptible to disease.

• The 6 hottest years on record were in the last 8 years.

Scientists have said a 3 degree global warming is a given. We can't turn back on that. And if we continue exactly as we are now by growing, expanding, driving, producing, and profiting more at the Earth's expense, we then are also bringing with us an 8 to 12 degree global warming. What does a 3 to 8 degree increase in temperature mean? Here is NASA's answer as supplied by the Goddard Space Institute:

• New York City will go from 4 evenings, where temperatures stay above 80 degrees, to 68.

• Dallas: the number of 100-degree days goes up from 19 to 78.

• Phoenix: heat waves approaching 130-140 degrees instead of the 120 tops

Commuter programs are more than just meeting some invisible state board of evaluators. They're a way to show a company's dedication to its employees, the community, and even on a much larger scale, its statement to support a battered environment.

Transit Subsidy Available NOW

Effective immediately, any Corporate employee who uses public transit to commute to and from work is now eligible for a maximum of $15.00 per month subsidy. All participants must sign a statement confirming that their use of the subsidy is for THEIR PERSONAL transportation to and from work.

Contact the Commuter Services office for more details.

Alert! Alert! Alert!

Vanpool riders are needed in the following areas: Long Beach, Cypress, Corona, Los Coyotes, Cerritos, 1800 Oak, and Fullerton Buena Park. Contact Commuter Services or ext. 7766.

Prepared by Carole Klement, Corporate Commuter Services, ext. 568-7766, C1/A128.

Guaranteed Ride Home

How will I get home if I have an illness or family emergency? This is the number one question asked by potential ridesharers. Corporate now has an answer to that all important question...Guaranteed Ride Home Program.

Available now, this new commuter program will guarantee a ride home to any employee who uses an alternate commute mode such as, vanpool, carpooling, biking (non-motorized), walking, and public transit. To take advantage of this new program you must be registered with the Commuter Services office and if you carpool you must also display a carpool placard. Registration Form 18250CO is now available for use.

"Emergency" is defined as illness or severe crisis for the employee or immediate family member.

This program is not designed to serve non-emergency or planned trips for such reasons as personal errands, pre-planned medical appointments, pre-arranged overtime, business related travel, working late without a request from Supervision, or injury on the job. Work injuries are handled through the Medical Department and Security. We feel this program makes ridesharing an attractive option to the drive-alone commuter.

So how about it? Why not give ridesharing a try? Contact Carole in the Commuter Services office for more details on this great new program.

TALKBACK

If you have any questions or ideas regarding ridesharing, or alternate commute modes, please feel free to call Carole Klement on extension 7766 or send your thoughts to Commuter Services C1/A128. Also, if you have any articles that you think may be of interest to our employees please pass them on and we'll publish them in our next issue.

ARE YOU READY TO TAKE THE PLUNGE!

Are you just on the verge of maybe taking that plunge into carpooling?? We're now in the process of developing lists of potential carpoolers from all different areas. So, if you haven't already matched up with someone in your area or you're having trouble finding a fellow carpooler, please fill out the Carpool Registration Form found at the bottom of this page and send to Commuter Services C1/A128 for a possible match-up in your neighborhood.

CARPOOL REGISTRATION FORM

NAME: _____

HOME ZIP CODE: _____

WORK HOURS: _____

EXTENSION: _____

How many days a week are you willing to carpool? _____

Please return to Commuter Services C1/A128.

Twice a Week is All We Ask.....

NO SINGLE OCCUPANCY VEHICLES

It's not easy to start carpooling!! Most people can come up with any number of reasons why they can't carpool: I might need to make stops after work . . . What if my child gets sick? . . . I have class one night a week . . . I like the solitude of driving alone . . . the list goes on and on.

The truth of the matter is, if you're not part of the solution, you're part of the problem. And that problem is only going to get worse unless we start to tackle it NOW.

The South Coast Air Quality Management District (SCAQMD) estimates that by the year 2010, 42 percent more vehicles will be using Southland roads. Average road speeds will decrease from 31 to 11 mph, and rush-hour trips will take up to three times longer.

A ROUND OF APPLAUSE

We would like to take this opportunity to thank all Corporate employees presently vanpooling, carpooling, or using an alternate mode of transportation, for your cooperation and support in our clean air efforts. Remember to register at Commuter Services to be eligible to take advantage of our Guaranteed Ride Home Program.

These are pretty scary statistics. Air quality in the Los Angeles basin already fails to meet minimum federal health standards more than 200 days out of each year. Unless we act quickly, our lungs as well as our roads will be almost completely clogged.

The AQMD has outlined a 20-year plan to reduce traffic congestion and air pollution. A major component of the plan is Regulation XV, a California state law that requires organizations to reduce the number of vehicles that arrive at work sites between 6 and 10 am. It states they must do so through an alternate commute mode . . . in other words no SOV's (Single Occupancy Vehicles). We must achieve an average of 1.5 employees per vehicle.

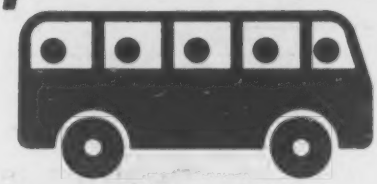
Presently at Corporate approximately 250 employees live within a 15-mile radius of our worksite. This is perfect for carpooling. Call Carole in the Commuter Services office and she will provide you with a list of potential carpoolers from your area.

The time has obviously come for employees to stop making excuses and start ridesharing — if not everyday, then at least 2 or 3 days a week.

Remember, if you're not thinking of yourself, think of your children . . .

TO: COMMUTER SERVICE
C1 / A128

Vanpool forming.



HUGHES
Commuter Network

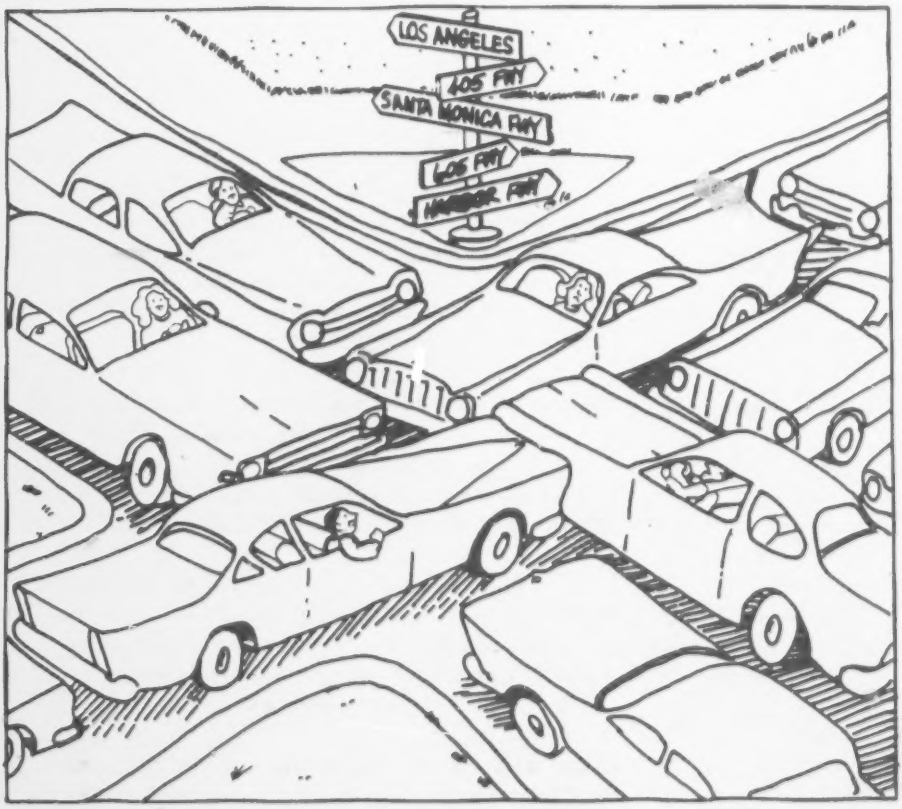
Area(s) Served: _____

Shift: _____

Approximate Cost: _____

For More Information
Contact COMMUTER SERVICE OFFICE
CORPORATE OFFICE at extension **568-7766**

UNLOCK GRIDLOCK!



STRESSED OUT ???? . . . . . NERVES SHATTERED ???? . . . . . HOW ABOUT A COMFORTABLE ALTERNATIVE ???? WHY NOT TRY VANPOOLING ????

OUR VANS ARE EQUIPPED WITH AIR CONDITIONING, RECLINING SEATS, CARPETING, STEREO AND INDIVIDUAL READING LIGHTS.

VANPOOL RIDERS ARE NEEDED IN THE FOLLOWING AREAS: CYPRESS/CERRITOS . . . DOWNEY . . . LONG BEACH . . . NEWHALL CLAREMONT . . . THOUSAND OAKS/AGOURA . . . WALNUT/HACIENDA HEIGHTS . . . ALHAMBRA OR, IF YOU WOULD LIKE TO FORM A NEW VANPOOL . . . CALL COMMUTER SERVICES ON EXTENSION 7766.

TRW

TRW Clean Air Program

Preferred Space Park(ing)

Industry experience shows that one of the strongest incentives for employees to rideshare is preferential parking for car/vanpools. TRW has committed to preferential parking as a rideshare incentive in its Trip Reduction Plan required by South Coast Air Quality Management District Regulation XV.

Preferential parking is not a return to named reserved spaces, but is being made available to all employees. It is an employee incentive gained by contributing to a cleaner environment, reducing traffic congestion, and helping the company meet its mandated goals.

In July, preferred parking spaces will be available for employees who are registered as a TRW car/vanpool participant. Spaces will be distinctively painted. Authorized users will receive a special permit to display on their vehicle's rearview mirror.

If you do not have someone for ridesharing, contact the Commuter Services Office at Extension 34431 for a registration form. A computer match list of TRW employees in your immediate home vicinity will be sent to you.

Every employee at greater Space Park is eligible to take advantage of this rideshare preferred parking incentive. To join in the rideshare program, contact Commuter Services Office located in Building 108A, Room 1481.

Commuter Services Office
108A/1481, Ext. 34431

TRW

TRW Clean Air Program

This Is MAX!!

MAX, the 1st Class Commuter Bus, begins service on April 18, 1990. Buses from the South Bay to the El Segundo employment center will arrive at 20 minute intervals. Comfortable airline-style seats and individual reading lights will make your commute a delight.

MAX Commuter Kits (containing free rides, schedule, and map) will be sent the week of 4/2/90 to employees who reside in the MAX service area. Monthly passes will be $54 and $45, depending upon whether you live north or south of Pacific Coast Highway. Beginning April 25, Employee Services will be selling passes in S/1470 and M5/1437 for the month of May. Sales will continue through the 10th of May. Buy one month's pass for full price, get your second month's pass FREE! Thereafter TRW will subsidize your pass at $15 per month.

Commuter Services Office
108A/1481, Ext. 34431

TRW

TRW Clean Air Program

Bike To Work Day

More than 36% of TRW's Space Park population lives within a 5-mile radius. If you fit into this category (or even if you don't), please join us on Tuesday, May 15 for **National Bike To Work Day** and ride **your bike** to work. We will be serving a continental breakfast in the S Waitress Dining Room between the hours of 6 and 9 a.m. Buttons and tickets for noontime drawings will be passed out, and Security will be provided for the bikes on the patio during breakfast.

Noontime activities on the S-patio between 11 a.m. and 1:30 p.m. include specialty booths, prize drawings and bike fashions for the 90's.

Join us in the fun and in demonstrating to others that the auto can be left at home for some trips.

Please return the portion below to Commuter Services, 108A/1481 if you plan to ride your bike to work on May 15 and attend the breakfast in the Waitress Dining Room. Hope to see you there!

Name _____ **Badge** _____

Mail Station _____ **Extension** _____

Yes, I will attend the breakfast on May 15, 1990 _____

Miles you will ride one-way _____

Commuter Services Office
108A/1481, Ext. 34431

Rideshare Week '89

Keep California Moving

Governor George Deukmejian has proclaimed October 2 through 6 California Rideshare Week. His challenge is to make all Californians aware of ridesharing benefits and encourage them to rideshare at least one day a week.

In support of the Governor's proclamation, TRW has set aside October 5 as "No Solo Day" at Space Park. Please join your fellow employees on this day and rideshare with a friend, walk, bicycle, or take a bus. Show the community we are committed to clean air.

Accept the "No Solo Day" challenge. Leave your wheels at home for just one day. See the difference you can make.

Take the pledge and become eligible for the October 5 "No Solo Day" raffle. Complete the pledge card below, detach, and drop in the company mail by October 3. This card is your ticket for a chance to win one of many great prizes at the "No Solo Day" raffle on the S-Patio, 11:00 a.m. to 1:30 p.m.

Don't forget! Thursday, October 5

"No Solo Day"

Prizes ★ Free Popcorn ★ Live Music

Commuter Gifts ★ Poolmatch Information ★ Car/Vanpool Registration

(Detach here and place in company mail)

"No Solo Day" Pledge Card

☐ Yes! I pledge to share the ride and "Keep California Moving" on Thursday, October 5!

I plan to commute by:

☐ Carpool ☐ Bicycle
☐ Vanpool ☐ Walk
☐ Bus

I am a "registered" ridesharer

☐ Yes ☐ No
☐ Carpool
☐ Vanpool

Optional Information
Please check as many as apply:
☐ I want to add passengers to my car or share the driving.
☐ I want to join a carpool as a passenger.
☐ I want to join a vanpool as a passenger.
☐ I want to be a vanpool or backup driver.

First Name _____ Last Name _____

Badge No._____ Mail Station _____ Ext. _____ CCC _____

Sponsored by Space & Defense Sector Clean Air Program.

Rideshare Week '89

Keep California Moving

To: Commuter Services
108A/1481

TRW

TRW Clean Air Program

Prize Drawing For All Registered Commuters

TRW's Commuter Services office is delighted to announce the Clean Air Program's first quarterly drawing. All ***registered*** carpoolers, cyclists, walkers, van and transit riders are possible winners. There is nothing to fill in or return; the names are available on our Poolmatch program.

The drawing for ***registered commuters*** will be held on June 27, 1990. Winners will be contacted by phone and the names will be published in the Read-out.

The next commuter quarterly drawing will be held near the end of September. If you are not currently a part of this program, call us at x34431 and register ***now***. Join the thousands of others here at TRW who are doing their fair share to clean up the air. Everyone wins!

- ★ **Weekend trip to San Francisco (air fare, accommodations–2 people, 2 nights)**
- ★ **Cordless telephone ★ 13" Color TV**
- ★ **Portable Stereo ★ Ice Cream Maker**
- ★ **Portable Compact Disc Player ★ Bicycle**
- ★ **Galleria Mall Gift Certificates in the following amounts: (1) $200, and (2) $100 gift certificates**

Commuter Services Office
186A/1481, Ext. 34431

8/15/90

TESTIMONY BY
THE HONORABLE RAY GRABINSKI, VICE CHAIR
LOS ANGELES COUNTY TRANSPORTATION COMMISSION
BEFORE THE SUBCOMMITTEE ON SURFACE TRANSPORTATION
HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
JULY 2, 1990 - LONG BEACH CITY HALL

Members of the Committee:

Thank you for this opportunity to share the views of the Los Angeles County Transportation Commission (LACTC), as this Committee prepares next year to reauthorize the Surface Transportation Act.

Our mission in Los Angeles County, "leading the way to greater mobility," addresses the very same goals which led to the enactment of the Federal-Aid Highway and Highway Revenue Acts of 1956 and the Urban Mass Transportation Act in 1964.

The Commission sets policies and funds the county's rail development, streets and highways, buses, shuttles and paratransit services. Through Proposition A, the half-cent sales tax dedicated to public transit improvements we raise over $390 million annually which has been used to fund rail construction, support our bus system, and provide roughly 25% as a local return to the 87 Cities within Los Angeles County for a wide range of transit improvements.

We are grateful for the strong support which this Committee has provided to transit and highway programs in Los Angeles, especially the construction of the Los Angeles Metro Rail. Chairman Anderson, your personal leadership has made the difference to the people of Los Angeles in terms of securing federal support for the development of our county-wide rail system and other transportation improvements. Chairman Mineta, we very much look forward to working with you on these important issues.

Local Commitment to Transit

In 1980, the people of Los Angeles County demonstrated their commitment to alternative means of mobility with the enactment of Proposition A and its identified goal of developing a 150-mile county-wide rail transit system.

With your help, we have been able to embark upon an ambitious program of design and construction. On July 14, our first line, the LA Metro Blue Line begins operation from Long Beach to Los Angeles. By 2000, the Blue Line, which was built entirely with local funds, will carry 54,000 daily riders

Recognizing our tremendous need and local commitment, Congress has strongly supported authorizations and appropriations for the Metro Red Line, our 17.4 mile subway from Union Station to the San Fernando Valley.

In 1990, the people of California demonstrated their commitment to the completion of this system, as well as highway, commuter and inter-city rail projects throughout the state with their approval of gas tax increase and rail bond measures. Just as in 1980, these measures address funding of specific projects which can end our reliance upon single passenger vehicles for mobility.

As you begin work upon the reauthorization of the Surface Transportation Act, we ask that you again look at our needs, which continue to grow, and our strong local and state commitment as you identify projects which merit federal support. Transit must be broadened to include all high-occupancy, shared-ride services with goals of meeting diverse travel needs while reducing vehicle miles travelled.

We also recognize that you need national involvement and support to win Congressional and Presidential approval of the type of Surface Transportation Act which America needs to restore the Intergovernmental Funding Partnership.

Those Senators and Congressmembers not serving on the authorizing Committees for this act must recognize that mandates for clean air, accessibility and infrastructure repair cannot be achieved when the federal share of transit funding declines from 47% to 29% and highway funding declines from 30% to 23% as it has during the period from 1981 to 1987.

It is clear that revenues and taxes are major concerns for the President and Congress and we must ensure that any consideration of these issues provides an increase in the dedicated revenue directed to transit and highways. Chairman Anderson has championed this cause with his resolution specifying that any federal gas tax increase remain directed to our pressing national transportation needs, not simply for deficit reduction. We must also ensure that revenues in the mass transit account of the trust fund are fully spent.

I want to share with you the LACTC's key thoughts regarding next year's reauthorization and provisions which are essential for our local efforts.

LA Metro Red Line

The LACTC is the lead agency managing the planning, design and construction of our rail system, including the Red Line subway currently under construction. The Red Line represents the backbone of this 150-mile system, serving the central business district and its most heavily travelled corridors with transfers to locally constructed lines.

The need for the Red Line remains critical as congestion in the regional core will increase substantially over the next ten years. Vehicle miles travelled in the core, without the Red Line, are projected to increase over 25% from 14.2 to 17.8 million miles daily by the year 2000.

MOS-1

We are nearing 65% completion of the first 4.4 mile segment from Union Station to MacArthur Park, known as MOS-1. Congress was instrumental in overcoming objections by the previous Administration to participate in the 50% federal share of this $1.3 billion project which includes the starter segment, operational systems and maintenance yard and shops. This segment is fully funded and begins service by 1994.

MOS-2

On April 10, both Chairmen Anderson and Mineta joined Secretary Skinner and UMTA Administrator Clymer for the signing of the full-funding grant agreement which provides the financing for construction of the next 6.7 miles and eight stations, known as MOS-2. This extension proceeds northwest to a station at Wilshire and Vermont where the alignment branches both north and west. The northern terminus extends to Hollywood and Vine (1998 opening), while the western terminus extends to Wilshire and Western (1996).

Provisions in the Surface Transportation Act of 1987 requiring a full-funding contract for MOS-2 were critical to winning approval for the $667 million federal share, representing 46% of financing for this segment.

While Congress has continued a strong level of appropriations annually for the Red Line, we expect that between $180-200 million of this contract will not have been appropriated when this Act expires next year. As such, depending upon the legal interpretation of the contract in light of the congressional budget process, your support may be needed to extend the authorization and allow Congress to finish the funding of this segment in 1992.

MOS-3

MOS-3 consists of 6.3 miles and three stations which will extend the Red Line into the San Fernando Valley, extending west from Hollywood and Vine to Hollywood and Highland and then northwest to Universal City and on to North Hollywood terminating at Lankershiem and Chandler Boulevards. In North Hollywood, the Red Line will connect to a locally funded line serving West Valley communities expected to begin when the final Red Line station opens in 2001.

It is critical that this reauthorization mandate a full-funding contract for MOS-3, as was required for MOS-2. We are seeking an authorized federal share of $688 million of this $1,087. billion overall project. Because of the magnitude of this project, it is imperative that Congress convey its belief that the project must be completed to this administration.

Only your continued support can ensure that we proceed with the construction of this final segment without the delays which have contributed to cost increases in the first two segments. While these increases are funded locally without an increased federal share, their impact is to lessen available local support for construction of other lines which contribute to the success of the overall system.

Metro Orange Line

As you know, Congressional mandates required the realignment of the Metro Red Line and led to the establishment of the route now under construction. During this planning process and consultation with our Congressional delegation, the strong need and desire for eastern and western extensions of the heavy rail subway have been firmly established.

Through a system planning study prepared by the Southern California Association of Governments (SCAG) we have identified several routes within the identified residential and business corridor that extend from Santa Monica to Norwalk which meet UMTA's criteria for cost effectiveness and ridership.

The LACTC has designated this future heavy rail route as the Metro Orange Line extending west of Wilshire/Western and east of Union Station. Following UMTA's process for project development and approval, we have completed and submitted both the System Planning Study prepared by SCAG, demonstrating the existence of an east-west corridor and future ridership, and the Transitional Analysis which identify potential routes.

We have consulted with members of our Congressional delegation and have received an extremely positive response to the Orange Line and their commitment and interest in supporting public participation to select a final route through the Alternatives Analysis process.

Over the next two to three months, we will work closely with UMTA to secure their approval of the Transitional Analysis so that we can advance to Alternatives Analysis. Members of our Congressional delegation have pledged support to win UMTA approval.

We have met with this Committee's staff to provide these planning documents and pledge to consult with you on our progress. We also seek your support for authorization of $50 million to match local funds for the final design and preliminary engineering work which will be necessary to secure project approval and a full funding grant agreement.

Although specific authorizations for construction of the Orange Line will likely wait until the 1997 authorization, we anticipate that extensions of up to eight miles in east and west directions can begin construction by 1996 and last six years with a total project cost of $2.2 billion and 50% federal share.

Overall Funding of Rail Construction

To provide perspective on these funding requests, and the extent to which we overmatch Section 3 support, federal funding accounts for 52% of the entire Metro Red Line project. When you factor in our funding for the entire Light Rail system, comprising over 60 miles which will be in operation by 2001, federal funding represents just 21% of total rail construction dollars spent.

Highway Programs

As you know, the Federal Highway Act of 1987 authorized the Combined Road Plan (CRP) Demonstration Program. California joined the CRP on June 1, 1989 which tests pooling of funding categories of Federal-Aid Urban, Federal Aid Secondary and Highway Bridge Replacement and Reconstruction.

These block grants provide greater coordination of funding throughout the State. The California Department of Transportation is taking the lead in implementing these programs in consultation with local governments and specifically the LACTC. LACTC staff is participating on the statewide CRP committee and we are implementing a program to accelerate expenditure of CRP resources by giving higher preference to ready-to-go projects in Los Angeles County.

Recognizing that California was added late to the five-state demonstration of CRP, our support of its continuation is contingent upon continued emphasis on local decision making and funding allocations.

Smart Street Demonstration Programs

An area that is gaining interest at the national and local level is advancing Intelligent Vehicle Highway Systems (IVHS) and locally the multi-agency Smart Street Demonstration Program.

Smart Streets utilize advanced technology to reduce congestion, pollution, and travel delays through improved traffic management and information so drivers can make informed decisions about alternate routes when accidents or delays occur.

LACTC is involved in a local-state-federal demonstration using the Santa Monica Freeway, recognized as one of the world's most heavily travelled and congested freeways.

Based upon our experience during the LA Olympics using elements of this technology in the USC-Coliseum area, we believe that motorist on the Santa Monica Freeway can reduce travel times by 15%, with a resulting reduction in fuel use of 13% and pollution emissions of 10%.

Although the Federal Highway Administration is involved in this effort, there are currently no federal research or demonstration funds dedicated to the Santa Monica Smart Street Project. The project, scheduled to begin in 1993, costs $50 million for implementation and evaluation, and shortfall of $3 million has been identified for which federal funds are being sought.

A recently concluded statewide Smart Corridor study found 16 corridors among 120 candidates covering over 1,000 miles of California freeways that would yield a benefit in excess of three times their cost to construct and operate. It is no surprise that half of the top 16 candidates are in Los Angeles County.

There is currently proposed $15 million for IVHS research and programs within the FHWA 1991 budget. We encourage this Committee to look at the potential of such programs and the role which the federal government should have in providing matching funds for local projects which advance our understanding of the potential benefits of making smart our busiest corridors.

Secure Funding for Bus Operations

Today, you will hear from bus operators within the County, including the Southern California Rapid Transit District, which until this month has been this nation's largest all-bus transit system.

LACTC is a major funding partner to the District, providing more than 25% of its budget through Proposition A funds. We are also strongly involved with the twelve other municipal bus operators within Los Angeles County. (For example Long Beach, Santa Monica, etc.)

The continued availability of Section 9 operating assistance is absolutely vital to the health of our bus system which will continue to have an integral role in future mobility. Reductions in operating assistance, especially when combined with clean fuel requirements, will have a devastating effect on all of our municipal operators. The impact is particularly harsh for smaller operators who often rely, to a greater extent, on this subsidy than do larger operators.

Such subsidies must encourage cost-effectiveness and service quality, and we have been involved in a variety of strategies to achieve this goal. We have also led the establishment of the Foothill Transit Zone which has demonstrated that competitive bidding can result in a operators can complement a regional bus system through quality, cost-effective service which would otherwise not be provided.

Conclusion

Mr. Chairman and members of the Committee, I greatly appreciate this opportunity to share with you the exciting challengers which we are facing in the effort to improve mobility and meet needs of Southern California.

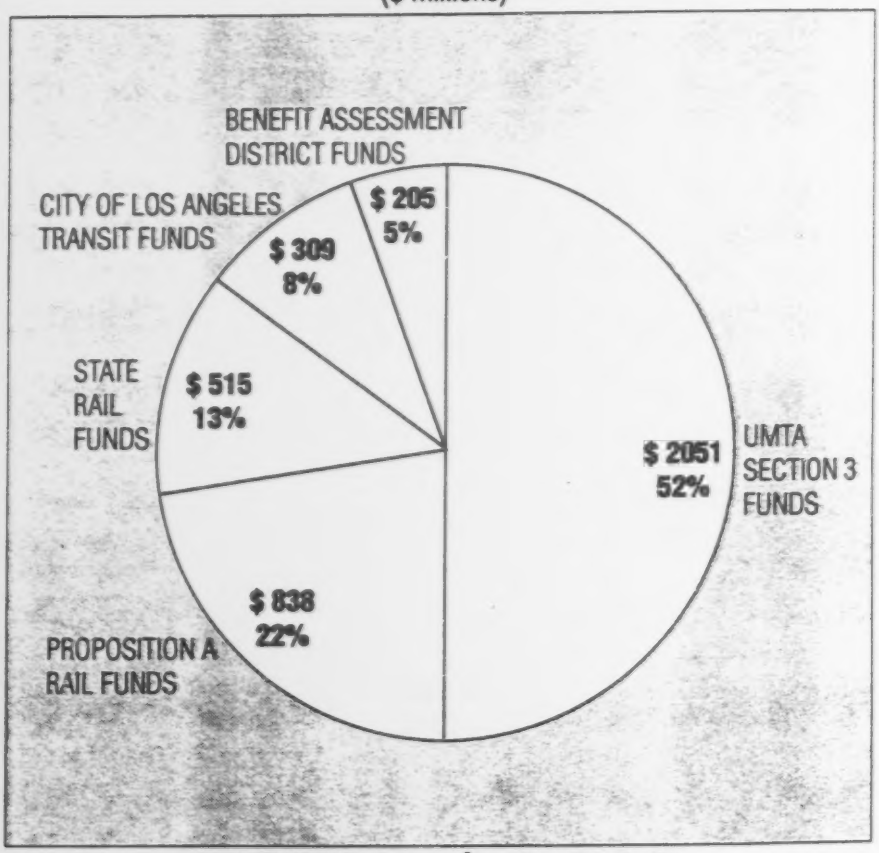
This decade can revolutionize the way that people of Los Angeles travel. We are implementing an ambitious program, and we have strong local and business support. However, there is no substitute for a federal role in funding a comprehensive approach here and nationwide which leads to mobility and environmental quality.

We have a responsibility to work not only as financial partners but as strong advocates for the federal role in transit. The LACTC pledges to make every effort to support this Committee in its efforts to fashion a solid reauthorization bill for the future of this region and the country.

LACTC

Funding Shares

METRO RED LINE FROM UNION STATION TO NORTH HOLLYWOOD
($ millions)



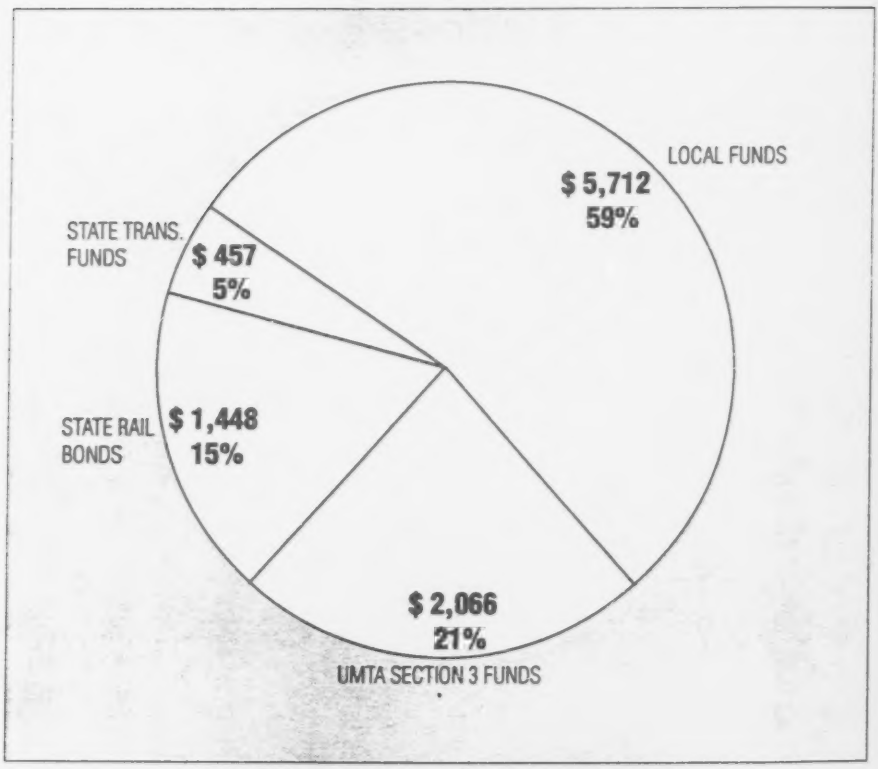
TOTAL: $ 3,918

LACTC

Funding Shares (Year 2001 Program)

($ millions)

Metro Blue Line, Green Line, Red Line to SFV
Commuter Rail (3 Lines)
Pasadena Line
Red Line Extension in SFV
Right-of-Way Acquisition



TOTAL: $ 9,683

Los Angeles County
Rail Transit Plan

STATION LOCATIONS

Red Line*-Union Station to Wilshire/Alvarado*

1. Union Station
2. 1st St./Hill St. (Civic Center)
3. 5th St./Hill St.
4. 7th St./Flower St.
5. Wilshire Blvd./Alvarado St.
6. Wilshire Blvd./Vermont Ave.
7. Wilshire Blvd./Normandie Ave.
8. Wilshire Blvd./Westlake Ave.
9. Vermont Ave./Beverly Blvd.
10. Vermont Ave./Santa Monica Blvd.
11. Vermont Ave./Sunset Blvd.
12. Hollywood Blvd./Western Ave.
13. Hollywood Blvd./Vine St.

Blue Line*-Long Beach to Los Angeles*

14. 7th St./Flower St.
15. Pico Blvd./Flower St.
16. Grand Ave./Washington Blvd.
17. San Pedro St./Washington Blvd.
18. Washington Blvd./Long Beach Ave.
19. Vernon Ave./Long Beach Ave.
20. Slauson Ave./Long Beach Ave.
21. Florence Ave./Graham Ave.
22. Firestone Blvd./Graham Ave.
23. 103rd St./Grandee Ave.
24. Imperial Hwy./Wilmington Ave.
25. Compton Blvd./Willowbrook Ave.
26. Artesia Blvd./Alameda St.
27. Del Amo Blvd./Santa Fe Ave.
28. Wardow Rd./Pacific Ave.
29. Willow St./Long Beach Blvd.
30. Pacific Coast Hwy./Long Beach Blvd.
31. Anaheim St./Long Beach Blvd.
32. 6th St./Long Beach Blvd.
33. 1st St./Long Beach Blvd.
34. 1st St./Pine Ave.
35. 8th St./Pacific Ave.

Green Line*-Norwalk to El Segundo*

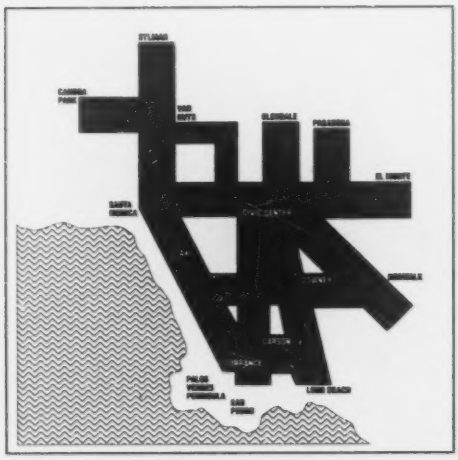
36. Studebaker Rd./605 Fwy.
37. Lakewood Blvd./Imperial Hwy.
38. Long Beach Blvd./Imperial Hwy.
39. Imperial Hwy./Wilmington Ave.
40. Avalon Blvd./117th St.
41. 110 Fwy./117th St.
42. Vermont Blvd./117th St.
43. Crenshaw Blvd./119th St.
44. Hawthorne Blvd./111th St.
45. Aviation Blvd./Imperial Hwy.
46. Mariposa Ave./Nash St.
47. El Segundo Ave./Nash St.
48. Douglas St.
49. Freeman Ave.

RAIL TRANSIT IN LOS ANGELES COUNTY

- Proposition A is Los Angeles County's half-percent sales tax for public transit, passed by county voters in 1980.

- 35 percent of these tax revenues (about $130 million per year) is dedicated to the construction and operation of a rail transit system serving the entire county. Rail lines will be built in the transportation corridors outlined on the map below.

- The Red Line, whose initial 4 miles will run underground from Union Station to Wilshire Blvd./ Alvarado St., will serve the densely populated regional core of the county; it is being built with federal, state, private benefit assessments, and Proposition A funds.



- The Blue line from downtown Long Beach to downtown Los Angeles is funded entirely with Proposition A funds.

- The LACTC also is building the Green line with Proposition A funds in the middle of the new I-105 Freeway. The line turns southward near LAX to serve the El Segundo employment area; in the future, plans call for extensions north and south along the coast.

- Projects are being developed in other corridors as well. The LACTC is studying possible routes for an east-west rail line in the San Fernando Valley and for a line from downtown L.A. to Pasadena. In the San Gabriel Valley, when passenger-demand warrants, the El Monte Busway can be converted to rail. Caltrans is designing an exclusive busway along the Harbor Freeway, which will serve the needs of that corridor and also may be converted to rail at some time in the future.

For more information, please call the LACTC's rail hotline

(213) 620-RAIL

or write to

LOS ANGELES COUNTY TRANSPORTATION COMMISSION
403 West Eighth Street, Suite 500
Los Angeles, CA 90014

TESTIMONY BEFORE THE SUBCOMMITTEE ON SURFACE TRANSPORTATION

OF THE HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE

LONG BEACH, CALIFORNIA

JULY 2, 1990

BY:

HONORABLE JEFFREY KELLOGG
COUNCILMAN, CITY OF LONG BEACH

REPRESENTING THE

CONSOLIDATED TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY
6550 MILES AVENUE
HUNTINGTON PARK, CALIFORNIA 90255

TESTIMONY OF

THE CONSOLIDATED TRANSPORTATION CORRIDOR

JOINT POWERS AUTHORITY

BEFORE THE SUBCOMMITTEE ON SURFACE TRANSPORTATION

OF THE HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE

LONG BEACH, CALIFORNIA

JULY 2, 1990

CHAIRMAN MINETA, CHAIRMAN ANDERSON, AND DISTINGUISHED MEMBERS OF THE SUBCOMMITTEE, GOOD AFTERNOON. MY NAME IS JEFFREY KELLOGG. I AM THE COUNCILMAN FROM THE EIGHTH DISTRICT OF THE CITY OF LONG BEACH, AND LONG BEACH'S REPRESENTATIVE TO THE CONSOLIDATED TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY. I ALSO SERVE AS CHAIRMAN OF THE JPA'S LEGISLATIVE COMMITTEE.

ON BEHALF OF THE ENTIRE GOVERNING BOARD OF THE JOINT POWERS AUTHORITY AND ITS CHAIRPERSON, LOS ANGELES CITY COUNCILWOMAN JOAN MILKE FLORES, I WOULD LIKE TO ADD MY WELCOME TO YOU THIS AFTERNOON. WE ARE EXTREMELY GRATEFUL FOR THE SUPPORT THAT YOU HAVE SHOWN FOR THE TRANSPORTATION NEEDS OF SOUTHERN CALIFORNIA. THANKS TO YOUR LEADERSHIP, CHAIRMAN ANDERSON AND CHAIRMAN MINETA, AND TO THAT OF YOUR COLLEAGUES ON THIS COMMITTEE, THE ECONOMIC BENEFITS FOR OUR COUNTRY ASSOCIATED WITH THE GROWTH OF THE PORTS OF LOS ANGELES AND LONG BEACH CAN BE PRESERVED. YOU HAVE CHAMPIONED THE CONCEPT THAT PORT GROWTH CANNOT BE SUSTAINED WITHOUT COMMENSURATE INCREASES IN ROAD AND RAILWAY ACCESS TO THE PORTS. WE CANNOT AGREE WITH YOU MORE. WE STRONGLY BELIEVE THAT THE CONSOLIDATED TRANSPORTATION CORRIDOR IS THE KEY TO FACILITATING PORT GROWTH,

WHILE ASSURING THAT NEIGHBORHOOD QUALITY OF LIFE IS PRESERVED.

THIS PROJECT WILL CREATE A HIGHWAY AND RAIL SYSTEM OF NATIONAL SIGNIFICANCE, CONNECTING THE ECONOMIC CENTER OF THE SAN PEDRO BAY PORTS -- THE LARGEST PORT COMPLEX IN THE UNITED STATES -- TO THE INTERSTATE HIGHWAY SYSTEM AND THE NATIONAL RAILROAD SYSTEM, THEREBY FACILITATING THE MOVEMENT OF INTERNATIONAL CARGO. THE PROJECT IS DESIGNED TO FACILITATE PORT ACCESS, WHILE MITIGATING POTENTIALLY ADVERSE IMPACTS OF PORT GROWTH, INCLUDING HIGHWAY TRAFFIC CONGESTION, AIR POLLUTION, VEHICLE DELAYS AT GRADE CROSSINGS, AND IMPACTS OF TRAIN NOISE IN RESIDENTIAL AREAS.

THESE ARE TRULY EXCITING TIMES. AS THE GATEWAY TO THE PACIFIC RIM, THE PORTS OF LOS ANGELES AND LONG BEACH ARE EXPERIENCING DRAMATIC GROWTH. IN 1989, THE TWO PORTS COMBINED HANDLED A TOTAL OF 139 MILLION METRIC REVENUE TONS OF CARGO, UP 6 PERCENT FROM THE PREVIOUS YEAR. GROWTH IN INTERMODAL, OR CONTAINERIZED, CARGO ACCOUNTS FOR A SIGNIFICANT SHARE OF THE PORT'S RECENT SUCCESS. THE TWO PORTS HANDLED A TOTAL OF 3.6 MILLION TWENTY-FOOT-EQUIVALENT UNITS (TEUS) IN 1989, AN INCREASE OF NEARLY 14 PERCENT OVER THE PREVIOUS YEAR.

BY THE YEAR 2020, THE PORTS ANTICIPATE NEARLY 12 MILLION TEUS ANNUALLY. TRAIN TRAFFIC TO AND FROM THE PORTS IS EXPECTED TO INCREASE FROM 31 TRAINS PER DAY CURRENTLY TO 106 TRAINS PER DAY BY THE YEAR 2020. TRUCK TRAFFIC TO AND FROM THE PORTS AMOUNTS TO ABOUT 17,000 TRIPS PER DAY NOW. THIS COULD TRIPLE BY THE YEAR 2020. WITH VOLUMES OF THIS MAGNITUDE, MAJOR IMPROVEMENTS IN RAIL AND HIGHWAY INFRASTRUCTURE WILL BE REQUIRED, AND SIGNIFICANT

38-253 O—91——71

INVESTMENTS IN MITIGATIONS, SUCH AS GRADE SEPARATIONS AND SOUNDWALLS, WILL BE NECESSARY.

WE STRONGLY BELIEVE THAT THE CONSOLIDATED TRANSPORTATION CORRIDOR WILL PROVIDE THE NECESSARY MITIGATIONS, AS WELL AS THE NEEDED IMPROVEMENTS IN TRANSPORT CAPACITY. THE CONSOLIDATED TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY IS THE AGENCY RESPONSIBLE FOR IMPLEMENTING THIS IMPORTANT PROJECT.

FORMED IN AUGUST OF 1989, THE JPA HAS A GOVERNING BOARD OF 15 MEMBERS, REPRESENTING THE CITIES OF LOS ANGELES AND LONG BEACH, THE LOS ANGELES COUNTY BOARD OF SUPERVISORS, THE LOS ANGELES COUNTY TRANSPORTATION COMMISSION, THE TWO PORTS, CALTRANS, AND EACH OF SIX CITIES ALONG THE CORRIDOR: CARSON, COMPTON, LYNWOOD, SOUTH GATE, HUNTINGTON PARK, AND VERNON. MEMBERS OF THE JPA ARE WORKING TOGETHER, IN A SUCCESSFUL COLLABORATIVE EFFORT, TO SOLVE THE INFRASTRUCTURE AND ENVIRONMENTAL PROBLEMS ASSOCIATED WITH IMPROVING PORT ACCESS.

THE ESTIMATED COST OF THE CONSOLIDATED TRANSPORTATION CORRIDOR IS $502 MILLION, NOT COUNTING THE COST OF PROJECTS ALREADY FUNDED THROUGH THE FEDERAL PORTS ACCESS DEMONSTRATION PROGRAM. ALSO NOT INCLUDED IN THIS ESTIMATE IS $297 MILLION OF IMPROVEMENTS IN HIGHWAY AND RAIL INFRASTRUCTURE WITHIN THE HARBORS THAT WILL BE FUNDED DIRECTLY BY THE PORTS.

THE CONSOLIDATED TRANSPORTATION CORRIDOR INVOLVES DOUBLE TRACKING THE SAN PEDRO BRANCH OF THE SOUTHERN PACIFIC RAILROAD AND INSTALLING CENTRALIZED TRAFFIC CONTROL. THE GOAL IS TO HAVE ALL

THREE RAIL CARRIERS (THE UNION PACIFIC, THE SANTA FE, AND THE SOUTHERN PACIFIC) USE THIS ONE UPGRADED ROUTE. THE SOUTHERN PACIFIC SAN PEDRO BRANCH RUNS THROUGH A PREDOMINANTLY INDUSTRIAL CORRIDOR, WHICH IS MORE COMPATIBLE WITH HEAVY FREIGHT TRAINS THAN THE OTHER RAILROAD BRANCH LINES, WHICH ARE HIGHLY RESIDENTIAL.

CONCENTRATING OUR INVESTMENTS IN GRADE SEPARATIONS AND OTHER MITIGATIONS IN THIS ONE CORRIDOR MAKES GOOD ECONOMIC SENSE. THE COSTS OF MITIGATING IMPACTS ON ALL THE RAILROAD BRANCH LINES SERVING THE HARBORS WOULD BE ASTRONOMICAL.

THE PROJECT ALSO INVOLVES WIDENING ALAMEDA STREET FROM FOUR TO SIX LANES FROM THE PORTS TO INTERSTATE 10, NEAR DOWNTOWN LOS ANGELES. FORTUNATELY, THROUGH THE ASSISTANCE OF CONGRESSMAN ANDERSON AND THE MEMBERS OF THIS COMMITTEE, FUNDS FOR THREE OF THE GRADE SEPARATIONS AND FUNDS FOR THE WIDENING OF ALAMEDA STREET SOUTH OF STATE ROUTE 91 ARE ALREADY AVAILABLE. THE PORTS ACCESS DEMONSTRATION PROJECTS, FUNDED IN 1982 AND 1987, HAVE BEEN A MAJOR FACTOR IN THE PORTS CONTINUED GROWTH AND PROSPERITY.

ON JUNE 5TH, CALIFORNIA VOTERS PASSED PROPOSITIONS 108, 111, AND 116, WHICH COMBINED WILL PROVIDE A TOTAL OF $18.5 BILLION IN ADDITIONAL REVENUE FOR TRANSPORTATION PROJECTS OVER THE NEXT TEN YEARS. $80 MILLION FROM PROPOSITION 116 IS SPECIFICALLY EARMARKED FOR GRADE SEPARATIONS ALONG THE ALAMEDA STREET CORRIDOR. WE HAVE ALSO APPLIED FOR $25 MILLION OF PROPOSITION 111 RELATED FUNDS FOR THE WIDENING OF ALAMEDA STREET BETWEEN ROUTE 91 AND THE GLENN M. ANDERSON FREEWAY.

ADDITIONAL FUNDING FOR THIS PROJECT COULD COME FROM MITIGATION FEES COLLECTED BY THE PORTS AND CONTRIBUTIONS FROM THE RAILROADS. WE ARE MAKING A SIGNIFICANT STATE AND LOCAL COMMITMENT TO THIS PROJECT, BUT WE ALSO FEEL THAT FEDERAL ASSISTANCE IS JUSTIFIED. THE SAN PEDRO BAY PORTS PLAY A VITAL ROLE IN INTERNATIONAL TRADE, ECONOMIC DEVELOPMENT, AS WELL AS NATIONAL DEFENSE. THUS, THERE IS A STRONG COMPELLING ARGUMENT FOR SPECIFIC FEDERAL ATTENTION TO THIS PROJECT. WE RESPECTFULLY REQUEST THAT THERE BE RECOGNITION AND FEDERAL FUNDING COMMITMENTS FOR THE CONSOLIDATED TRANSPORTATION CORRIDOR IN THE FEDERAL-AID HIGHWAY REAUTHORIZATION BILL, WHICH IS CURRENTLY BEING DRAFTED.

FAILURE TO BUILD THE CONSOLIDATED TRANSPORTATION CORRIDOR WOULD BRING CONTINUED ENVIRONMENTAL DEGRADATION TO THE COMMUNITIES SURROUNDING THE HARBOR AREA, AS WELL AS THREATEN A SIGNIFICANT DIVERSION OF CARGO TO OTHER WEST COAST PORTS. AT STAKE ARE ABOUT 37,000 TRADE RELATED JOBS THAT COULD BE LOST BY THE YEAR 2020, AND $6 TO $8 BILLION IN CUSTOMS REVENUES THAT WOULD BE LOST IF THE PORTS' PROPOSED EXPANSION WAS CURTAILED.

THE CONSOLIDATED TRANSPORTATION CORRIDOR REPRESENTS A SIGNIFICANT STEP FORWARD IN FACILITATING GOODS MOVEMENT, A SHARPER COMPETITIVE EDGE, AND ECONOMIC GROWTH FOR THIS COUNTRY WHILE ASSURING THAT NEIGHBORHOOD QUALITY OF LIFE IS PRESERVED. WORKING TOGETHER, I AM CONFIDENT THAT THESE GOALS WILL BE ACHIEVED.

THANK YOU VERY MUCH. I WOULD BE HAPPY TO ANSWER ANY QUESTIONS YOU MIGHT HAVE.

VENTURA COUNTY
TRANSPORTATION COMMISSION

950 County Square Drive Suite 207
Ventura, CA 93003

(805) 654-2888
(805) 642-1591
FAX (805) 642-4860

TESTIMONY BY VENTURA COUNTY SUPERVISOR SUSAN LACEY,
CHAIRPERSON OF THE VENTURA COUNTY TRANSPORTATION COMMISSION

PRESENTED TO:

THE SURFACE TRANSPORTATION SUBCOMMITTEE
OF THE HOUSE PUBLIC WORKS COMMITTEE

FIELD HEARING ON THE REAUTHORIZATION OF THE
POST INTERSTATE SURFACE TRANSPORTATION PROGRAM

Long Beach, California

July 2, 1990

VENTURA COUNTY
TRANSPORTATION COMMISSION

950 County Square Drive Suite 207
Ventura, CA 93003

(805) 654-2888
(805) 642-1591
FAX (805) 642-4860

Mr. Chairman and Members of the Subcommittee, I am Ventura County Supervisor Susan Lacey, Chair of the Ventura County Transportation Commission, which represents 10 cities and County of Ventura. I am testifying today on behalf of the Commission, the South Coast Area Transit and the Port of Hueneme. Thank you for the opportunity to address the Committee on reauthorization of the federal surface transportation program. First, as it relates to the County's public transit operators, and then, the Port of Hueneme.

TRANSIT

South Coast Area Transit, or SCAT, is the major transit operator in Ventura County, serving over 300,000 residents. Approximately 32% of SCAT's annual budget, or $5 million, is comprised of Federal operating assistance under Section 9 of the Urban Mass Transportation Act.

SCAT's most immediate concern is the continuance of Federal capital and operating assistance under the formula grant program which was established through the Surface Transportation Assistance Act. Initially, when this Federal provision was enacted, SCAT was eligible to receive 50% of its operating budget from Federal funds. However, with the enactment of an operating cap in 1978/79, the agency was prevented from using more than $1.8 million in Federal operating assistance. Since that time, the Gramm-Rudman-Hollings Act has reduced the funds even further to $1.3 million. This has placed a substantial burden on the agency when mass transit is one of the prime alternatives to improve air quality and provide transportation mobility to the handicapped.

With the best of intentions, Congress in considering revisions to the Clean Air Act and is reviewing the Americans with Disabilities Act (ADA). However, there has been no consideration for funding the transportation alternatives that these legislative enactments mandate. It is most disturbing that the Administration's proposed transportation policy has targeted mass transit for further reductions or elimination of funding altogether, despite the needs for suburban and rural mobility.

Although support for transit funding is one of several local policy efforts, it is also one of national significance. We believe that the re-authorization of the Surface Transportation Assistance Act should include funding for both transit operating and capital programs at current or greater levels.

PORT OF HUENEME ACCESS IMPROVEMENTS

For those of you not familiar with the area, the Port of Hueneme is located about sixty miles north of Los Angeles. It is one of only four commercial ports in Southern California - a region that exceeds many nations in terms of economic impacts. The Port is located in the vicinity of the Naval Construction Battalion Center (home of the Navy's famous Seabees) and the Pacific Missile Test Center.

It is clear the economic impact of the facility like the Port of Hueneme extends beyond the local area's boundaries. The Port plays a vital role in the distribution of goods, but also provides substantial economic benefits to the State and the Nation, in terms of jobs, personal income, business revenue, and taxes. Port facilities operate as one of the main fronts in resolving the trade imbalance issue. Our Nation's ports, like the Port of Hueneme, play a vital role in international trade, economic development, and the national defense. The Port of Hueneme also serves as a facility for handling offshore oil developments in California.

The Port of Hueneme is connected by rail to other areas, but, unfortunately, is the only deep water port between Los Angeles and San Francisco without direct freeway access. Port traffic must travel on urban arterials to connect the docks with the nearest freeway, U.S. 101. Port and Navy traffic must also compete with background residential and commercial traffic for space on local roadways. To reduce congestion, noise, and damage to air quality additional highway capacity is needed. Lack of additional capacity could ultimately constrain the growth of the Port of Hueneme and interfere with important missions of the Naval facilities in the area.

To address these problems, local governments have developed the Port of Hueneme Access Improvement Plan. The Southern California Association of Governments (SCAG) has endorsed this plan and included projects in it in SCAG's Regional Mobility Plan. The Port of Hueneme Plan has received endorsement from the County and cities of Ventura, as well as from the Department of the Navy, the California Department of Transportation, Southern Pacific Railroad, offshore petroleum companies, the Automobile Club of Southern California, and the California Trucking Association.

I would be glad to send the Committee specifics about the access projects contained in the Port of Hueneme plan. We have made progress in implementing the Ports Access Plan since Congressman Anderson visited the Port in December of 1988. The three main projects listed in the plan are:

- Rice Avenue extension and State Route 1 Interchange
  (This road is a nonexistent "missing link" which must be constructed for the Rice Avenue/Hueneme Road corridor to function as the main access from south of the Port.)

- Hueneme Road improvements
  (This road widening is needed in conjunction with the Rice Avenue extension.)

- Victoria Avenue improvements
  (This work, including reconstruction of the Victoria Avenue and U.S. 101 interchange, is the third essential link in Port access improvements.)

At present, costs for the port access projects total $84.4 million. Thus far, we have been able to secure funding for the necessary local work. However, we will need federal assistance to make up the shortfall.

We are enthusiastic about this Committee's interest in the importance of intermodal and port access matters and believe it is essential that the reauthorization of the Surface Transportation Assistance Act specifically deal with this issue. We hope appropriate federal resources will be available to assist with implementation of access projects to keep the valuable natural resource of the Port of Hueneme an economic asset to this county and country.

Thank you for the opportunity to speak. On the other side of the folder is correspondence supporting my remarks. I'll be glad to answer any questions.

port of hueneme

BOARD OF HARBOR COMMISSIONERS
EDWARD J. MILLAN President
STANLEY J. DAILY Vice President
RAY A. FLETCHER Secretary
BOB H. JENNINGS Harbor Commissioner
STEVE W. STOCKS Harbor Commissioner
PORT MANAGEMENT
ANTHONY J. TACRMINA Executive Director

OXNARD HARBOR DISTRICT P.O. BOX 608 • 195 E. PORT HUENEME ROAD PORT HUENEME, CA 93044-0608 (805) 488-3677 FAX (805) 488-2639

WRITTEN TESTIMONY

THE SUBCOMMITTEE ON SURFACE TRANSPORTATION
Reauthorization of the Post-Interstate
Surface Transportation Programs

Monday, July 2, 1990
Long Beach, California

SUBMITTED BY
OXNARD HARBOR DISTRICT
PORT OF HUENEME

BOARD OF HARBOR COMMISSIONERS
EDWARD J. MILLAN, PRESIDENT
STANLEY J. DAILY, VICE PRESIDENT
RAY A. FLETCHER, SECRETARY
BOB H. JENNINGS, HARBOR COMMISSIONER
STEVE W. STOCKS, HARBOR COMMISSIONER

ORAL PRESENTATION BY
VENTURA COUNTY
SUPERVISOR SUSAN LACEY

"We are entering an era in which our ability to compete internationally is critical to our economic vitality and quality of life. To meet the changing demands of the international market place, we must have safe, efficient transportation to carry people where they want to go and to move the vast quantities of goods we produce and consume. Projected transportation needs for the 21st century eclipse our present public and private sector programs. We must broaden the base of support for transportation, reinvigorate investment, and tap new sources of ideas and capital to meet growing demands". --- Excerpted from "Moving America", A Statement of National Transportation Policy.

In today's global economy, the market for the interchange of imports and exports is no longer confined to the traditional, urban waterfront. Transportation facilities once constructed to support the general cargo steamship, today support new and different commercial interests and uses. The port facilities constructed on San Francisco's northern waterfront have been replaced with new and modern facilities located away from the traditional, downtown waterfront locations. In fact, as a result of this relocation the Port of Oakland has emerged as the primary container load center for Northern California.

In Southern California, the traditional Ports of Los Angeles and Long Beach have emerged as one of the world's largest container load centers, and they are today competing for the opportunity to serve the new "Post Panamax Container" vessel and the double-stacked intermodal, unit trains which are required to support them. This newer and larger vessel will require improvements outside of the traditional waterfront area.

As major container ports concentrate their efforts on the large container carriers, small ports, such as the Port of Hueneme, located in close proximity are becoming vital links for waterborne commerce that no longer fit into the large container port system. Small ports in the U.S. will have a service area of 200 miles, will serve non-containerized cargoes, and will transfer cargo primarily between truck and vessel; rail/truck/vessel transfers will however be important in regions that are served by main line rail service. (See Oxnard Harbor District Exhibit 1.)

In the 1990's and into the 21st century the handling of waterborne commerce will not be confined to historical, urban waterfront and large port load centers. The national transportation policy needs to include new policies and programs that recognize the

emergence of new port and intermodal regions, such as Ventura County's Port of Hueneme.

By 1989, the public investment made by individual California ports was approximately $2.4 billion (AAPA Survey).

The framework for this public investment is consistent with the themes identified in the National Transportation Policy.

The individual California port authorities have strived to:

- Maintain and modernize existing ports to avoid construction of new ports.
- Foster a sound financial base relying on port revenues to pay operation, maintenance, and modernization (user fees).
- Invest in cargo handling systems that improve the overall efficiency of port facilities.
- Protect the environment and the quality of life.

The California maritime and port industry comprises a partnership between public port entities and private sector steamship companies, terminal operators, and related industries.

The national transportation policy needs to recognize that the U.S. maritime/port industry is a private/public partnership.

The ports of California not only play a vital role in the distribution of goods, but they also provide substantial economic benefits to the State and the Nation, in terms of jobs, personal income, business revenue and taxes. (See Oxnard Harbor District, Economic Impact Study, Exhibit 2.)

"The California ports represent a $50-75 billion industry in the State, measured in terms of the direct, indirect, and induced effects on business revenues."

"Approximately 600,000-750,000 jobs statewide are directly or indirectly related to port activities."

"Federal customs receipts from California Customs Districts exceed $4 billion in 1988, up by more than 39% since 1984."

> "Combined total tonnage for California ports exceed 166 million metric revenue tons per year or over 56% of the total U.S. world trade. Nearly 14,000 vessels called at California's ports in 1988."
>
> Excerpts from "Improving Access to California Ports, February 1990.
>
> **The national transportation policy needs to recognize that port access projects are Federal transportation resources of national significance, and need not be directly linked with the interstate highway system.**

No waterborne transportation policy would be complete without addressing the need for our transportation system to remain competitive in international trade.

In 1986, the National Research Council, published Improving Productivity in U.S. Marine Container Terminals That report concluded:

> "U.S. marine terminals are generally employing state-of-the-art technology and engineering design.
>
> The best U.S. terminals are not as productive as the most productive foreign terminals for many reasons....
>
> Improvements in marine terminal productivity are important to the success of individual U.S. port interests in terms of their ability to compete in an economically deregulated, i.e. market driver, environment..."
>
> **The national transportation policy for highways needs to devote additional resources to the development of projects that foster new technological advances in marine terminal productivity, such as the development of highway improvements which support new automated terminal concepts. (See OMNIPORT® Hueneme Exhibit 3.)**

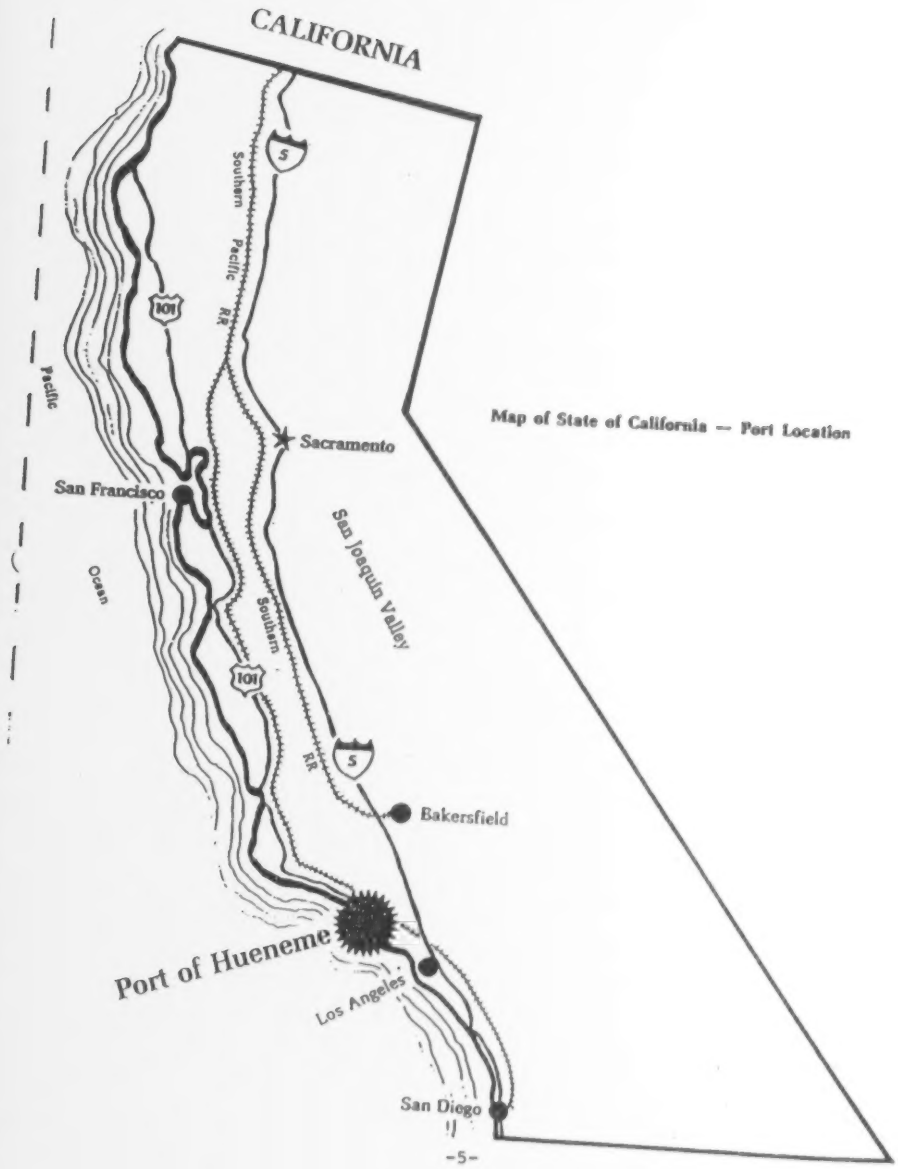
Finally, on October 17, 1989 the "Loma Prieta Earthquake" demonstrated the vulnerabilities of the transportation lifelines. The "Exxon Valez" accident in Alaska focused

national attention on the need for improvements in the nation's ability to prevent and respond to oil spills. The reduction of military spending in the upcoming years will place added reliance on joint public/private projects to maintain our national security.

To that extent, specific national highway projects should be funded when they provide access to U.S. military installations associated with our national sealift and airlift policy, when they provide access to U.S. response centers for oil spill prevention and clean-up, or when they provide access to ports that provide transportation lifelines during relief endeavors associated with national disasters such as the Loma Prieta earthquake.

OXNARD HARBOR DISTRICT
PORT OF HUENEME

EXHIBIT 1



Map of State of California — Port Location

OXNARD HARBOR DISTRICT
PORT FACILITIES

The Oxnard Harbor District was organized under Act 3201 of the Californnia Statutes, 1931. The formation of the Oxnard Harbor District was approved by the voters at an election held on April 29, 1937, and validated by the 1937 California State Legislature. The Oxnard Harbor District is empowered by its authorizing statute and by the California Harbors and Navigation Code (Section 6000 et.seq.) to acquire, construct, own, operate, control or develop any and all harbor works or facilities within the limits of its established boundaries.

The initial Port of Hueneme harbor basin was dredged in 1938 and 1939, and the Port of Hueneme was officially opened on July 6, 1940. Less than two years later, on March 5, 1942, the U.S. Navy, through condemnation proceedings, acquired the entire Port of Hueneme property consisting of approximately 321 acres. The Navy subsequently built additional wharf facilities and has operated a military harbor at the Port of Hueneme from World War II to the present time. For thirteen years after World War II, the Oxnard Harbor District leased approximately 22 acres of it original holdings, including a 1,200 foot wharf from the U.S. Navy and operated it as the commercial segment of the harbor.

In 1985 with specific Congressional approval the Oxnard Harbor District purchased land and improvements from the U.S. Navy. This purchase was specifically for the expansion and enhancement of commercial port activities at the Port of Hueneme.

The port's facilities now consist of 3,200 linear feet of berth space, over 170,000 sq. ft. of transit shed space, and nearly 68 acres of terminal space valued at $33,893,498.

The Port of Hueneme has experienced a steady and strong vessel call and cargo growth rate throughout the 1980's. In the past four years, the number of deep draft ocean vessel calls has increased by over 30%.

It is projected that vessel calls at the Port of Hueneme will increase from 192 to over 350 per year by 1994.

Growth in vessel calls at the Port of Hueneme, over the next five years, will occur as a result of the following factors:

1. Growth in container vessel traffic at Los Angeles/Long Beach will result in a demand for more breakbulk type vessels to call at the Port of Hueneme. Additional customs, security and cargo handling capabilities must be available in Southern California to support all projected growth.

2. Noncontainer cargo vessel calls will continue to grow in Southern California resulting in an increased demand for service, specifically at the Port of Hueneme.

3. There are limited port expansion areas in Southern California due to environmental constraints from both Federal and State regulations. Therefore, vessel activities at the Port of Hueneme will grow naturally as a result of these constraints.

4. The Port of Hueneme is geographically situated to better serve the northern metropolitan Los Angeles area, the Central California area, and the Northern California area than other Southern California ports.

Like vessel calls, cargo import and export levels at the Oxnard Harbor District have increased. Since 1980, general cargo imports at the Port of Hueneme have increased by 129%, from 109,481 revenue tons to over 250,000 revenue tons in 1989. Cargo exports have increased by nearly 700% from 9,565 tons in 1980 to over 76,000 tons in 1989.

Shippers and carriers of noncontainerized cargo are seeking alternative port facilities away from the congested Los Angeles/Long Beach container load center. The Port of Hueneme provides this alternative.

Small semi-container carriers are seeking port facilities away from the congested Port of Los Angeles and Long Beach complex. For example, carriers and shippers, such as Tropical Shipping, Del Monte Tropical Fruit, NORSUL and Dole, are initiating service from Central and South America with semi-container vessels. These types of carriers traditionally call at small port facilities in the Gulf and East Coast regions of the United States.

The Port of Hueneme has approximately 1% of the total California market share of general cargo tonnage. By increasing its market share by an additional 1% the Oxnard Harbor District would add nearly one million tons of general cargo to its existing throughput. It is likely that the port will increase its general cargo market share.

IMPORT REVENUE TONNAGE
PORT OF HUENEME

Year	Based Upon Increased Import Vessel Calls	Based Upon OMNIPORT
Current	251,221	--
1991	550,352	--
1994	687,940	1,703,000

Tonnage increases are expected to come in part from the fresh fruit shipping locations such as Chile, New Zealand, Central America and Mexico; steel products from Brazil and Asia; and new liner services carrying cargo from Brazil, Equador, Costa Rica and Honduras. At the same time, the automobile imports from Japan, United Kingdom, and West Germany will produce an increase in cargo transactions.

As a result of a recent market study, conducted by the firm of Leeper, Cambridge and Campbell, Inc., the Oxnard Harbor District anticipates a marked increase in consumption entries and transaction work load.

By 1992, the Port of Hueneme market on the West Coast for non-containerized cargo is estimated to be 4,638,000 tons. This includes 1.7 million tons of imports and 2.9 million tons of export.

On December 11, 1989, the Oxnard Harbor District, Board of Harbor Commissioners, approved a contract with "CMT Systems" for creation of "OMNIPORT Hueneme".

CMT Systems is a partnership of Bechtel Civil, Inc. and Continental Marine Terminals (USA) Ltd. CMT Systems proposes to develop, finance, construct, own and operate an automated break-bulk cargo handling terminal at the Port of Hueneme.

It is estimated that the project cost will be between $80 million and $100 million. Modernization of facilities will be made by the Oxnard Harbor District. Terminal construction and improvements will be financed privately.

Currently, one OMNIPORT facility is in operation in the United States. OMNIPORT Houston initiated service this year and Hueneme is one of five OMNIPORT facilities planned for the United States.

The Port of Hueneme was selected because of its proximity to the Southern California market. Specific cargoes targeted include fruit, vegetables, meat, fish, grain, seeds, feed, cotton, woodpulp, lumber and steel.

OXNARD HARBOR DISTRICT
PORT OF HUENEME

ECONOMIC IMPACT REPORT

PORT OF HUENEME ECONOMIC IMPACT ON VENTURA COUNTY (1989)

I. INTRODUCTION

The following analysis estimates the economic impact of the Port of Hueneme on Ventura Country in 1989 dollars with and without the planned OMNIPORT® facility. Economic impact is defined as the local revenues, employment, income and taxes which result from activities associated with the port.

II. METHODOLOGY

The impact estimates are based on the Port Economic Impact Kit (PEIK) developed by the Maritime Administration. The model utilizes user-specified inputs on port and local economic activity in conjunction with implicit relationships defining various port, industrial and economic sectors. The model uses these inputs to estimate the direct impact of port and port-related activities and induced impacts resulting from secondary purchases in the local economy.

The model's input sets include the following groups:

- Port Industry/Cargo - Cargo volumes, inland transportation characteristics by mode (modal split, cost per ton-mile and average length of haul), and direct expenditure impacts (e.g., port services and supplies, cargo expenses and crew expenditures) by commodity type (breakbulk, autos, liquid bulk and "OMNIPORT®").

- Local Port User - Employment by industrial sector for county businesses "dependent" on the availability of a commercial port.

- County and City Economic - Employment and earnings by BEA industry, total personal income and earnings, local labor use, and local tax revenues for Ventura County.

The model utilizes the "cargo" inputs to generate direct revenue flows to transportation-related industries providing the various port- and cargo-support services and materials. Based on the industrial structure of the local economy (as defined by the "county economy" inputs relative to national industrial factors), direct port expenditures are either distributed to county businesses, households and government or "leaked" to those sectors outside of the county.

The employment levels for "local port users" are utilized to estimate direct revenue, income and tax impacts which are similarly distributed between "local" and "non-local" sectors.

Induced impacts include the local economic activity which results from secondary (and additional) purchases by local businesses, households and government using the direct impact receipts. The "multiplier" is the relationship between total and direct impacts and measures the extent to which local expenditures are retained within the county.

This application of the model utilized both default values in the model (updated to a 1989 timeframe) and port-specific data as available from the Oxnard Harbor District (OHD) and other sources. (Survey data from previous economic impact analyses for the port were utilized.) The following sections describe how the inputs were developed.

Port/Industry Cargo Inputs

The following cargo volumes were based on fiscal year 1989 figures as provided by OHD and CMT Systems (CMTS) estimates for new cargoes attracted to OMNIPORT® HUENEME:

Breakbulk	389,000 Tons
Automobiles	111,000
Liquid Bulk	247,000
	747,000 Tons
OMNIPORT® Estimate	2,000,000 Tons.

Total revenue tons as utilized in the model were based on actual cargo tons, except for automobiles which had a 7-to-1 ratio of revenue to cargo tons. It was estimated that one-third of all vessels for breakbulk, automobile and OMNIPORT® cargoes would bunker at the port, compared to only one-fifth of liquid bulk carriers. No locally refined bunker fuel was assumed.

The inland transportation characteristics were developed for each cargo group based on national productivity and cost averages and modal splits as estimated in the Transportation Systems Management (TSM) Study and by CMTS. The modal splits utilized were:

Breakbulk	100% Truck
Automobiles	70% Truck/ 30% Rail
Liquid Bulk[1]	17% Truck/ 83% None
OMNIPORT®	69% Truck/ 31% Rail.

The average length of haul for breakbulk cargoes were based on a weighted average of estimates for specific cargoes as derived from previous cargo studies. The unit transportation cost was

[1] Shipments to the SCE plant are delivered directly by pipeline while the offshore oil shipments utilize local trucking.

similarly a weighted average of the American Trucking Association's (ATA) 1987 average cost per ton-mile for refrigerated and general cargoes escalated to 1989 using the Consumer Price Index (CPI). The same average length of haul and unit cost figures were used for OMNIPORT® truck shipments. The length of haul for OMNIPORT® rail shipments was an estimate from CMTS studies and the average cost was a 1987 average from ICC data (also escalated to 1989).

The truck inputs for both automobile and liquid bulk shipments were also based on escalated 1987 ATA averages (for motor vehicle and petroleum common carriers respectively). Automobile rail inputs were based on the 1987 ICC averages for motor vehicle movements.

The PEIK contains default values for direct port industry expenditures which were based on a 1982/1983 survey of the port industry. These values were utilized (projected to 1989 based on CPI growth for all costs except bunkers which utilized the petroleum producers price index for that period), except in the following cases:

- Navigation Services - Total 1989 navigation service costs of $955,000 were based on 1,374,000 revenue tons and an average cost estimate of $0.70 per revenue ton (from Economic Impact of the Port of Hueneme in Ventura County by Natelson-Levander-Whitney - November 1989). This value was utilized for all cargo types.

- Stevedoring/Cargo Handling and Terminal Charges - Unit cargo handling costs were previously estimated by LCC for automobiles, breakbulk and OMNIPORT® cargoes. The model's default value for liquid bulk handling was used.

- Wharfage - Current tariff values for wharfage were used based on representative commodities within each cargo type.

- Crew Expenditures - The NLW study estimated total 1989 crew expenditures of $167,000 based on 1,374,000 revenue tons. ($0.12 per RT). This value was utilized for all cargo types.

Local Port Users Inputs

As described previously, "local port users" include firms which utilize the port, but which are not directly involved in cargo transfer or handling activities. These industries include the offshore oil industry, ocean cargo processing (including automobile detailing and storage), and commercial and sport fishing (including processing) as defined in the NLW study. The

local employment estimates were based on survey figures developed in that study as follows (shown with appropriate industry sector):

	Employment	Industry Sector
Offshore Oil Industry		
Component Fabrication	119	Fabricated Metals
Other Products & Services	435	Wholesale Trade
Ocean Cargo Processing	193	Misc. Manufacturing
Commercial/Sport Fishing		
Fishing Activities	100	Agric. Svcs, Forestry & Fishing
Fish Processing	50	Food Products

In addition, "port user" employment was included for government employees not directly related to port revenues, including the U.S. Coast Guard and Immigration Service (3.1 jobs to "federal government" sector) and the County Fire Department and Department of Agriculture (2.3 jobs to "state and local government" sector).[2]

County and City Economic Inputs

Total personal income and earnings and local government revenues were developed from the 1988 County and City Data Book. Employment and earnings inputs by industry sector were estimated from various state publications. In both cases, the input data was adjusted to 1989 based on the growth in national personal income and earnings (farm and non-farm).

III. SUMMARY OF RESULTS

Exhibit 1 summarizes the direct, induced and total impact on Ventura County of 1989 port activity and projected OMNIPORT® new cargoes at full operation. As indicated, the port currently accounts for 2,107 jobs (1,464 direct and 643 induced) with 867 jobs related to port industry and 1,240 jobs in the "port user" sector. OMNIPORT® HUENEME is projected to increase this total by 2,329 jobs.

---

[2] U.S. Customs employment and income are included in the indirect impacts of port industry activity.

Total income to county employees is estimated at $32.8 million for current operations and $70.9 million with OMNIPORT® HUENEME. Total sales to county businesses for current operations amounted to $153.0 million with $71.5 million for port industries and $81.5 million for port users. The OMNIPORT® sales impact would be $188.5 million. The combined city and country tax impact is $5.9 million for current operations and $12.9 million with OMNIPORT® operations.

EXHIBIT 1

SUMMARY OF PORT OF HUENEME ECONOMIC IMPACTS
ON VENTURA COUNTY

	1989 Port Activity			OMNIPORT Hueneme Operations	Combined Total
	Port Industry	Port Users	Total		
Employment					
Direct	562	902	1,464	1,520	2,984
Induced	305	338	643	809	1,452
	867	1,240	2,107	2,329	4,436
Multiplier	1.54	1.37	1.44	1.53	1.49
Income (Million 1989 $)					
Direct	$9.8	$14.1	$23.9	$26.4	$50.3
Induced	4.5	4.4	8.9	11.7	20.6
	$14.3	$18.5	$32.8	$38.1	$70.9
Multiplier	1.45	1.31	1.37	1.44	1.41
Sales (Million 1989 $)					
Direct	$49.2	$59.7	$108.9	$129.7	$238.6
Induced	22.3	21.8	44.1	58.8	102.8
	$71.5	$81.5	$153.0	$188.5	$341.4
Multiplier	1.45	1.36	1.41	1.45	1.43
County/City Taxes (Million 1989 $)					
Direct	$1.8	$2.4	$4.2	$4.8	$9.0
Induced	0.9	0.8	1.7	2.3	3.9
	$2.7	$3.2	$5.9	$7.1	$12.9
Multiplier	1.47	1.33	1.39	1.47	1.43

OXNARD HARBOR DISTRICT

OMNIPORT HUENEME

EXHIBIT 3

OMNIPORT® HUENEME

Integrated Automated Terminal Project

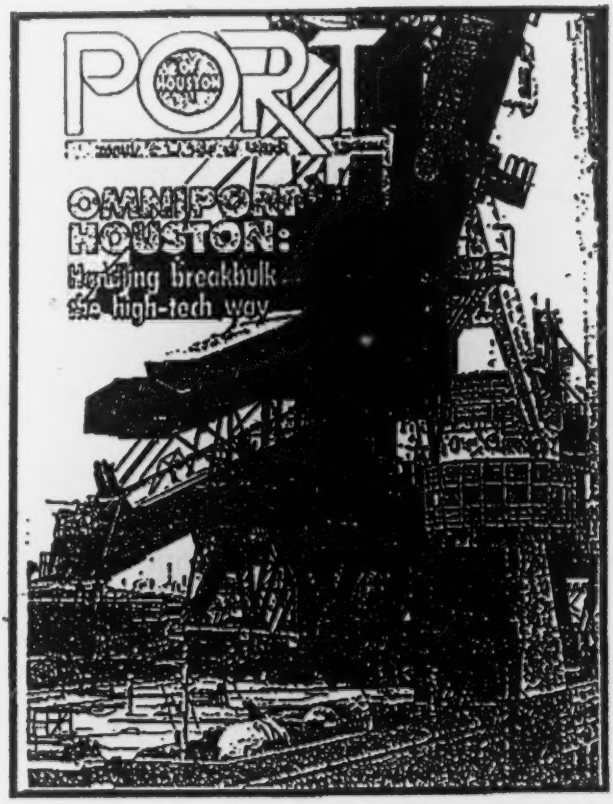
Oxnard Harbor District

Port Hueneme, California

December 11, 1989

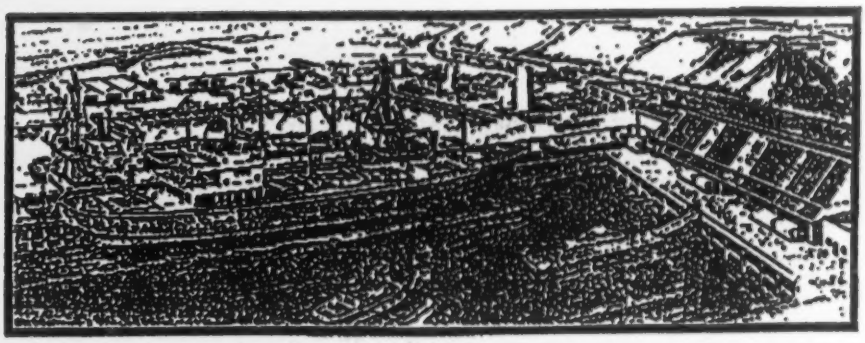
CMT Systems
(A Bechtel-CMT Partnership)
Fifty Beale Street
San Francisco, CA 94105

OMNIPORT® Houston



- Semi-automated, breakbulk cargo handling terminal
- Completed July 1989 -- commercial operation April 1990
- $110 million
- Four Spiralveyors™
- Commercial Banks provided $60 million long term debt project financing.
- Equity provided $20 million
- Port of Houston Authority provided $30 million infrastructure and modernization

OMNIPORT® Napier



- Semi-automated, breakbulk cargo handling terminal
- Completion in January 1990 – commercial operation March 1990
- US$ 27 million
- Two Spiralveyors™
- Will load and unload cartons, bags, carcasses, etc.
- Commercial Bank provided US$ 27 million (100% debt) project financing.

Who is OMNIPORT®?

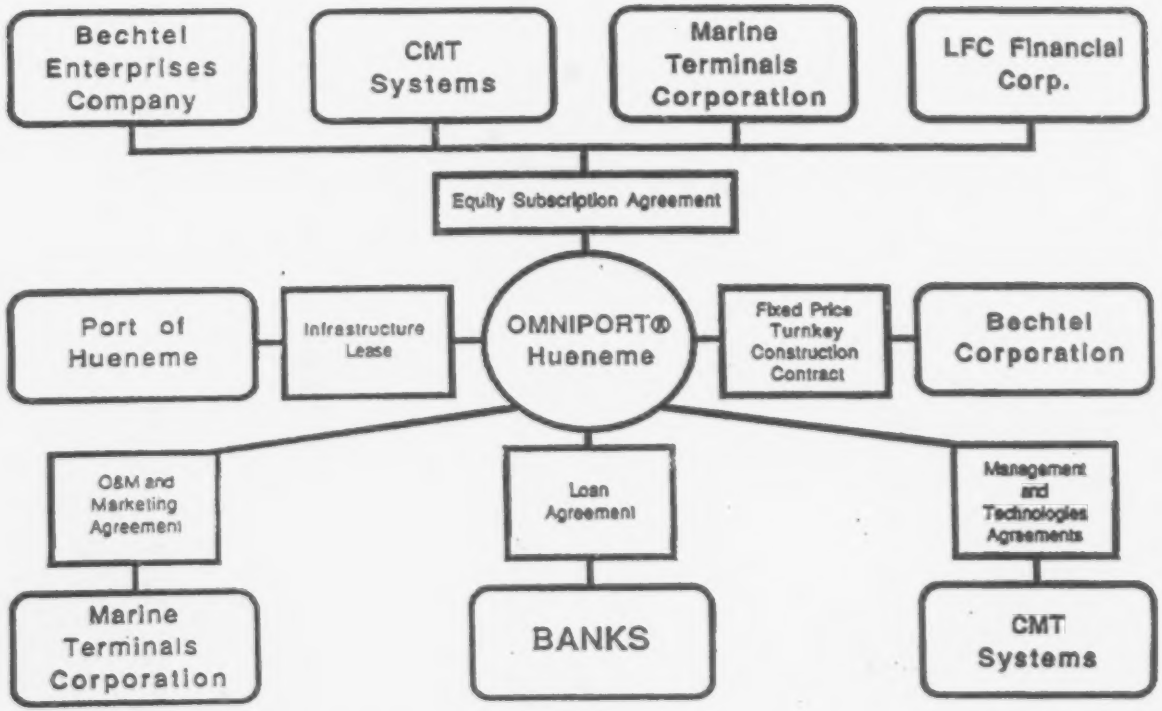
- **The trademark is held by CMT Systems.** The trademarks and patents are held by or licensed to CMT Systems which is a partnership of Continental Marine Terminals (USA), Ltd. and Bechtel.

- **Each OMNIPORT® facility has unique ownership.** CMT Systems organizes each OMNIPORT® facility as a unique entity with local participation in ownership and operation. All facilities employ union labor.

- **OMNIPORT® Hueneme will have local support and participation.** OMNIPORT® Hueneme anticipates an equity participation by a local stevedore, Marine Terminals Corporation who will also have the responsibility for operations, marketing and maintenance of the facility.

OMNIPORT® Hueneme

Pre-Commercial Operation Date



OH Org Pre COD 6 DEC 89

What is the Economic Impact of OMNIPORT® Hueneme?

Total Annual Impact On Regional Economy

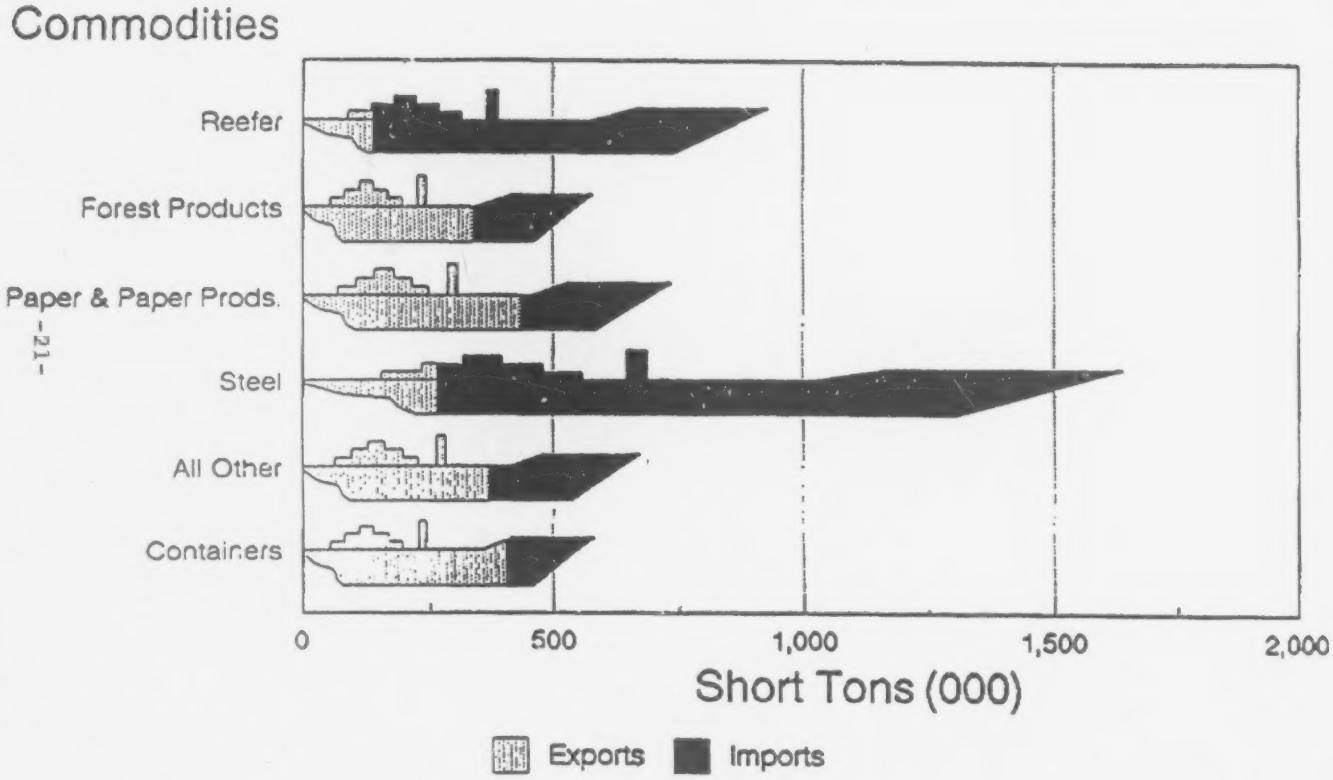
Construction Phase

Jobs	284
Revenues (1989 Dollars)	$15,192,000

Operations Phase

Jobs	2,164
Revenues (1989 Dollars)	$530,454,000

1992 Available Omniport® Hueneme Market



38-253 O—91——72

SOUTH COAST AREA TRANSIT

301 E. Third Street, Oxnard, CA 93030
P.O. Box 1146, Oxnard, CA 93032
(805) 487-4222 • 643-3158 • 647-4241

"A Lot of Ride for a Little Money."

June 26, 1990

Honorable Glenn Anderson
Chairman, House Committee
on Public Works and Transportation
2165 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Anderson:

As mayor of the City of Oxnard and former Chairman of South Coast Area Transit (the bus compay that serves our city as well as four other cities in the western Ventura County Area), please consider our request for Federal Re-Authorization of Operating and Capital Assistance to public mass transit.

South Coast Area Transit with the acronym SCAT is the major transit operator in Ventura County. SCAT operates 30 buses has 76 employees and serves a population of over 300,000 residents. The geographic area served is over 80 square miles comprising the Cities of Ojai, Oxnard, Port Hueneme, Santa Paula, San Buenaventura and the unincorporated area between these cities in western Ventura County. The transit systems annual budget is approximately 5 million dollars of which 1.375 million dollars or approximately 32% comprises the Federal operating assistance under Section 9 of the Urban Mass Transportation Act. SCAT operates in the urbanized area of Oxnard-Ventura-Thousand Oaks, an urbanized area of over 200,000 and is the designated recipient for UMTA Section 9 for this urbanized area.

SCAT operates approximately 1 million miles each year and has a ridership of over 2 million of which approximately 3,000 rides are by wheelchair passengers. 21 buses out of SCAT's 30 bus fleet are equipped with wheelchair lifts and with all buses that are scheduled for replacement, the balance of the fleet should be totally accessible by 1994.

SCAT's most immediate concern is the continuance of Federal capital and operating assistance under the formula grant program which was established through the Surface Transportation Assistance Act. Initially, when this Federal provision was enacted, SCAT was eligible to receive 50% of its operating budget from Federal funds and there were ample Federal funds within the urbanized area to accomplish this. However, with the enactment of an operating cap in 1978/79, the agency was forestalled from utilizing more than 1.8 million dollars in Federal operating assistance. In addition, since that time, the effects of the Gramm-Rudman-Hollings Act has reduced the amount of funds SCAT is eligible to collect from

Federal operating assistance to 1.375 million dollars. This has placed a substantial burden on the agency at a point in time wherein mass transit is one of the prime alternatives to improve air quality and provide transportation mobility to the handicapped.

As a matter of fact, Congress has passed the Clean Air Act and has enacted the Americans with Disabilities Act (ADA) with no consideration for funding the transportation alternatives that these legislative enactments have mandated. It is most disturbing that the Bush-Quayle budget has targeted mass transit for either further reductions in funding assistance or elimination of funding altogether. The alternatives for funding mass transit at the local level are problematical, especially in dramatically growing areas such as Ventura County. The needs for suburban mobility, rural mobility and volume as well as disparity of the trip demands by residents are increasing at an exponential rate.

The Gold Coast, as we refer to it, is so because of the climate and opportunity that is found in few places around this nation. The Gold, in intrinsic terms, does not always come with population increases or transportation demands. The needs of the current long-term residents, the growth in their family units, the rapidly vanishing available real estate has meant growing density and demand for housing. This has presented monumental problems for local elected officials such as housing for the homeless, senior citizen programs, the provisions for adequate water supplies, waste management and hazardous waste disposal.

The plea for greater and continued mass transit support is one of major local policy effort. It is certainly one of national significance and most especially in areas of my constituents - those of Ventura County residents. We all look to your advocacy in continuing and increasing the Surface Transportation Assistance Act. This means the re-authorization at current or greater levels of support through financing operating and capital transit programs.

Sincerely,

Nao Takasugi

Mayor Nao Takasugi

NT/ph

CITY OF
Oxnard

OFFICE OF THE MAYOR • 300 W. THIRD STREET • OXNARD, CALIFORNIA 93030 • (805) 984-4606

NAO TAKASUGI
MAYOR

June 27, 1990

Mr. Roger Slagle
c/o Representative Glenn M. Anderson
300 Long Beach Blvd.
Long Beach, CA. 90801-2349

Dear Mr. Slagle

Oxnard is the largest city in Ventura County and one of the 25 largest cities in California. California is often viewed as a region singularly gifted in resources, with a balanced and diversified economy which ranks sixth worldwide. Due to the unique nature of our situation, comparison to, and competition with, other States for Federal funding becomes a complex equation.

Based on our economic stability, the availability of relatively inexpensive land and a diverse labor pool, we are in the unique position to take advantage of the coming explosion in Pacific Rim trade. The opportunities for economic prosperity are unlimited and, in Oxnard, these opportunities are best represented by the deep water Port of Hueneme. The Port of Hueneme Access Study recently prepared by a local Task Force, and endorsed by the Southern California Association of Governments (SCAG), recognizes the coming boom in Port trade and addresses the impacts that an increase in Port activity would have on the region.

The Task Force established to prepare the study was composed of representatives from both public and the private sector organizations concerned with the growth of the port, and the impact on the existing regional infrastructure. This group is a true public/private sector partnership. The Task Force determined that the key to maximizing the benefits of increased Port activity was to be prepared. A list of the necessary improvements was developed by the group and methods of funding the necessary improvements were identified. Potential funding sources included the Cities of Oxnard, Port Hueneme and Ventura, the County of Ventura, the Navy Installations of Point Mugu and the Navel Construction Battalion Center at Port Hueneme, the Ventura County Transportation Commission, Caltrans, and the Oxnard Harbor District (Port) as well as private sector organizations like the Auto Club, Southern Pacific Railroad, and others.

To: Mr. Roger Slagle
Subject: Testimony To The Subcommittee on Surface Transportation
June 27, 1990
Page Two

Currently, this coalition has $22 million in funded or committed dollars for the necessary improvements. We still have a significant shortfall in our total funding requirement of $84.4 million. We are united in identifying additional resources for our projects. One of the most viable options open to us is the pursuit of the passage of a half-cent sales tax earmarked for transportation improvements in Ventura County. This will insure that the County has the matching funds necessary to meet the State Proposition 111 requirements. We are hoping that this measure will meet with success in November.

Recognizing that new surface transportation legislation will soon be considered, the Task Force would like to recommend that funds be established for intermodal and port access projects. This is a logical connection with the traditional funding of highway improvements recognizing that our ports play a key role, through the distribution of goods and the creation of local jobs, which significantly enhances both the local and national economies. Ventura County and specifically, the Oxnard Plain is home to the Port of Hueneme. The Port is linked to the economies of California, the Nation, and the Pacific Rim, and is the vehicle through which we can maximize our international trade opportunities. The expansion of port activities, however, is dependant upon our ability to fund the required infrastructure improvements which will allow increased activities. Keeping these tangible benefits in mind, I would ask you to strongly consider our request for the inclusion of intermodal and port access project funding in the upcoming surface transportation legislation.

Sincerely,

Nao Takasugi
Mayor, City of Oxnard

City of Port Hueneme

June 27, 1990

Ventura County Transportation Commission
950 County Square Drive, Suite 207
Ventura, CA 93003

ATT: Susan Lacey, Chairman

RE: Port of Hueneme Access Study

A Task Force comprised of representatives from both public and private organizations concerned about Port of Hueneme growth and the impacts of Port generated traffic, made a comprehensive study of various accesses to the Port of Hueneme, which included Victoria Avenue and Rice Avenue extensions to Port Hueneme Road.

The City of Port Hueneme supports the results of the study and recognizes that the cost of improving those routes is extensive. However, we believe there has been a strong local effort by all the communities involved to try to upgrade the routes within their respective jurisdictions.

In order to make both routes fully usable, it will take continued cooperation. Therefore, we respectfully request Federal participation in order to implement the improvements set forth in the Port of Hueneme Access Study.

Sincerely,

JOHN R. VELTHOEN
City Manager

JRV/kj

250 North Ventura Road • Port Hueneme, California 93041 • Phone (805) 488-3625

Public Employees Association of Ventura County
SEIU-Local 998
2472 Eastman Avenue, Unit 30 • Ventura, California 93003 • Phone (805) 644-8291

June 25, 1990

The Honorable Glenn Anderson
Chair Public Works and Transportation Committee
300 Long Beach Blvd
P.O. Box 2349
Long Beach, CA 90801-2349

RE: Funding for Public Mass Transit - In Support

Dear Congressman Anderson:

The Bush administration has targeted mass transit for another funding cut. During your committee's hearing, please continue your strong support for re-authorization of support for public mass transit at the current (higher, if possible) levels through financing both operating and capital programs.

This union is pleased to represent a small, but vital public bus transit company serving a population of over 300,000 residents. Many of the riders of this company are transit dependent. Without the bus service, the battle for good air quality and compliance with the Clean Air Act and the Americans with Disabilities Act (ADA) seems impossible.

Ridership is up. Studies show South Coast Area Transit to be effective and needed here, as in many communities. Without the special funding provided through mechanisms like the Surface Transportation Assistance Act, our members and our citizens will lose out to the other demands such as housing for the homeless, adequate water, waste management and disposal of toxic waste.

If we need to coax our citizens out of their automobiles we must provide the working class with working solutions. Public mass transit is about the only answer.

Page 2
June 25, 1990

Please place our letter in evidence as support for additional funding for public mass transit.

Yours very truly,

Barry L. Hammitt
Executive Director

BLH/cv

cc: John J. Sweeney, President SEIU
The Honorable Norman Y. Mineta, Chair, Surface Transportation Committee

TESTIMONY BEFORE THE SUBCOMMITEE ON SURFACE TRANSPORTATION
HOUSE COMMITTEE ON PUBLIC WORKS & TRANSPORTATION

WILLIAM E. LEONARD
CHAIRMAN
CALIFORNIA TRANSPORTATION COMMISSION

FIELD HEARINGS:
REAUTHORIZATION OF POST-INTERSTATE SURFACE TRANSPORTATION PROGRAMS

JULY 2, 1990
10:00 A.M.

City Council Chambers
City Hall
333 West Ocean Blvd., 1st Floor
Long Beach, California 90802

Mr. Chairman and Members of the Subcommittee:

I am William E. Leonard of San Bernardino, Chairman of the California Transportation Commission.

Thank you for permitting me as Chairman of the California Transportation Commission to share with you some of my colleagues' and my thoughts on the future of the federal-state relationship as you consider the theme of these hearings: "Reauthorization of Post-Interstate Surface Transportation Programs." I am delighted to report that California's electorate, through passage of Propositions 108, 111 and 116 at the polls on June 5 have expressed their support for a modern, integrated, multi-modal transportation system.

The Commission's role in the development of transportation policy in California is one of establishing and organizing program priorities and allocating the resources to meet those priorities. This includes the allocation of available federal assistance to state transportation programs. In times when funding for transportation programs has been limited, ours has been a challenging responsibility. We are impressed that California's voters saw that challenge too and willingly accepted their responsibility to increase the user's share of expanding our state's transportation network and improving its capacity and efficiency. In addition to California voters accepting state responsibility, I am pleased to report that 17 counties, representing 74 percent of state's citizens, have also imposed added taxes to augment state and federal revenue designed to enhance transportation infrastructure.

In evolving a new federal - state relationship in the post-Interstate period, the Commission has adopted a set of principles it hopes will govern that relationship. Let me discuss some of them with you.

First, the Commission believes that new federal programs must recognize a federal role which emphasizes the effective functioning of a limited national system that supports national defense, encourages economic development and improves interstate mobility.

Second, the new federal program must allow states to define the authority and responsibilities of each level of government within the state and provide states the flexibility to determine their own transportation priorities when there is no overriding national priority. The Commission urges the Congress to grant to states with certified planning processes the flexibility to use federal highway and transit funds for the modal solution that best serves the needs of specific regions or communities within the state.

The Commission is very troubled by the growing trend toward federally supported transportation demonstration projects -- not only because they command an increasing share of limited available federal funding, but also they require increasing sums of state/local resources. In short, when federal funds are directed to constituent-specific projects, and a state or local match is required, these federal priorities tend to divert state and local resources from projects selected through the established state/local planning process. Increased flexibility in federally programmed transportation funds would reduce the need for demonstration projects which address needs not included in current programs. The test for future federal demonstration projects should be more severe, federal funding for demonstration projects should be over and above normal apportionments and allocations and if any non-federal match is to be required, it should come from the local benefitted community and not from state resources that should be devoted to statewide priorites and programs.

The post-Interstate federal programs must eliminate duplication of engineering and environmental review efforts and, most importantly, excessive federal mandates that have been exemplified so clearly by demonstration projects and by current project approval procedures. Restoration of state and local responsibility and authority, particularly in those states that have clearly demonstrated the capacity to exercise that authority must be a hallmark of the post-Interstate reauthorization legislation. The bottom line is that post-Interstate federal priorities and programs should not undercut or usurp state programs and priorities, but rather they should supplement and complement these state efforts. The Commission calls for increasing reliance on federal certification of state and local project approval procedures where those procedures are found to be reasonable surrogates for direct federal approval procedures. The acceptance of this principle would materially reduce the cost in time and money of all transportation projects without in any way reducing the purposes or objectives of the federal procedures being certified for delegation to the states.

This is particularly true as the new concepts of the Highway System of National Significance (HSNS) and Transit System of National Significance (TSNS) emerge. The Commission believes that if there is truly to be a Transit System of National Significance, its focus, particularly from the federal perspective, should be on interstate and

interregional movement, and in particular on high speed rail, which makes sense only for inter-urban travel. The French, Germans and Japanese clearly have shown the way; their national governments have encouraged the development of an innovative, modern rail passenger network that enjoys enthusiastic public support evidenced by increasing ridership and an ever expanding high speed rail network throughout these nations. An industrial nation of the importance of the United States can ill-afford to abandon rail passenger services. Californians are reawakening to the need to revive rail passenger service throughout urban California, with new light rail systems such as San Jose's Guadalupe and Tasman corridors, and with improved commuter and urban rail services such as BART extensions to San Francisco Airport and hopefully to San Jose. Four corridor studies are examining expanded service on inter-city routes including Los Angeles-Fresno-San Francisco, and San Jose-San Francisco-Sacramento-Auburn. The voters emphatic endorsement of both rail transportation bond measures on the June 5 California Primary Election ballot is clear evidence of increased public awareness of the value of improving and expanding effective and feasible rail passenger service both in California and throughout the nation. Congested metropolitan airports, and clogged access routes to those airdromes have increased public awareness that an effective high-speed rail network would provide Californians a viable alternative to short and medium distance air travel and provide needed healthy competition for short-haul air travel.

It is in the federal interest to better connect the regional urban centers in California, the Southwest and the Pacific Northwest, in order to promote interstate commerce and mobility and to enhance American competitiveness in the Pacific Rim. The Commission recommends that TSNS programs receive at least 50 percent of the federal funding available for transit, particularly if there is no increase in the levels of funding for federal programs, so that adequate funds may be targeted to high-speed rail deployment. In this connection, it is important that Congress consider allocating federal transit funding through the state, so that state standards regarding the efficiency and effectiveness of transit service, at whatever level, can be enforced and rewarded.

Federal funding should avoid "stacking the deck" in favor of one program or mode over another. Federal programs should not undercut the broad objective of neutralizing structural differences between programs and modes so that the best conceivable project solution is funded rather than the one that happens to fill the available federal funding category. Care should be taken in defining HSNS and TSNS, the federal definition of transit should be expanded to include HOV lanes and ridesharing programs, and it should be possible to use HSNS funds for transit or TSNS funds for highways. Let the states tailor the program to meet intrastate, statewide needs. In short, the new post-Interstate national concept for transportation must address transportation issues on the basis of an integrated multimodal system rather than as a group of competing modes, categories, projects and jurisdictions.

With respect to funding of post-Interstate federal transportation programs, the Commission believes that both HSNS and TSNS should be placed on an equal footing: funding should be by formula with as little discretionary involvement and judgment by the federal government as possible. Funding distribution could occur, at least in part, in a manner similar to California's new State-Local Partnership program in which state and local funding efforts would be rewarded with federal funding. Non-federal funding for maintenance as well as capital investment should also be recognized and rewarded. In any event, federal funding under such a scheme should not be on a project-by-project basis, but rather based on overall expenditures or categories of expenditures.

Let me address a matter of increasing concern to the Commission. In the on-going negotiations between the Congress and the Executive Branch concerning the federal Budget deficit, the Commission believes that federally imposed transportation taxes and user fees must be preserved solely for transportation purposes. The federal Highway Trust Fund should be taken out of calculations designed to mask the extent of the federal deficit.

In fact the "obscene" balances in the Highway Account and Aeronautics Account have been maintained for far too long to mask the true extent of the federal deficit. These funds must be released within prudent levels for the purposes that these user fees were collected. The Highway Trust Fund could easily handle not less than a $6 billion spend-down spread over a four-year period. California voters burdened themselves with increased fuel taxes and weight fees dedicated exclusively to transportation, with bond measured dedicated exclusively to transportation, and with sales tax increases dedicated exclusively to transportation. Therefore it is only reasonable for Californians to expect that federal transportation user fees must go to transportation and not to offset or retire deficits in the federal General Fund. It is time to put highway and aeronautics trust funds to work for the purposes for which they were collected.

The new post-Interstate program must guarantee the earliest possible release and availability for obligation of all federally imposed transportation excise taxes and fees to states and local entities and allow maximum flexibility with respect to the use of these transportation funds. The California Transportation Commission recently communicated with members of the California delegation in Congress its continuing concern for the willingness of some congressional leaders to consider making increases in the federal motor vehicle fuel tax a key element in any deficit reduction "package". California's voters want highway transportation taxes and user fees used for transportation system improvements, and maintenance, and for no other purposes. That is the clear lesson of the public's endorsement of Proposition 111 on June 5th.

Let me touch on one aspect of federal transportation policy that, to date, has received too little attention: the matter of overweight trucks. The federal government has both a responsibility and a role to play in increase enforcement of truck weight limits and penalties for infractions of those limits. This is especially true as the truck

industry considers the introduction of the so-called "truck train" -- a vehicular transportation device that well could threaten the very fabric of the paved highway system if not controlled. Continuing studies by California's Department of Transportation clearly demonstrate that overweight trucks damage public property and require higher levels of public investment for repair, thus competing for limited resources desperately needed for other transportation programs.

The federal government has a proprietary interest in protecting its very substantial investment in the Interstate Highway System which has a total cost to date of $134 billlion and has a current value of over $500 billion and the future Highway System of National Significance. The federal government is in a position to ensure uniform enforcement of truck weight limits in all states so that one state's responsiveness to this problem does not result in the liability of lost commerce and shipping activity to neighboring states that are less stringent in their monitoring of truck traffic and enforcement efforts.

Finally, I want to conclude with a special plea to you as congressional leaders in the transportation area to lend your support in the new era of post-Interstate federal programming to ensure enhanced federal support for research and development. This need cannot be stressed too much. Through greater public and private investment in research and development lays the key to our future mobility while at the same time enhancing safety, energy conservation and air quality. The Commissioners believe that California will compete quite successfully under a federal discretionary program for research and development aimed at our land grant colleges and universities. If this nation, as well as California, is to remain in the forefront of development of innovative transportation systems and mechanisms to reduce congestion and air pollution, it is imperative that we must maintain, if not increase, our investment in R&D. This commitment includes not only public sector R&D programs, but also considerable effort being made in the private sector. The University of California's Institute of Transportation Studies at Berkeley and at its Richmond field laboratories continues to make impressive contributions to engineering advances in improving this state's transportation network. We Californians think the Congress should have a similar objective at the national level.

In summary, let me say we support program flexibility by the states in the use of federal transportation funds, reliance on state and local project approval procedures, protection of user fees for the purposes for which they were collected, and increased research and development. Thank you for allowing me to share our views as to how California can best contribute to, and fit in with, the development of post-Interstate federal transportation programs and policies.

INTRODUCTION OF RICHARD SUENISHI BY CAROL MARGOLIS

ASSISTANT PROGRAM MANAGER, THE BETTY CLOONEY CENTER

BEFORE THE HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE

SURFACE TRANSPORTATION SUBCOMMITTEE FIELD HEARING

LONG BEACH CITY HALL -- LONG BEACH, CALIFORNIA

JULY 2, 1990

Hello, my name is Carol Margolis, and I am assistant program manager at the Betty Clooney Center, a treatment and rehabilitation facility for brain injured persons in Long Beach. We appreciate the opportunity to testify before you.

I am here to introduce Richard Suenishi, who attends the Clooney Center. Unfortunately, Richard is only one of many member/clients who are at our center because they were in motorcycle crashes and were not wearing helmets.

Richard wanted to speak to you today because it is our nation's highway safety laws which have the greatest influence on how many young men and women will suffer severe, life-long disability and will thus join Richard at facilities such as the Clooney Center because they did not wear motorcycle helmets.

Carol Margolis, Page Two

A recently released study by the San Francisco Injury Center indicates that helmet use is the single most important factor in preventing death and head injury in motorcycle crashes. The report concludes that the most effective method to prevent head injuries is to mandate helmet use by all motorcyclists.

If every California motorcyclist wore a helmet, as many as 160 lives would be saved annually, one thousand serious injuries would be prevented, and California could save an estimated 74 million dollars in medical costs, property loss and lost productivity.

In Richard's case alone, the medical and long-term care which he needs has cost his insurance company and U.S. taxpayers more than $1 million so far.

We at the Clooney Center hope not just for an all-rider helmet law for California, but for all states. Federal leadership is necessary if this hope is to be achieved. Mr. Chairman, as you and your committee write the new highway safety programs, Richard and I urge you to include strong provisions in support of helmet laws so that motorcyclists and their families around the country are spared the tragedy which Richard and so many others have endured.

Thank you very much. Richard --

TESTIMONY
OF

JAMES MARTENS
CHAIRMAN

CALIFORNIA HIGHWAY USERS CONFERENCE

TO THE
SUBCOMMITTEE ON SURFACE TRANSPORTATION
U.S. HOUSE OF REPRESENTATIVES

ON THE
REAUTHORIZATION OF THE POST-INTERSTATE
SURFACE TRANSPORTATION PROGRAMS

JULY 2, 1990

Mr. Chairman, my name is James Martens. I am Chairman of the California Highway Users Conference. I am very pleased to testify before the Committee today and am grateful that you are giving early attention to the critical issue of surface transportation legislation authorization.

The California Highway Users Conference is a state coalition of more than 80 California organizations dedicated to encouraging full development of highway transportation in the public interest. We are affiliated with the Washington D.C. - based Highway Users Federation, but remain autonomous from the national organization.

The California Highway Users Conference was very active in successfully supporting Proposition 111, which Californians approved June 5. As you know, this referendum will increase California's motor fuel tax from 9 cents a gallon to 18 cents a gallon. This increase will allow Californians to meet our future highway needs. The vote also proved that voters will approve sound highway user taxes when the money is to be spent for a clearly defined highway transportation purpose. People are willing to pay the taxes if they are sure it is to go for the purpose intended and they see a vital need.

But the approval of Proposition 111 fulfills only one-half of the requirements for Californians to be assured a sound transportation system. The other half of this state's highway picture is the federal highway program, which depends upon timely reauthorization of Federal legislation. Your committee's task is the shaping of legislation vital to this state and the entire nation's economic stability through the next quarter of a century.

I won't go over every detail of the future program, but allow me to point out our areas of general concern. I'll start by noting that we support the nine-point plan recommended by the Highway Users Federation. Some of the specific points we want the legislation to cover include:

The addressing of greater needs by providing increased resources

We support the Federation's proposal for a four-year reauthorization bill with annual funding for federal-aid highway and transit programs of $22.9 billion annually through 1991. In real dollar terms, the Federal government is spending 25 percent less on highways than it did in 1983, even though travel has increased 27 percent since then.

These reductions have allowed a surplus to build within the Federal Highway Trust Fund. Today, that surplus stands at $17.28 billion. Highway users share the national concern over federal budget deficits and are willing to share in reasonable efforts to bring the deficit under control. But any decision to artificially constrain highway spending to create a deficit masking surplus in the Highway Trust Fund clearly has an undesirable impact on the domestic economy.

Mr. Chairman, we applaud your efforts in sponsoring House Resolution 41, which clearly indicated the opposition of the House of Representatives to using a motor fuel tax for deficit reduction.

The distribution of funds based on a formula basis

A major strength of the Federal program is that it has been based on an equitable distribution system that insures that even smaller states are able to construct an adequate highway

network. The Conference urges, however, that donee states such as California have their guaranteed return increased from 85 percent to 90 percent.

Keeping transportation decisions closer to home

In the post-Interstate construction era, federal highway dollars will be needed to maintain the system and to make highway improvements in metro and rural areas that were either passed over, or unanticipated, during the Interstate era. Decisions on these types of projects are more appropriately made closer to home. The Conference supports increased flexibility for states in using funds under many of the program's classifications. This flexibility is particularly important in program elements such as the $4 billion a year metropolitan transportation category proposed as part of the Highway Users Federation plan. The bill should also insure that projects be funded upon the basis of priorities set at the state and local level.

A future bill consistent with Clean Air goals

The transportation sector has a tremendous responsibility to minimize travel-related pollution. Clean air and a sound transportation policy allowing sufficient mobility to grow as a nation are not mutually exclusive. In fact, they are mutually reinforcing. By reducing congestion by freeing traffic flow, highway improvements can significantly improve air quality.

Mass transit being part of the solution

We support increased spending on mass transit. In large urban areas, its use is part of the transportation solution. In fact, the Conference believes that metropolitan areas should be able to choose to spend some of their Federal Highway Trust Fund dollars on either highways or mass transit. In addition, the legislation should earmark $3 billion annually out of the general fund for mass transit.

Increased funding for research and development

Increasing highway capacity is only part of the solution to traffic congestion. Increasingly, we will need to learn how to gain the maximum efficiency out of our highways. We will have to augment traffic capacity through the use of new technologies which allow the road system to be used more efficiently and make it safer for all drivers.

The Conference recommends a program which will fund a public/private development of various smart car/smart highway technologies.

Timely passage of reauthorization legislation

We all learned from the six-month delay in the Federal highway program in 1986-1987. The transportation community has worked since then to form a consensus on key issues, to assist the legislative process. We realize that Congress has many other issues besides transportation to consider, so we believe it is critical that the subcommittee prepares legislation in a timely fashion.

The sooner legislation reaches Congress, the greater chance we have of passage of an excellent bill and of avoiding delays in the program. We should not risk the delay of badly needed highway projects because of late approval of the bill.

Mr. Chairman, the Conference believes that we won a major victory on June 5 when Californians agreed to pay for badly needed highway improvements. But we've yet won only half the battle. If Californians are to enjoy freedom of mobility well into the next century, we must have Congress approve a far-sighted rebate of the federal highway program. We do not underestimate the difficulty of the task your committee faces, but the Conference puts confidence in your leadership and this committee's ability to craft excellent legislation and then to insure that it receives timely Congressional consideration.

Mr Chairman, we appreciate this opportunity to review the Conference's proposal with you and would be pleased to answer any questions you might have.

Testimony by

George M. Medak
Chairman, Board of Directors
Long Beach Transit

and

Laurence W. Jackson
President and General Manager
Long Beach Transit

Reauthorization of the Surface Transportation Act
Public Hearing
Long Beach, California
July 2, 1990

Long Beach Transit
1300 Gardenia Ave.
Long Beach, CA 90813

Good morning Mr. Chairman and members of the Committee. My name is George Medak, and I am Chairman of the Board of Directors at Long Beach Transit. I would also like to introduce Larry Jackson, President and General Manager of Long Beach Transit. Our Company provides public transportation in the City of Long Beach and 9 other communities nearby. We have a fleet of almost 200 buses and carry more than 21 million passengers each year.

We greatly appreciate the opportunity to speak to you today regarding the Surface Transportation Authorization Act of 1991. Many changes are taking place in Long Beach and the surrounding area. With continued Federal support, Long Beach Transit will be better prepared to play a leading role in our local transportation system.

Long Beach Service Needs

First, we would like to discuss Long Beach Transit's plans for meeting future service needs. Long Beach Transit ridership has been growing steadily. Since the beginning of Federal operating subsidies approximately 15 years ago, our ridership has doubled. Recently, ridership has been growing fast at an annual rate of about 7%. Many of these new riders are making work related commute trips.

Some of the reasons for this heightened transit usage are the result of increases in population, as well as increased population densities from redevelopment. Also, there has been a significant shift in demographics with the huge influx of persons from Southeast Asia.

Further growth on a large scale is predicted for our service area. This will mean a considerable increase in the the number of person-trips. We can not afford the private automobile any longer. We have little room to build more freeways or to keep adding parking structures. Without a good public transit system, the result is a stagnating local economy due to the inability to move people and goods. Without a good public transit system, we will be endangering the health of our citizens from poor air quality. The People of California are beginning to realize transit can help clean our air, reduce traffic congestion, conserve energy and maintain a sound base for our economy.

Long Beach Transportation Study

Population, employment and traffic congestion in Long Beach are going to increase dramatically in the next 10 years. Employment city-wide will be increasing nearly 50%. Employment and traffic in downtown Long Beach are predicted to increase over 170% in the next 20 years. (See Growth Chart).

The chart before you graphically depicts the magnitude of the growth we are talking about. If Long Beach Transit is to merely maintain its current percentage of person-trips carried within the City, there will be a need for us to operate twice as many buses as we do today. However, maintaining our current share of person-trips will not be good enough in the future if we are to make a positive impact on our environment.

Regional Mobility

The Southern California Association of Governments is the regional planning agency for Los Angeles and surrounding Counties. They have analyzed growth in our area and developed plans that have the potential to reduce air pollution, minimize traffic congestion, and manage that growth. If nothing is done to decrease the reliance on the automobile, by 2010 there will be an average speed of 19 miles per hour on our freeways and surface streets. The Regional Mobility Plan that has been developed has set a goal of recapturing and retaining the transportation mobility level of 1984. A major component of the Plan is an increased reliance on public transit. If transit ridership can be increased from roughly 6 1/2% to 19%, this goal can be achieved. (See Predicted Conditions Chart).

This chart shows existing and predicted traffic conditions both with and without successful implementation of the Regional Mobility Plan. With the Plan, hours of delay can be held to less than 900,000 per year. Without the Plan hours of delay swell to over 10 million.

Light Rail and Metro Rail

With Federal participation, Southern California will be able to make a commitment to provide quality transportation alternatives. One giant step in that direction is the partnership with the Federal government in building the Los Angeles Metro Rail.

In less than 2 weeks the Los Angeles to Long Beach Light Rail Line is scheduled to open. This line is the first of 150 miles of Light Rail network planned for the County. The return of clean, comfortable and efficient passenger rail will cause an even greater awareness and acceptance of public transit as it has in other cities across the country.

Long Beach Transit will play an important complimentary role by collecting passengers and taking them to the stations, as well as transporting them to their ultimate destinations. Part of the success of the Light Rail System will depend heavily on the quality of the connecting bus service. Long Beach Transit intends to be prepared to increase the frequency of connecting bus service as demand requires.

When considering the reauthorization of the Surface Transportation Act, please keep in mind additional funding will be necessary to put additional buses on the street.

Clean Air Act

Recent legislation such as the Clean Air Act has the potential of putting tremendous demands on the scarce dollars we have available to provide transit service.

Long Beach Transit fully supports the intent of the Clean Air Act. By giving drivers alternatives to the single occupant automobile, transit is one way the goals of this legislation can be realized. However, costly and unproven engine technologies mandated for our Nation's bus fleets could produce the opposite results. With no additional funding assistance, service cuts needed to pay for implementing and sustaining alternate fuel requirements, will result in more cars on the road and more pollution in the air.

Clean diesel technology, as provided for in the House version of the Bill, appears to be our best option. Other alternative fuels tested produce little improvement in emissions over clean diesel, yet carry an extremely high price tag. A gallon of Methanol, for example, costs roughly twice that of diesel and will power a bus half the distance. In addition, there are significant costs associated with building and maintaining fueling facilities.

The cost in LA County has been estimated at $55 million to retrofit our fleets with clean diesel technology. With Methanol, the cost would be $200 million to build fueling facilities and another additional $60 million per year in higher fuel costs.

We urge you to work towards implementing the House version of the Bill. When considering the reauthorization of the Surface Transportation Act, we urge you to provide the funds necessary to implement the requirements of the Act and work with the Appropriation Committee to ensure authorized funds are appropriated.

Americans with Disabilities Act

The last comments we would like to make Mr. Chairman, are regarding the impact of the Americans with Disability Act on Long Beach Transit. Long Beach Transit strongly supports the accessibility of public transit by persons in wheelchairs and those unable to use regular fixed route service. Recognizing the need to serve persons with disabilities, Long Beach Transit was one of the first public transit companies in the nation to establish a demand responsive paratransit service. We began purchasing wheelchair lift equipped buses nearly 10 years ago and will soon have 100% of our fleet accessible to people in wheelchairs.

Long Beach Transit supports the goals of the Bill. The House-passed version of the Bill calls for more realistic requirements in combining the needs of persons with disabilities with the needs of the community as a whole.

However, without additional funding necessary to implement the Act, we will be required to cut fixed route service to pay for expanded paratransit. The total amount of fixed route service reallocated to paratransit may be significant. The most extreme scenario calls for an elimination of one-third of our fixed route service to pay for all the provisions of the Bill. The Southern California Rapid Transit District has estimated that cost to be one-half of their fixed route service.

Los Angeles County and Long Beach Transit in particular, have been leaders in supplemental paratransit and the accessibility of fixed route services. People with disabilities in Los Angeles County currently enjoy a level of service on both paratransit and accessible fixed route that is unparalleled in the nation. Paratransit offered by municipalities, social service agencies and others reach throughout Los Angeles County. Further coordination of paratransit service agencies may be all that is necessary to achieve many of the goals of the Act.

Conclusion

Mr. Chairman, we trust that your Committee will take the increased costs of the Clean Air mandates and the Americans with Disabilities Act mandates into account when reauthorizing the Surface Transportation Assistance Act. We as transit operators can not meet the demands of our growing community, of cleaning our air, and of expanding much needed service to disabled persons of our community without continued Federal participation.

Long Beach and the overall Southern California economy is critical to the National economy. Increased use of and investment in transit can help keep Southern California from choking on its own success. We are poised to meet those challenges and can greatly expand our transit system if a funding partnership can be forged.

We thank you again for the opportunity to discuss Long Beach Transit's views about our local transportation outlook, and how these concerns can be addressed within the Reauthorization Bill. We will be happy to answer any questions that you may have at this time.

July 2, 1990

Mr. Chairman and committee members

My name is Barbara Messina, Mayor of the City of Alhambra;

Thank you for the opportunity to speak today on a matter of great concern to our City----THE COMPLETION OF THE LONG BEACH FREEWAY GAP.

Alhambra, together with 11 other neighboring cities representing over 3.8 million people, have adopted resolutions in support of the completion of the Long Beach Freeway extension, between the San Bernardino Freeway and the Foothill Freeway. Caltrans and FHWA are currently reviewing the latest route proposal, and they are expected to reach a decision soon. We are asking the Committee to designate the extension of the Long Beach freeway as a priority primary project under the Federal Interstate Program.

The Long Beach Freeway gap closure proposal has been the subject of study for almost thirty years. Since 1963, twenty-four alternative routes have been studied to complete the project with Interstate 210 in Pasadena. Over the years, there have been numerous designs proposed by Caltrans and others for the completion of the six mile gap in the freeway. The focus of this attention is a 6.2 mile gap in the 75 mile freeway system which rings the Los Angeles Central Business District.

Some individuals claim that closing the freeway gap may actually exacerbate traffic problems by generating new traffic, but they are not persuasive. New highways may generate more traffic in still-developing areas, but there is not much room for new growth around the freeway gap. In fact, an analysis by the Southern California Association of Governments suggests that closing the gap will simply relieve congestion that already exists, primarily on the surface streets were traffic from the unfinished freeway currently winds up. Cars moving along a highway generate less air pollution than they do in stop-and-go traffic.

Completing the freeway is necessary for both local and regional traffic, relieving local traffic congestion and providing better access to Long Beach Harbor.

The six mile completion of the Long Beach Freeway was designated as a priority primary route under the Federal Interstate System in the 1987 Highway Bill. As the Surface Transportation Subcommittee considers the highway bill, we would ask that the Subcommittee request priority primary funding in the 1991 Highway Reauthorization Bill for this project. The City of Alhambra would like to work with the Public Works Committee to ensure that funding is authorized for this vital freeway project.

This ring of freeways was primarily conceived in the late 1950's, as part of the master plan for the primary central metropolitan Los Angeles area freeway network. This Construction began in the early 1960s and by 1976, approximately 71 miles, or about 97 percent, of the system was fully operational. Closing the remaining gap would have the effect of fully connecting the Long Beach Freeway with nine other freeways between the cities of Long Beach and Pasadena.

Alhambra has long been among the leading proponents of completing the gap in the Long Beach Freeway, which now empties onto Valley Boulevard in Alhambra, creating heavy congestion on many of the city's streets.

Commuter and truck traffic driving between the Long Beach and Pasadena areas, and points in between, must use surface streets between Alhambra and Pasadena because of the missing six mile section of the Long Beach Freeway. These surface streets were never meant to carry this extraordinarily high volume of traffic. The result has been a tremendous degree of ever worsening traffic congestion on all north/south streets within three miles of the proposed route of the freeway link which becomes chaotic during peak commuting hours.

By completing the extension of the Long Beach Freeway, Caltrans projects that we put between 150,000 and 200,000 cars on the freeway that are now on local surface streets. Without the freeway, traffic on Alhambra's Atlantic Boulevard is expected to jump from 55,000 cars daily today to 73,000 by the year 2000.

In addressing this issue, it is important to distinguish between current traffic volume levels, and traffic demand levels. For example, if one views the traffic counts for Fremont Avenue over the last several years, they have gone up an average of two percent per year, which is seemingly manageable. However, what is not reflected in these counts is the fact that traffic volumes on Fremont Avenue are, and have been, above the rated capacity of the street for over ten years. As a result, commuters, frustrated by having to wait through multiple signal changes at virtually every intersection on Fremont, have moved to the east and onto residential streets to find faster, even though longer, routes through Alhambra to Pasadena or the Foothill Freeway to the north. As a result, traffic volumes on Atlantic and Garfield, the two major north/south arterials to the immediate east of Fremont Avenue, have increased at some locations by over four percent per year, or twice the rate as on Fremont.

Traffic on these two streets is now in excess of capacity and growing numbers of commuters are now winding their way through

the residential streets of Alhambra, rather than endure the congestion of the arterials. This is evidenced by the growing number of requests from Alhambra residents for speed bumps and stop signs to deal with the ever increasing traffic.

In short, the traffic demand is increasing dramatically each year, but it is not fully reflected in the traffic counts on the major streets, because more and more commuter traffic is finding its way onto residential streets. The Long Beach Freeway extension would remove some of the demand from the adjacent arterial network and thereby significantly improve conditions on those roads.

The freeway extension would relieve congestion and increase safety on local streets in the area of the freeway. Accidents are a function of the number of potential conflicts for vehicles and pedestrians. Reducing traffic speed correlates with a reduction of traffic accidents, but conflicts with the goal of reducing delay. One of the best ways to reduce accidents on a road is to reduce the traffic on it. If the traffic is transferred to a freeway, both the accident rate and the delay would improve, because freeways are inherently safer and faster than arterial roads, due to the reduced conflicts. In particular, streets that would be greatly benefited are Valley Boulevard in Los Angeles and Alhambra; Fremont Avenue in Alhambra

Some individuals claim that closing the freeway gap may actually exacerbate traffic problems by generating new traffic, but they are not persuasive. New highways may generate more traffic in still-developing areas, but there is not much room for new growth around the freeway gap. In fact, an analysis by the Southern California Association of Governments suggests that closing the gap will simply relieve congestion that already exists, primarily on the surface streets were traffic from the unfinished freeway currently winds up. Cars moving along a highway generate less air pollution than they do in stop-and-go traffic.

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Statement by Nick Patsaouras, Board President of the Southern California Rapid Transit District before the Subcommittee on Surface Transportation of the Committee on Public Works & Transportation of the United States House of Representatives, July 2, 1990

Chairman Anderson, Chairman Mineta, Members of the Subcommittee, I want to thank you for this opportunity to present the Southern California Rapid Transit District's (SCRTD's) views on reauthorization of the Surface Transportation Assistance Act and, particularly, for coming to Los Angeles to see, first hand, the transportation needs of our metropolitan area.

We at the SCRTD are proud of the progress we have made in meeting these needs. We realize that there is much that remains to be done if our region is to meet the transportation challenges of the '90s and into the next century.

The Southern California region is currently faced with tremendous unmet demands for transit service, as well as future demands that are staggering. California voters recently indicated their support for transportation by passing a comprehensive financing package which included funds for streets and roads, rail transit and other demand management improvements. However, the revenues created do not address the overwhelming need for rail and bus operating funds, as well as the additional capital funding that will be needed to expand the bus fleet.

I will briefly review the factors that are generating the tremendous current and future demand for transit in the region. These demands include:

- Population growth and a flourishing economy that continues to increase congestion in the area,
- The imposition of stringent Clean Air requirements,
- An increasing emphasis by employers to encourage employees to utilize mass transit,
- A growing elderly population that tends to be more transit-dependent, and
- The mainstreaming of a growing number of disabled persons, who are increasingly relying on public transit.

The Southern California region is currently the most underserved transit market in the country. SCRTD ridership is third highest in the country, right behind Chicago. I would like to refer the members to the attached tables. Tables A and B clearly demonstrate transit's vital role in an area where "the car is king." RTD buses work longer and harder than any other American city. The addition of Light Rail in just a few weeks will further assist in meeting Los Angeles County's transportation needs. However, the added rail lines in the County will still only address a portion of the growing demand.

In Los Angeles, our local Air Quality Management District has imposed sweeping air quality reforms, in conformance with EPA requirements. These measures increase the transit mode split for workers in Los Angeles County from 9 percent to 25 percent by the year 2010. In order to meet this requirement, transit services will need to be tripled. We estimate that about two-thirds of the additional service will be provided by bus transit, presuming construction of all rail lines planned for implementation by 2010. This will require an increase in the active bus fleet from nearly 2000 buses to almost 5000 buses. Based upon these requirements, the total unfunded operating and capital needs over the next twenty years is estimated to be $11.2 billion for SCRTD's service area.

Further, Congress is poised to enact within the next few weeks legislation that will materially add to the burdens and responsibilities of transit districts throughout the nation. We speak, of course, of the Clean Air Act, now in conference between the House and Senate, and the Americans With Disabilities Act which may soon find its way to the President's desk.

The SCRTD is committed to meeting these new responsibilities. We are in the forefront of those transit districts that are testing alternatively fueled vehicles. The District is currently testing over 40 alternatively fueled vehicles including the largest methanol and compressed natural gas fleets in the nation. By the end of this year, we will be testing over 60 clean fuel vehicles. We have also implemented a very successful program to increase the mobility of the disabled. Currently, over 90 percent of the District's fleet of 2300 vehicles is lift-equipped. We will be 100 percent lift-equipped by 1994.

Recently, SCRTD representatives met with top UMTA officials to explore the concept of expanding the existing federal transit program to address the funding requirements of these two major pieces of legislation. UMTA supported the District's efforts to canvass other large metropolitan transit districts to determine the impact of this legislation on their properties.

The SCRTD convened a meeting in Washington with eight of the largest transit districts in the nation. We shared with our colleagues the cost figures accumulated by the SCRTD in meeting the strictures of the California clean air requirements which, in large measure, coincide with those that will most likely emerge from the House-Senate conference. Attached to our testimony (Table C) is a footnoted chart delineating the costs of clean emissions. Mr. Alan Pegg, General Manager of Southern California Rapid Transit District, will be pleased to provide for the hearing record a full explanation of these costs.

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We have asked transit districts to compile similar statistics that will reflect their projected costs in meeting clean air requirements so that you will have a fair estimate as to those incremental costs. As you know, there is precedent for the principle of having the federal government assist in meeting environmental costs mandated by federal law. One need look no further than the Clean Water Act which has made some $55 billion in construction grants to state and local entities since 1972.

You should be aware too, Mr. Chairman, as you continue your hearings throughout the country, that transit districts will be compiling their projected costs of meeting those capital and operating requirements anticipated by the passage of the Americans With Disabilities Act. Once again, California is proud to have anticipated the national will in this regard.

Overall, we cannot overemphasize the importance of Section 9 operating funds and Section 3 capital funds. As you are well aware, the Administration is proposing drastic cuts in these vital programs. These proposed Section 9 cuts would amount to a $1 billion shortfall for SCRTD over the next 20 years. Currently, SCRTD receives about $41 million, or seven percent of annual operating assistance from Section 9. Loss of these funds would translate into a 23 percent fare increase or a 10 percent service reduction.

Table D illustrates the direct correlation between transit subsidies and ridership. These subsidies only enhance the District's 43 percent farebox recovery ratio.

We recognize that some of these problems are peculiar to the Southern California region. But in many cases California is a trend setter, and leads the nation in issues that soon will affect the rest of the nation. It is time to address these needs now.

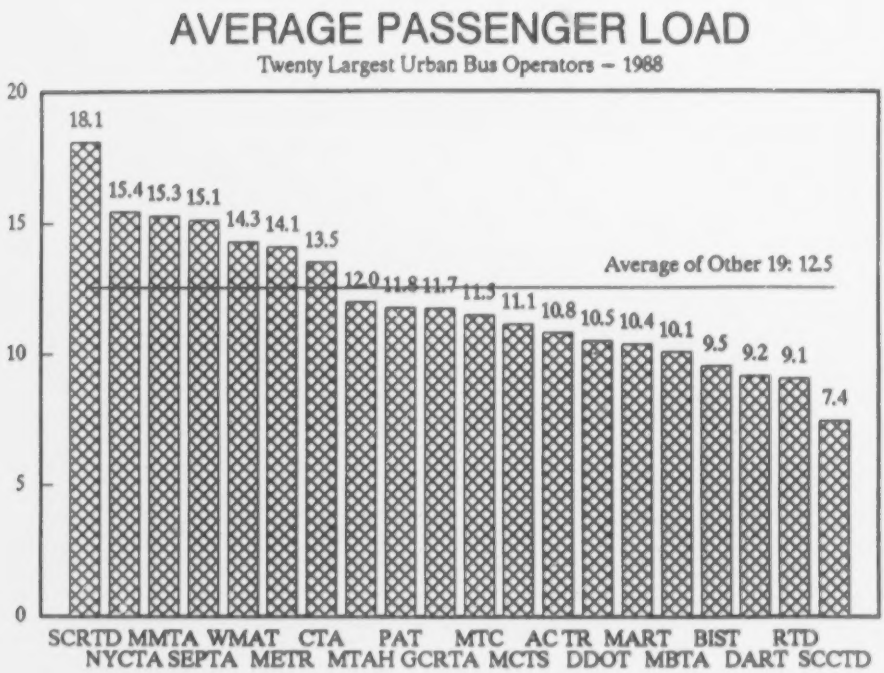
Therefore, I respectfully request the Committee to consider the following, when deliberating on the reauthorization:

- Maintain current capital and operating assistance programs;
- Consider a specific line item to fund the incremental costs associated with implementing the provisions of the Clean Air and Americans with Disabilities Acts;
- Consider recommending a 7 cent federal gas tax increase for transit purposes; and
- Mandate the expenditure of the $3.9 billion in unobligated balance that currently exist in the Transit Account of the Highway Trust Fund.

Mr. Chairman, we do not apologize for asking for this assistance. Facing these demands head-on is critical to the economic vitality and competitiveness of this country, just as the need for highways was critical to the nation's growth and vitality in the 1950's and 1960's.

We applaud you, Chairman Anderson, Chairman Mineta, and other members of the Committee for your dedication to improving the mobility of our great country. Through a cooperative federal, state, local and private partnership we can meet the present and future needs of our economically vital and dynamic nation.

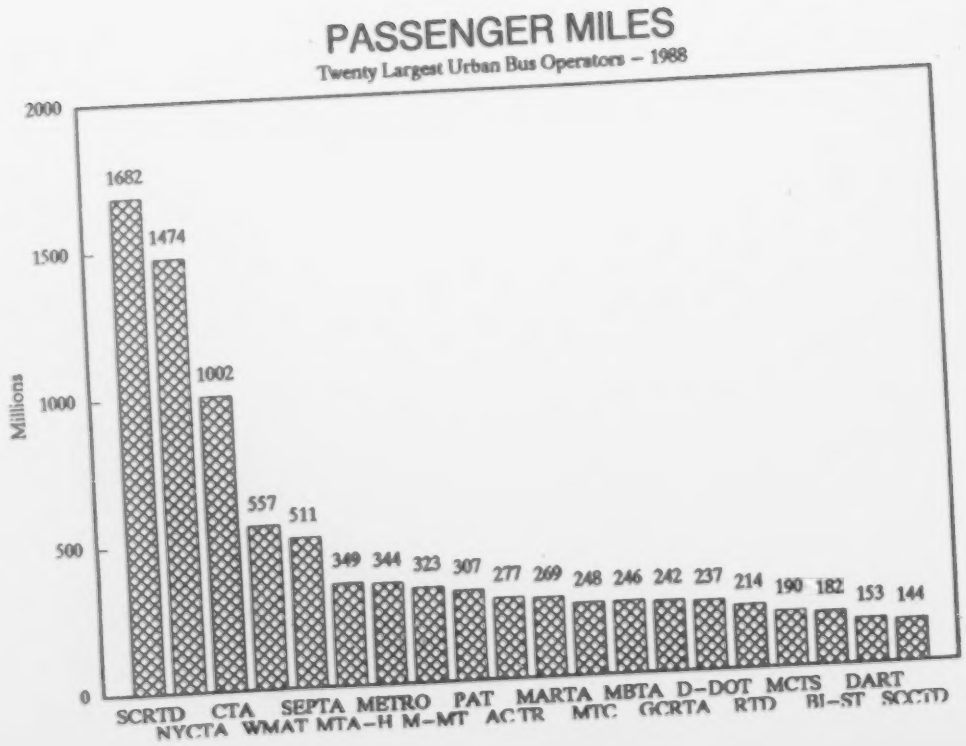
Table A


AVERAGE PASSENGER LOAD
Twenty Largest Urban Bus Operators – 1988
20
15
10
5
0
18.1
15.4
15.3
15.1
14.3
14.1
13.5
12.0
11.8
11.7
11.5
11.1
10.8
10.5
10.4
10.1
9.5
9.2
9.1
7.4
Average of Other 19: 12.5
SCRTD
NYCTA
MMTA
SEPTA
WMAT
METR
CTA
MTAH
PAT
GCRTA
MTC
MCTS
AC TR
DDOT
MART
MBTA
BIST
DART
RTD
SCCTD

TRANSIT OPERATOR ABBREVIATION LIST

ABBREVIATION	OPERATORS FULL NAME	LOCATION
AC TRANSIT	Alameda-Contra Costa Transit District	Oakland, California
BI-STATE	Bi-State Development Agency	Saint Louis, Missouri
CTA	Chicago Transit Authority	Chicago, Illinois
D-DOT	Detroit Department of Transportation	Detroit, Michigan
DART	Dallas Area Rapid Transit	Dallas, Texas
GCRTA	Greater Cleveland Regional Transit Authority	Cleveland, Ohio
M-MTA	Mass Transit Administration of Maryland	Baltimore, Maryland
MARTA	Metropolitan Atlanta Rapid Transit Authority	Atlanta, Georgia
MBTA	Massachusetts Bay Transportation Authority	Boston, Massachusetts
MCTS	Milwaukee County Transit System	Milwaukee, Wisconsin
METRO	Municipality of Metropolitan Seattle	Seattle, Washington
MTA-HC	Metropolitan Transit Authority of Harris County	Houston, Texas
MTC	Metropolitan Transit Commission	Minneapolis, Minnesota
NYCTA	New York City Transit Authority	New York, New York
PAT	Port Authority Transit	Pittsburgh, Pennsylvania
RTD	Regional Transportation District	Denver, Colorado
SCCTD	Santa Clara County Transit District	San Jose, California
SCRTD	Southern California Rapid Transit District	Los Angeles, California
SEPTA	Southeastern Pennsylvania Transportation Authority	Philadelphia, Pennsylvania
WMATA	Washington Metropolitan Area Transit Authority	Washington, D.C.

Table B


PASSENGER MILES
Twenty Largest Urban Bus Operators – 1988
Millions
2000
1500
1000
500
0
1682
1474
1002
557
511
349
344
323
307
277
269
248
246
242
237
214
190
182
153
144
SCRTD
NYCTA
CTA
WMAT
SEPTA
MTA-H
METRO
M-MT
PAT
ACTR
MARTA
MTC
MBTA
GCRTA
D-DOT
RTD
MCTS
BI-ST
DART
SOCTD

RTD

CLEAN EMISSIONS IMPACT ON TRANSIT BUSES

	DIESEL	CLEAN DIESEL W/PART. TRAP	CNG	METHANOL	CONVERSIONS METH/ AVOCET	CONVERSIONS CNG	CONVERSIONS PART TRAP
FUEL FACILITIES	BASE	BASE	+2.5M[1]	+15%[2]	+15%[2]	+2.5M[1]	BASE
PASS. LOADING	60 PASS.	-3 PASS.	-15 PASS	-10 PASS.	-10 PASS.	-15 PASS.	-3 PASS.
FUEL COSTS	$.17/MI[3]	$.19/MI[4]	$.25/MI[5]	$.37/MI[6]	$.71/MI[7]	$.25/MI[8]	$.19/MI[4]
MAINTENANCE	BASE	INC.	INC.	INC.	INC.	INC.	INC.
BRAKE/TIRES[9]	BASE	BASE	INC.	INC.	INC.	INC.	INC.
INITIAL COST[9]	$190K	$205K	$245K	$230K	$20K/ CONV.[10]	$40K/ CONV.[11]	$25K/ CONV.[12]
DURABILITY	BASE	LESS[13]	?[14]	LESS[15]	LESS[16]	?[14]	LESS[13]
BUS WEIGHT	BASE	+350#	+2700#[18]	+1600#	+1600#	+150#[17]	+350#

6/90

EXHAUST EMISSIONS

	HC	NOx	CO	PART	ALDH (18)
1991 STANDARDS	1.3	5.0	15.5	0.1	0.1
1991 DIESEL W/O TRAP	0.73	4.90	1.97	0.333	N/A
1991 DIESEL W/TRAP	0.68	4.92	2.62	0.044	N/A
1991 METHANOL W/O CATALYST	0.7	2.3	2.0	0.08	0.08
1991 METHANOL W/CATALYST	0.1	2.3	0.2	0.03	0.04
METHANOL/AVOCET CONVERSION (19)	0.47	4.70	0.65	0.043	N/A
CNG (20)	0.66	4.00	1.5	0.05	0.03

CLEAN EMISSIONS IMPACT ON TRANSIT BUSES
FOOTNOTES

1) Facility will accommodate fast fueling for a large fleet.

2) New construction. Methanol compatible outdoor fueling facility with vapor recovery.

3) Assume: $.57/gal; 3.3 mpg.

4) Assume: $.57/gal; 3.0 mpg.

5) Assume: Diesel efficiency; $.5374/therm; $.12/KWH
$.02/mile for compression.

6) Assume: $.44/gal meoh; 1.2 mpg.

7) Assume: $.44/gal meoh; $16.4/gal Avocet;
3% Avocet concentration; 1.3 mpg.

8) An increase in vehicle weight will increase tire and brake wear rates.

9) Best estimates for prototype buses.

10) Price does not include engine rebuild.

11) Price does not include engine.

12) Price includes materials and labor.

13) Requires periodic filter element replacement. Regeneration component durability concerns.

CLEAN EMISSIONS IMPACT ON TRANSIT BUSES
FOOTNOTES (cont.)

14) Durability unknown at present.

15) Wear rates are higher.

16) Increased GVWR.

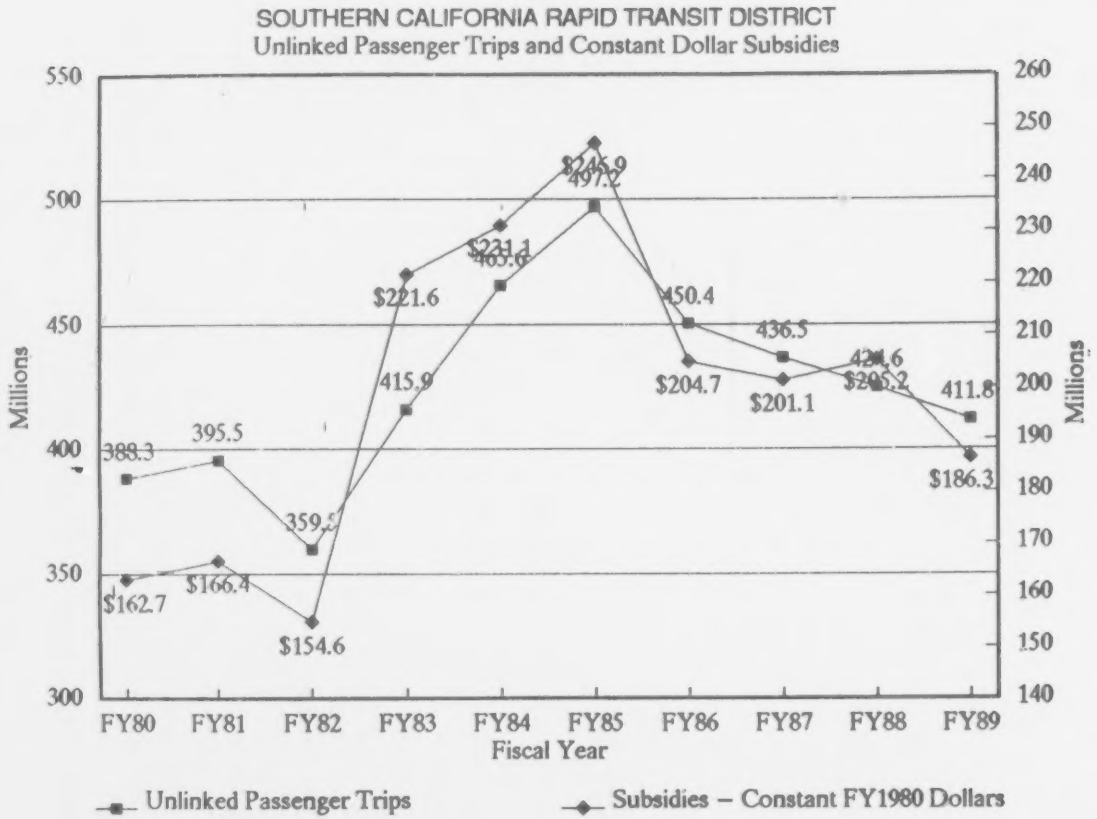
17) 30 ft. bus. Operating range is one third of diesel.

18) Proposed standard for California.

19) Steady-state results in g/RHp-Hr.

20) Projected optimized technology.

Table D


SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT
Unlinked Passenger Trips and Constant Dollar Subsidies
Millions
550
500
450
400
350
300
260
250
240
230
220
210
200
190
180
170
160
150
140
Millions
388.3
395.5
359.5
415.9
465.6
497.2
450.4
436.5
411.8
$162.7
$166.4
$154.6
$221.6
$231.1
$245.9
$204.7
$201.1
$205.2
$186.3
FY80
FY81
FY82
FY83
FY84
FY85
FY86
FY87
FY88
FY89
Fiscal Year
Unlinked Passenger Trips
Subsidies – Constant FY1980 Dollars

8am - LAX 228
6:45am - pick-up at Sheraton

NEIL PETERSON, EXECUTIVE DIRECTOR
LOS ANGELES COUNTY TRANSPORTATION COMMISSION
TESTIMONY BEFORE
THE HOUSE SUBCOMMITTEE ON SURFACE TRANSPORTATION, COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, REAUTHORIZATION OF THE POST-INTERSTATE SURFACE TRANSPORTATION PROGRAMS
JULY 2, 1990, LONG BEACH CITY HALL

Chairman Anderson
Chairman Mineta
Members of the Committee

Cong. Hastert
Cong. Packard

My name is Neil Peterson, Executive Director of the Los Angeles County Transportation Commission. I appreciate this opportunity to testify on the reauthorization of the Surface Transportation Act.

With the completion of the Interstate program, a chapter has closed and there is a new era before us with a strong opportunity to address the nation's transportation needs. The support your committee has shown for transportation issues is widely recognized across the nation, however, your active leadership will be necessary over the coming months if we are to craft legislation which solves the growing transportation and mobility needs.

A CRISIS IN TRANSPORTATION TODAY

Locally, the average speed on our freeways is 35 mph and will be 17 mph in ten years. Even with our ambitious rail construction schedule, the demand for additional capacity is growing. In fact, congestion will increase by 50% due to the additional residents moving to Los Angeles County within the next 20 years.

Experts have estimated that we are losing $507 million each year in lost productivity time due to our inability to move people on our transportation system. In addition, we have the worst pollution problem in the nation and vehicle emissions represent about 50% of the problem. The federal and local mandates associated with improving air quality will have a significant cost impact (estimated at $6 billion) to our economy and it is presently unfunded. Federal transit support has been cut 50% in the last nine years. Based upon current appropriations, operators will need to cut 25% of the bus fleet (or 800 buses) unless funding is increased.

HOW TO DEAL WITH THE TRANSPORTATION CRISIS

Over the last year, I have spent a significant amount of time talking with transportation policy makers and transit operators across the nation. I am currently the chairman of a subcommittee addressing reauthorization issues for the transit industry [American Public Transit Association]. How the federal government takes a leadership role to respond to these issues will make a difference to:

a) our nations economy
b) its economic health
c) cleaning up our air; and
d) ensuring a high quality of life for all segments of our population.

I believe the following captures the basic principles the Committee should consider when deliberating on reauthorization legislation:

First and most importantly, there is no substitute for a federal role in funding transportation needs. Future transit and highway needs require a comprehensive financial strategy guided by increased federal involvement. Federal involvement is the key to achieving national goals and ensuring participation from all state and local governments. It is also needed to compensate for federal policies that have discouraged transit use and federal mandates that impose additional costs on transit systems at the local level.

The California vote for Propositions 108 & 111 show that residents understand the needs for increased mobility. Even with Los Angeles County residents willingness to tax themselves for transit and rail development, there is insufficient resources to address the issues I outlined above.

For these reasons, a federal gas increase is urgently needed. The American Public Transportation Association (APTA) calls for an $11 billion transit program and a seven cent increase in federal gas tax earmarked for transit. These monies would be spent to implement the Clean Air and Americans with Disabilities mandates as well as address deferred maintenance issues and capacity expansion.

To some critics, such a program seems ambitious, however, I ask that you look to our Canadian, European and Far Eastern brothers who have taken strong leadership positions and tackled these issues successfully. As a result, their need to rely on foreign oil has lessened. For example, the number of person trips using other than auto is the worst in the U.S. when compared to Canada, Far Eastern countries and Europe. Transit is one of the ways to increase our nations infrastructure capacity, reduce congestion, pollution and enhance mobility.

Second, the gas tax increase called for above should be enacted to support needed transit and highway investment, and the entire federal fuels tax made permanent concurrent with reauthorization of the surface transportation assistance act. Full revenues from the tax should be committed annually.

Third, the concept of transit should be broadened to include all high-occupancy, shared-ride services. The goals of federal policy should be to serve diverse travel needs, to reduce growth in vehicle mile traveled (VMT) while accommodating increased passenger miles of travel, and to serve people rather than vehicles.

Fourth, the federal tax code should be revised to promote private investment in transit, and to eliminate the taxation of employer transit subsidies and other disincentives to transit use.

Fifth, federal transportation policies and programs should require closer integration of transportation investments and land use decisions, to provide a favorable environment for increased use of high-occupancy, shared-ride services. Other federal policies should incorporate the same objectives. Unless local development practices and policies are consistent with basic federal transportation goals, direct federal investment will be ineffective.

Sixth, federal support should be more reliable and predictable. This can be accomplished through greater reliance on dedicated funding sources, formula allocation, and multi-year federal funding commitments. The costs associated with mandated federal actions, and transit's substantial contributions to the achievement of other national goals, justify increased support from all sources.

Seventh, expand federal support for transit research, development and training and ensure adequate direction of the program by transit industry officials.

Eighth, federal operating assistance for all sizes of transit systems is essential to assure adequate maintenance and effective operation of the transit capital investment.

Lastly, metropolitan areas should have greater flexibility in the use of transportation funds. Regional decision-making authority over the use of federal transportation funds should be enhanced and strengthened. Local areas should be able to deploy resources to meet regional goals in a way that is consistent with national policy. There should be a stronger multi-modal approach to planning, funding, and decision-making. This will enable local areas to make appropriate trade-offs among many local and regional objectives, to make more cost-effective use of resources, and to reduce counterproductive federal restrictions.

In summary, Honorable Chairman, your committee can take a strong leadership role to revitalize our nation's transportation system and ensure mobility by emphasizing the movement of people and goods. The alternative is gridlock, worsening air quality and segments of our citizenry who are locked at home.

Thank you for allowing me to speak on this vital issue. I would be happy to answer any questions.

LBA²TRA
Long Beach Airport Area
Traffic Reduction Association

Testimony of

Long Beach Airport Area

Traffic Reduction Association

Before

The Surface Transportation Subcommittee

of the

House Public Works Committee

July 2, 1990

Long Beach, California

P.O. Box 15857
Long Beach, CA 90815-0857
TEL: (213) 421-7420
FAX: (213) 391-9764

Introduction:

Chairman Anderson and Members of the subcommitte, I am Donald Prescott, Plant Superintendent, Facilities Operations of McDonnell Douglas Corporation, Douglas Aircraft Company. I am also the chairman of the Board of Directors of the Long Beach Airport Area Traffic Reduction Association (LBA^{2}TRA). On behalf of the Association, I thank you for the opportunity to address the Committee on the reauthorization of the federal surface transportation program.

I recognize that the Committee has traveled a great distance to receive testimony from a number of individuals and organizations. I will, therefore, be concise concerning my purpose before you today. However, I would be remiss if I didn't recognize and welcome Congressman Anderson who has been extremely helpful and sympathetic to past and current transportation needs in the Long Beach area.

Currently, the Long Beach Airport Area Traffic Reduction Association is working toward solving the increasing transportation needs in and around the Long Beach Airport. Founded in 1989, the Association is a non-profit association of employers and commercial property owners located at or near the Long Beach Airport.

The Association is actively pursuing a comprehensive program of transportation demand management strategies which will require a considerable amount of marketing and pursuasion of employers and their employees to change existing commuting habits. We are making a considerable commitment in this regard and will continue to shoulder these kinds of responsibilities. The many commute alternatives which the Association advocates, including car and vanpooling, alternative work schedules, telecommuting, and public transit, will help achieve both our transportation and air quality objectives.

We believe that in the post-interstate era, federal surface transportation programs for urban/suburban mobility and intermodal access should be on a par with preserving the integrity of the nation's Interstate System. The economic health, vitality and competitiveness of our nation is being threatened by increasing congestion and failure to meet the access needs of critical intermodal facilities. Typically, as is the case of here in Long Beach, these facilities can have significant negative impacts on daily commuters, our neighbors, our businesses as well as use of the intermodal facilities themselves. To maintain the nation's economic competitiveness, we need a national transportation program that recognizes and funds urban/suburban mobility programs and intermodal access.

In the Long Beach area, we are blessed with two siginificant port facilities, namely, the Port of Long Beach and the Long Beach Airport. At the airport, we are concerned about ensuring good access. To this end, the association's members have entered into a partnership with the City of Long Beach to develop and help fund a program of surface transportation improvements which will reduce peak period congestion in the area and ensure continued ease of access to the airport.

To date, our members have committed over $7 million to help finance these improvements in the vicinity of the airport. At the same time, a number of airport related highway projects remain beyond the ability of the private sector or for that matter, the City of Long Beach, to fund. Considering the commitment by the City of Long Beach and the recent significant private sector participation in improving access in and about the Long Beach Airport area, we strongly believe that the Congress and the Administration should be more active in finding solutions to congestion and access needs related to ports located in urbanized areas. We recommend that the Committee seriously consider providing significant increases to urban surface transportation programs or new program initiatives so that port access and port-related congestion problems can be adequately addressed.

We appreciate the Committee's past support and look forward to working closely with you on forging a new federal transportation program. I would be happy to answer any questions the Committee may have.

STATEMENT OF PAUL PRICE

NORTH COUNTY TRANSIT DISTRICT
NORTH SAN DIEGO COUNTY TRANSIT DEVELOPMENT BOARD

June 27, 1990

Honorable Congressman Glenn M. Anderson
The Subcommittee on Surface Transportation
U.S. House of Representatives
Room 2166, Rayburn House Office Building
Washington, D. C. 20615

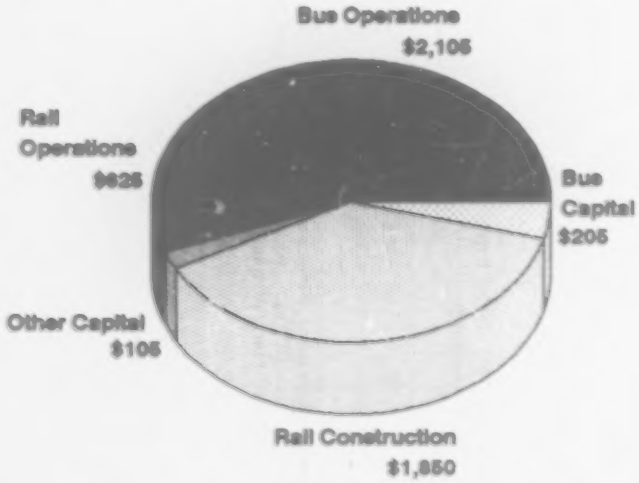
Dear Congressman Anderson, Honorable Members of the Subcommittee:

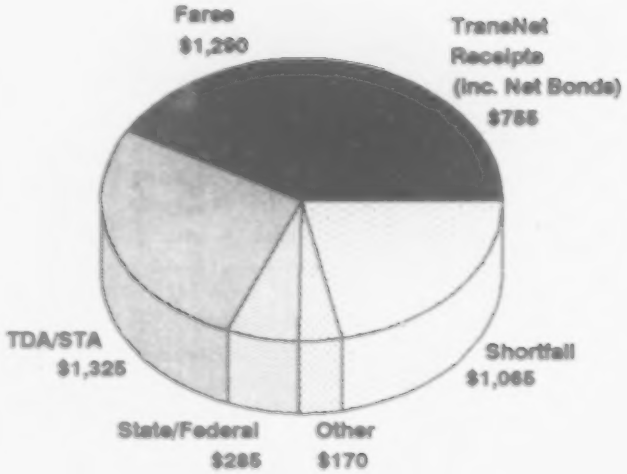
Thank you for allowing me the opportunity to testify today on behalf of public transportation in the San Diego County area. Let me take a few moments to underscore the degree to which the San Diego region and the State of California has acted to improve public transportation without significant federal involvement. In fact, the efforts made in San Diego County were made despite significant federal reductions over the past ten years.

Locally, the region has taken initiatives in a very rapidly growing area of the country to look beyond our current funding shortfall and growing transportation gridlock, to not only plan, but begin implementing one of the best and most cost effective new public transportation programs in the nation. For example, in 1980, federal funding provided 20.8% of North County Transit District's operating cost for an estimated 7 million riders. In 1990, federal operating revenue amounted to only 11.9% of the cost for ten million riders. To show the degree to which the public and voters believe that we are in a transportation crisis, the voters in San Diego County, in November of 1987, voted to tax themselves at a rate of 1/2 of 1% towards the State sales tax for transportation. These monies were divided up for transit, highways and local street and roads projects. Then, again in June of 1990, the voters of the State of California passed Propositions 108, 111 and 116, which will double the gasoline tax in the State of California over the next five years to pay for significant rail transit and highway projects. Yet, this massive infusion on the State and local front has been met with reductions on the federal level, as can be seen from the tables and figures on pages 2 and 3. The San Diego region's unmet public transit needs over the next 20 years amount to over one billion dollars.

311 South Tremont Street • Oceanside, California 92054 • Phone (619) 967-2828

SAN DIEGO AREA
PUBLIC TRANSIT PROGRAM
22 YEAR COSTS AND REVENUES:FY89-2010
(In Millions of Constant 1988 Dollars)





TOTAL COST = $4,890

TOTAL REVENUES = $3,825
SHORTFALL = $1,065

2309

SAN DIEGO REGION
LONG-RANGE TRANSIT PLAN
PROJECTED COSTS AND REVENUES
(In Millions of Constant 1988 Dollars)

	FY89-93	FY94-2000	FY2000-10	Total FY89-2020
OPERATING COSTS				
Light Rail/Commuter Rail	$70	$200	$355	$625
Bus/Dial-A-Ride	380	600	1,125	2,105
Total:	$450	$800	$1,480	$2,730
CAPITAL COSTS				
Rail Construction	$290	$660	$900 [2]	$1,850
Bus Purchases	40	70	95	205
Facility Improvements	10	15	25	50
Misc. Capital	10	15	30	55
Total:	$350	$760	$1,050	$2,160
TOTAL COSTS	$800	$1,560	$2,530	$4,890
REVENUES				
Fares	$190	$370	$730	$1,290
TDA/STA	250	400	675	1,325
TransNet Sales Tax	160	260	350	770
TransNet Bonds (Net) [1]	90	120	(225)	(15)
State (TCI)	40	45	35	120
Federal (Section 9/FAU)	70	50	45	165
Local/Private/Other	50	50	70	170
Total:	$850	$1,295	$1,680	$3,825
TOTAL SURPLUS/(DEFICIT)	$50	($265)	($850)	($1,065)

1. Bond Proceeds Less Debt Service Payments.
2. Includes LRT Study Corridors.

Definitions:
TDA/STA - State Transportation Development Act Funds
TransNet Sales Tax - Local 20 year (1988 - 2008) Transportation Sales Tax
State (TCI) - State Transportation Capital Improvement

The State and local governments have developed a plan to meet 3.8 billion dollars of a 4.9 billion dollar requirement in the County over the next 20 years. We would hope that the federal government could find its way to meeting its 20% share for this region. If we are to meet the national objectives of clean air, reduced congestion and fuel conservation, all layers of government, including the federal government, must be willing to implement their share of the cost. The San Diego Region calls for the development of over 100 miles of rail transit projects, as well as significant improvements of the bus system to achieve our clean air and congestion relief goals.

On another matter, the San Diego region has been involved with, both politically and financially, the Los Angeles to San Diego corridor, or let me say now, the southwest corridor, for Amtrak service between Los Angeles and San Diego. This short corridor is the second busiest inter-city passenger corridor in the nation, carrying some 1.65 million passengers annually. Yet, as can be seen, the amount of federal participation in the improvements to this corridor amount to something less than 13% to the improvements made to date. Even 13% comes up to a federal participation of approximately 16 1/2 million dollars over the past 11 years. In contrast, direct federal appropriations and UMTA grants has spent some 2 billion dollars over the last 15 years in the so-called northeast corridor. Some federal recognition of our corridor is paramount in our goal of providing mobility to the citizens of this region (see pages 5 & 6).

To that end, the representatives from the Los Angeles, Orange and San Diego County regional agencies have established a Los Angeles to San Diego rail corridor agency (LOSSAN) and have developed a 12-year Capital Improvement Plan necessary to maintain and improve services in this important inter-city corridor. As you may be aware, this particular inter-city corridor is generating 111% of its operating costs out of the farebox. If we are to sustain this phenomenal achievement, infrastructure improvements must be made immediately.

The LOSSAN agency has developed a 12-year Capital Improvement Plan, which totals some 323 million dollars. Of that, we would be looking to Amtrak and UMTA for some 70 to 100 million dollars of this improvement (see pages 8 and 9).

In conclusion, while we are all aware of the budget shortfall on a federal level, the local State government should not be penalized for being proactive in developing local and State funding sources. To withdraw or even reduce federal participation at this time would send a clear message to other federally funded projects that locally developed funding sources hasten federal participation withdrawal, which would then lessen any local attempts to solve future problems.

LOS ANGELES-SAN DIEGO **LOSSAN** RAIL CORRIDOR AGENCY

CAPITAL INVESTMENT IN THE LOSSAN CORRIDOR
($MILLIONS)

DATE	PROJECT	TOTAL	LOCAL/ PRIVATE	STATE	FEDERAL A=Amtrak U=UMTA
1979	Del Mar Station	$ 0.86		$0.86	
1981	Upgrade Serra/Orange Sidings	$ 1.40		$1.40	
1982	Construct Chatsworth, Van Nuys & Burbank Airport Station	$ 1.59		$1.59	
1983	Oceanside Multi-modal Transportation Center	$ 7.46	$5.10	$2.36	
1984 -89	Fullerton Station and Track Improvements	$13.20	$5.90	$7.20	$0.10 A
1984	Anaheim Station	$ 0.89	$0.36	$0.53	
1985	Santa Ana Regional Transportation Center	$15.40	$8.80	$4.50	$2.10 U
1986	Remodel Restrooms at LAUPT	$ 0.19		$0.19	
1986	Simi Valley Station	$ 0.20	$0.10	$0.10	
1987	Oxnard Station	$ 7.30	$1.10	$1.80	$4.40 U
1987	Purchase Wheelchair Lifts	$ 0.04		$0.04	
1987	Conversion to Push-Pull Operation	$ 9.26		$4.63	$4.63 A
	Rail Replacement				
1988	Phase I	$ 8.00	$3.20	$4.00	$0.80 A
1989	Phase II	$11.00	$3.74	$6.16	$1.10 A
1989	Phase III	$15.00	$4.08	$9.42	$1.50 A
1989	Locomotive Purchase	$ 1.50	$1.50		
1989	Peters Canyon Bridge	$ 0.65	$0.32	$0.33	
1989	Lincoln Ave Undercrossing	$ 5.05	$0.55	$4.50	

275 CENTENNIAL WAY, SUITE 100 TUSTIN, CALIFORNIA 92680
714/669-1441 FAX 714/669-9159

PAGE 2

CAPITAL INVESTMENT IN THE LOSSAN CORRIDOR
($MILLIONS)

DATE	PROJECT	TOTAL	LOCAL/ PRIVATE	STATE	FEDERAL A=Amtrak U=UMTA
1989	LAUPT Access Design Engineering Study	$ 0.40	$0.20	$0.20	
1989	Del Mar Siding Upgrade	$ 1.31	$0.65	$0.66	
1989	Sorrento Siding Upgrade	$ 0.84	$0.42	$0.42	
1989	8 Grade Crossing Improvements in L.A. County	$ 1.20	$0.60	$0.60	
1989	Realign Curves at San Juan Capistrano	$ 2.27	$1.00	$1.27	
1989	New Irvine Station	$12.30	$8.60	$3.70	
1989	Irvine Station Double Track	$ 2.80	$1.40	$1.40	
1989	Simi Valley Siding	$ 3.50	$2.50	$1.00	
1989	Burbank Station and Parking Study	$ 0.10	$0.05	$0.05	
1989	Ventura Stn Eng/Dcsn Study	$ 0.05	$0.05		
1990	Ventura Stn Construction	$ 0.50	$0.25	$0.25	
1990	Glendale Multimodal Transp Center Study	$ 0.10	$0.05	$0.05	
1990	Constructn of Glendale MMTC	$ 0.64	$0.32	$0.32	
1990	Anaheim Station Pedestrian Overcrossing	$ 0.34	$0.06	$0.28	
1990	Orange County Double Track	$ 0.89	$0.18	$0.71	
1990	Design & PSE of Track Improvements at Oceanside	$ 1.20	$0.20	$1.00	
1990	Signal System Study	$ 1.80			$ 1.80 A
	TOTAL	$127.93	$51.38	$60.12	Amtrak: $ 9.53 UMTA: $ 6.50
	PERCENT	100%	40.16%	47.00%	Amtrak: 7.76% UMTA: 5.08%

Specifically, to the issues at your meeting here today, we would recommend that on the federal level there be developed a dedicated funding source through some sort of trust fund. The annual trial and tribulation of current UMTA funding policy leaves local agencies very much behind the eight-ball in trying to second guess in our budget development what may be happening. A degree of regularity would go a long way for practical budgetary decisions.

Second, allow for block grant funding for transit to be used discretionarily within the region without matched requirements. Local matched efforts should be based on overall regional efforts and not the effort on a single project. This would allow the region to package funding sources without distributing, on a very bureaucratic basis, preciously short funding to a multitude of important projects.

Third, federal laws, rules and policies have significant operating cost impacts, (i.e. the ADA, alternative fuels). The federal government bares some responsibility for funding. For example, pursuant to federal policy and soon to be law, the District has spent over 2 million dollars to lift-equip its entire fleet of buses. This fleet and wheelchair lifts cost approximately $200,000 a year to maintain. Current ridership figures show that out of 35,000 daily riders, only ten (10) trips make use of the federally required equipment.

Federal appropriations to inter-city, Amtrak corridors should be made on dense high use corridors. Public transit is not just an intra-city issue, but an inter-city issue, as well. Already, Amtrak carries more passengers between San Diego and Los Angeles than all major airlines combined. A small capital investment into this important inter-city corridor may be able to minimize or mitigate the need for ever larger and more expensive regional airports.

Again, I want to thank this subcommittee for offering me the opportunity to speak on the importance of the reauthorization of service transportation programs.

Sincerely,

Paul W. Price
Director of Service Development

PWP/cp

LOS ANGELES - SAN DIEGO RAIL CORRIDOR AGENCY (LOSSAN) - CONTINUED

10-YEAR CAPITAL IMPROVEMENT PLAN ($YOE MILLIONS) ASSUMING BOND MONEY AND LOCAL/PRIVATE MATCH

ELEMENTS	PROJECT PHASE(S)	YOE($M) ESTIMATE	FY '00	FY '01	FY '02	FY '03	FY '04	FY '05	FY '06	FY '07	FY '08	FY '09	FY '10	FY '11	FY '12	FY '13	FY '14	ORIGINAL COST EST
LOS ANGELES COUNTY ELEMENTS (MP 143.0-203.0)																		
Trackage Improvements																		
LAUPT to Mission Tower Leads (MP 143.1)	Phase 1a	$0.34		$0.40			$7.04											$0.30
Redondo Tower Curve (MP 143.2)	Phase 2b	$0.20			$0.20													$0.17
Mission Tower Reconfiguration (MP 143.2)	Phase 1a	$0.01			$0.04													$0.03
LA - Fullerton 4-Crossovers (MP 150-165)	Phase 1a	$4.90				$4.90												$4.20
Station Improvements																		
Commerce Station (MP 162.0)	Phase 1a	$0.32				$0.32												$0.30
LAUPT On-Site Improvements	New	$10.00				$5.00			$0.50	$0.50								$10.00
Grade Xing Improvements-8 Sites (MP 151.0-197.0)	Phase 1a	$0.20		$0.20														$0.02
LOS ANGELES SUBTOTAL		$26.36	$0.00	$1.60	$0.04	$0.30	$7.04	$0.00	$0.50	$0.50	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$22.70
ORANGE COUNTY ELEMENTS (MP 203.4-257.2)																		
Trackage Improvements																		
Anaheim Siding Upgrade - Extension (MP 207.7)	Phase 1a	$1.32				$1.32												$0.71
Gulfstream Siding (MP 192.9)	Phase 1a	$1.32				$1.32												$1.30
Double Track-Fullerton-Irvine (MP 165.0-179.2)	New	$69.46							$0.30	$7.16								$50.00
Irvine Station Double Track (MP 181.5-186.8)	Phase 1d	$2.00			$2.00													$2.20
Potter Canyon Bridge (MP 179.2)	Phase 1d	$0.40			$0.02													$0.00
Irvine Track Extension (MP 179.3-186.8)	Phase 1d	$5.00			$5.20	$4.46	$3.45											$0.40
Santa to San Juan Capistrano (MP 202.7-209.0)	Phase 1d	$7.15						$4.00	$0.15									$4.10
SPC Double Crossovers (MP 205.0-210.0)	Pre Phase 1	$12.00	$5.20				$5.60	$4.70										$14.20
Fullerton - LA 3rd Track (MP 148.0 - 165.0)	Post Phase 1	$6.34						$2.40	$3.00									$0.07
Station Improvements																		
Fullerton Station (MP 165.0)																		
6" platform/ H. platform	Phase 1a	$1.00			$1.00													$0.00
South Platform	Phase 1d	$1.70			$1.75													$1.30
Wind tank modification	Phase 2b	$3.51			$3.51													$2.90
Highland Grade-Sep (MP 161.5)	New	$8.00				$0.00		$4.00	$4.00									$8.00
Irvine Station: Ped Xing/Platform (MP 182.1)	Pre Phase 1	$2.19			$0.30	$0.95	$1.04											$2.10
Anaheim Station-Pedestrian Xing (MP 207.8)	New	$0.41			$0.41													$0.30
Platform Improvements	New	$2.00								$2.00								$2.00
Parking Facilities	New	$15.43									$15.00							$15.00
Santa Ana Sta-Parking Facility (MP 175.9)	New	$4.30				$4.30												$4.30
Ped Underpass Study	Phase 1d	$0.31							$0.31									$0.10
8" Platforms SPCup and San Clemente	Phase 1d	$0.46				$0.23	$0.23											$0.30
ORANGE COUNTY SUBTOTAL		$91.40	$0.10	$0.00	$11.10	$13.23	$9.72	$15.10	$4.50	$9.16	$15.00	$0.00	$0.00	$0.00	$0.00	$0.00		$90.00
TOTAL		$265.57	$11.10	$16.02	$20.34	$32.00	$32.40	$40.10	$54.30	$60.90	$60.34	$14.00	$10.00	$00.40	$1.90			$220.40
2000-07 TIMWORK REQUIREMENTS		$212.34	$0.30	$0.50	$11.40	$20.15	$27.00	$46.90	$50.50	$51.40	$27.00	$4.00	$0.00	$00.40	$0.05			$213.70

LOS ANGELES - SAN DIEGO RAIL CORRIDOR AGENCY (LOSSAN)

10-YEAR CAPITAL IMPROVEMENT PLAN (YOE $ MILLIONS) ASSUMING BOND MONEY AND LOCAL/PRIVATE MATCH (NET)

ELEMENTS	PROJECT JUSTIFICATION	WORKING ESTIMATE	FY '90	FY '89	FY '90	FY '91	FY '92	FY '93	FY '94	FY '95	FY '96	FY '97	FY '98	FY '99	FY '00	CUMULATIVE COST EST
SYSTEMWIDE ELEMENTS																
Rolling Stock - 9900k trains and expansion	Phase 2a	$91.55			$2.30		$12.50	$12.50	$92.50	$12.50						$64.00
Rail Replacement: Fallbrook to San Diego	Phase 1b	$60.40	$0.00	$11.00	$15.00	$94.40										$92.00
Train Control System Improvements	New	$20.00				$0.13	$1.00	$10.00	$0.27							$15.00
Rolling Stock - 11000k trains	New	$91.70									$11.70	$40.00	$20.00			$97.10
Modifications to Existing Stations	Phase 1d	$2.10					$0.70	$0.70	$0.70							$1.40
SYSTEMWIDE SUBTOTAL		$155.75	$0.00	$11.00	$16.30	$14.53	$64.00	$22.20	$21.47	$12.50	$11.70	$40.00	$20.00	$0.00	$0.00	$229.54
SAN DIEGO COUNTY ELEMENTS (MP297.5-351.0)																
Trackage Improvements																
Tiers Relocation Old Town-Centre City	Phase 1a	$0.14				$0.00	$2.14									$0.95
Del Mar Siding	Phase 2b	$1.36		$1.36												$1.36
Encinitas Siding	Phase 1a	$0.80		$0.80												$0.04
Encinitas Siding (MP 237.7-239.7)	New	$1.70						$1.70								$1.47
San Onofre Siding	Phase 1a	$1.32				$1.32										$1.30
New Siding betw San Onofre and Fallbrook Jun	Phase 1d	$1.95					$1.95									$1.47
Fallbrook Junction Siding (MP 324.2)	Phase 2b	$0.52							$0.52							$0.20
Leucadia Passing Track (MP 235.4-237.4)	New	$1.98													$1.90	$1.90
Solana Beach Double Track (Encinitas-Miramar)	Phase 1d	$0.51					$0.51									$7.27
Solana Beach Double Track (MP 245.5-262.5)	New	$1.90					$1.90									$1.90
Poway Double Track (MP 250.0-254.5)	New	$5.24												$5.24		$5.00
Carlsbad Double Track (MP 227.1-230.0)	New	$6.55									$6.55					$6.30
Sorrento Double Track (MP 217.2-222.5)	New	$4.16												$4.16		$4.00
Las Pulgas Double Track (MP 212.3-217.2)	New	$4.99									$4.99					$4.80
San Onofre Double Track (MP 208.7-213.3)	New	$4.06										$4.06				$3.90
Elvira-Old Town/SD Xover (MP 250.6-254.2)	Phase 2b	$7.20							$3.64	$3.64						$7.00
Station Improvements																
Encinitas - Track Modifications	Phase 1a	$2.00		$2.00												$1.50
Del Mar Replacement	Phase 2b	$0.07				$0.07										$0.50
San Diego Santa Fe Depot	New	$2.00							$2.00							$2.00
Curve Realignments																
Del Mar	Phase 2b	$2.70							$2.70							$2.30
Soledad Canyon	Phase 2b	$5.72					$5.72									$10.30
Elvira Curve	Phase 2b	$1.30							$1.30							$0.30
Passing																
Old Town	Phase 2b	$0.08								$0.08						$0.07
Encinitas	New	$0.02					$0.02									$0.02
Stock Crossing Improvements	Phase 2b	$0.83				$0.83										$0.71
SAN DIEGO SUBTOTAL		$94.70	$0.00	$4.22	$0.00	$16.42	$20.32	$1.70	$10.24	$3.72	$11.54	$0.06	$0.00	$40.40	$1.90	$84.77

TESTIMONY OF
RAY REMY
SUBCOMMITTEE ON SURFACE TRANSPORTATION
JULY 2, 1990

CONGRESSMAN ANDERSON, CONGRESSMAN MINETA AND MEMBERS: THANK YOU FOR THE OPPORTUNITY TO BE HERE TODAY.

MY NAME IS RAY REMY. I SERVE AS THE PRESIDENT OF THE LOS ANGELES AREA CHAMBER OF COMMERCE AND SERVE AS A MEMBER OF THE TRANSPORTATION COALITION. I AM PLEASED TO REPRESENT THE LOS ANGELES AREA BUSINESS COMMUNITY AND TO GIVE OUR RECOMMENDATIONS AS CONGRESS BEGINS CONSIDERATION OF LEGISLATION TO REAUTHORIZE THE SURFACE TRANSPORTATION ASSISTANCE ACT.

LOS ANGELES IS THE SECOND LARGET URBANIZED AREA IN THE COUNTRY, WITH A POPULATION THAT IS SURPASSED BY ONLY FOUR STATES IN THE NATION OTHER THAN CALIFORNIA. ACCORDING TO RECENT PROJECTIONS, WE WILL ADD ABOUT 5.5 MILLION PEOPLE TO OUR AREA BETWEEN NOW AND THE YEAR 2010.

WE, IN THE BUSINESS COMMUNITY, RECOGNIZE THE INCREDIBLE ECONOMIC CHALLENGES WHICH HAVE RESULTED FROM OUR POPULATION GROWTH, AND OUR STRATEGIC POSITION ON THE PACIFIC RIM. WE ARE ALSO ACUTELY AWARE OF THE NEED TO ADDRESS THE CRITICAL ISSUES CONFRONTING SOUTHERN CALIFORNIA -- INCLUDING IMPROVING MOBILITY AND AIR QUALITY.

PUBLIC TRANSPORTATION IS A KEY PART OF OUR STRATEGY IN LOS ANGELES. AS YOU KNOW, WE ARE CURRENTLY BUILDING A COMPREHENSIVE 150 MILE RAIL TRANSIT SYSTEM WHICH SHOULD PLAY A SIGNIFICANT ROLE IN MITIGATING THE REGION'S MOBILITY AND AIR QUALITY PROBLEMS. ANOTHER VITAL ELEMENT IS THE EXTENSIVE CONGESTION MANAGEMENT RELIEF PROGRAM TO BE APPLIED TO CRITICAL INTERSECTIONS ON OUR CITY STREET AND COUNTY ROADS.

ON JULY 16 OF THIS YEAR, THE BLUE LINE WILL BEGIN OPEATION. THE 21 MILE DOWNTOWN TO LONG BEACH LIGHT RAIL LINE WILL TRANSPORT 35,000 RIDERS DAILY WITH 54,000 DAILY RIDERS EXPECTED BY THE YEAR 2000. THE BLUE LINE HAS BEEN CONSTRUCTED ENTIRELY WITH LOCAL PROPOSITION A SALES TAX FUNDS.

LAST MONTH, THE VOTERS OF CALIFORNIA MADE A MAJOR COMMITMENT TOWARDS TAKING RESPONSIBILITY FOR CALIFORNIA'S TRANSPORTATION FUTURE INTO THEIR OWN HANDS WHEN THEY APPROVED A 10 YEAR, $18.5 BILLION TRANSPORTATION IMPROVEMENT PROGRAM. SECRETARY SKINNER AND THE BUSH ADMINISTRATION HAD STRONGLY INDICATED THAT THEY WERE LOOKING FOR STATE AND LOCAL COMMITMENT IN FUNDING TRANSPORTATION SYSTEMS AND WE BELIEVE THAT CALIFORNIA ROSE TO THAT CHALLENGE. NOT ONLY HAVE WE BEEN WILLING TO RAISE MONEY AT THE LOCAL LEVEL THROUGH LOCAL SALES TAXES, BUT NOW THE STATE HAS MADE THE MAJOR COMMITMENT OF A 5¢ INCREASE IN THE GASOLINE TAX WITH A SUBSEQUENT 4¢ TO BE LEVIED OVER THE NEXT 4 YEARS. OUR CHAMBER WAS PROUD

TO SERVE AS A COUNTY CO-CHAIR FOR THIS EFFORT AND ALSO TO BE THE COUNTY ELECTION NIGHT HEADQUARTERS FOR PROPS 108 & 111.

ALTHOUGH THE MEASURE APPROVED BY THE VOTERS PROVIDES CRITICAL HELP IN FUNDING OUR 5-YEAR TRANSPORTATION IMPROVEMENT PROGRAM, THERE IS THE EQUALLY ESSENTIAL NEED FOR THE FEDERAL GOVERNMENT TO ASSUME ITS RESPONSIBILITY TO ASSIST IN THESE INVESTMENTS. IT IS WIDELY DOCUMENTED THAT DESPITE RAPID POPULATION GROWTH ACROSS THE COUNTRY IN THE LAST 10 YEARS FEDERAL SPENDING FOR TRANSIT HAS DECLINED FROM $4.6 BILLION IN 1981 TO JUST OVER $3 BILLION TODAY. WE PARTICULARLY FEEL THAT WHERE STATE AND LOCAL COMMITMENT HAS BEEN MADE THE FEDERAL GOVERNMENT ALSO NEEDS TO ASSUME ITS RIGHTFUL SHARE. THE IMPORTANCE OF THESE STATE AND FEDERAL DOLLARS CANNOT BE OVERSTATED.

WITH THE TREMENDOUS HELP THAT YOU HAVE GIVEN US, WE HAVE BEEN SUCCESSFUL IN SECURING THE $667 MILLION FUNDING THIS PAST APRIL TO BE USED ON MOS-2, THE SECOND LEG OF OUR METRO RAIL PROJECT. YOUR CONSISTENT AND CONSTANT SUPPORT HAS MADE THAT PROJECT POSSIBLE; AND THROUGH YOUR CONTINUED HELP, WE LOOK FORWARD TO EXTENDING THAT SYSTEM ON OUT TO THE SAN FERNANDO VALLEY, AS HAS BEEN CONTEMPLATED THROUGH ALL OF OUR PLANNING PROCESS.

IT SHOULD BE NOTED THAT SOME $180 TO $200 MILLION FROM THE PRESENT AUTHORIZATION WILL NOT HAVE BEEN APPROPRIATED BY THE SEPTEMBER 30, 1991 DATE, ON WHICH THE PRESENT SURFACE TRANSPORTATION ACT

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EXPIRES. WE WILL, THEREFORE, NEED TO EXTEND THIS REMAINING AUTHORIZATION IN THE PROVISIONS OF THE NEXT SURFACE TRANSPORTATION ACT.

LONGER TERM PLANNING UNDERWAY HERE IN LOS ANGELES LOOKS AT EXTENDING THAT METRO RAIL PROJECT TO THE TRANSIT DEPENDENT AREAS OF EAST LOS ANGELES, AND WESTWARD TO THE VERY DENSE RESIDENTIAL AND COMMERCIAL BASES OF WESTWOOD AND CENTURY CITY. THESE INVESTMENTS WILL FURTHER ENHANCE THE ABILITY OF PEOPLE TO MOVE AROUND THIS REGION AND PROVIDE A CLEAR ALTERNATIVE TO THE EXTENSIVE FREEWAY NETWORK.

PLEASE KEEP IN MIND AS YOU REVIEW OUR REQUESTS FOR REAUTHORIZATION OF THE SURFACE TRANSPORTATION ACT THAT THE LOS ANGELES AREA IS FIRMLY COMMITTED TO PROVIDING SUBSTANTIAL LOCAL FUNDING FOR RAIL AND OTHER TRANSPORTATION IMPROVEMENT PROJECTS. IT IS WELL DOCUMENTED THAT WE HAVE A MAJOR LOCAL MATCH FOR THE METRO RED LINE FUNDING; AND THAT WE HAVE CONSTRUCTED BOTH THE BLUE LINE TO LONG BEACH AND THE 20-MILE NORWALK TO EL SEGUNDO LINE, IN THE MIDDLE OF THE GLENN ANDERSON FREEWAY, ALSO BY LOCAL FUNDING.

WE BELIEVE THAT THE NATION DEMANDS THAT WE HAVE A PROGRESSIVE, FAR-REACHING REAUTHORIZATION OF THE SURFACE TRANSPORTATION ACT. THAT EXISTING TRUST FUND MONIES SHOULD BE SPENT FOR THE PURPOSES FOR WHICH THOSE FUNDS WERE COLLECTED; THAT THE GAS TAX AT THE FEDERAL LEVEL CLEARLY NEEDS TO BE REAUTHORIZED AND THAT THOSE FUNDS SHOULD BE SPENT FOR TRANSPORTATION PURPOSES AND NOT DIVERTED FOR OTHER GENERAL FUND PURPOSES IN THE FEDERAL BUDGET. WE BELIEVE

THAT THERE SHOULD BE FLEXIBILITY IN THE DECISION MAKING ON HOW THE DOLLARS CAN BE SPENT BETWEEN TRANSPORTATION MODES, IN THE METROPOLITAN AREA; AND THE PLANNING PROCESS FOR THESE FUNDS SHOULD BE BUILT ON A COOPERATIVE AREA-WIDE AND STATE PLANNING PROCESS. WE BELIEVE THAT IN SOUTHERN CALIFORNIA WE HAVE THE NECESSARY BUILDING BLOCKS FOR THIS PROCESS THROUGH THE WORK OF OUR COUNTY TRANSPORTATION COMMISSIONS AND OUR OTHER APPROPRIATE TRANSPORTATION AGENCIES.

WE LOOK FORWARD TO WORKING WITH YOU AND PROVIDING STRONG AND CONSISTENT SUPPORT AS YOUR MEASURE MOVES THROUGH CONGRESS NEXT YEAR.

JOINT TESTIMONY OF THE

ORANGE COUNTY TRANSIT DISTRICT

AND

ORANGE COUNTY TRANSPORTATION COMMISSION

BEFORE THE

SURFACE TRANSPORTATION SUBCOMMITTEE

OF THE

HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

JULY 2, 1990

LONG BEACH, CALIFORNIA

Good morning Mr. Chairman and members of the Committee. My name is Thomas F. Riley. I am a member of the Board of Supervisors representing the Fifth Supervisorial District in Orange County. I am a member and the immediate past Chairman of the Orange County Transportation Commission. This morning I will also be speaking on behalf of the Orange County Transit District.

I want to thank you for the opportunity to testify this morning on behalf of Orange County's transportation agencies regarding the upcoming reauthorization of federal highway and transit programs. Before I begin, just a few words about Orange County.

Once in the shadow of Los Angeles, Orange County has become enormously successful and a powerful economic engine in its own right. After three decades of explosive growth it is home to 2.3 million people. The county has produced 1.2 million jobs and boasts an unemployment rate of less than 3 percent. If its goods and services were a gross national product, it would rank as the 40th largest economy in the world.

Since much of Orange County's growth has come after the state and federal governments slackened their freeway building activities, we have had to turn to other options, including:

(1) Developer fees that are the highest in the nation, paying for roads well beyond the site of a development, including a fee program that is a catalyst for California's first three tollways.

(2) We lead the state in miles of High Occupancy Vehicle (HOV) lanes, with more under construction. We are well on our way to completing a 90 mile system of exclusive lanes for carpools and buses.

(3) We recently introduced the first southern California commuter rail running between south Orange County and downtown Los Angeles, and with other counties in the region are experiencing a resurgence in public interest in rail transit. Meanwhile our bus system continues to hit new records for patronage with improved recovery of costs from the farebox.

The downside of this success story, however, has been a persistent lack of public financing for needed transportation projects. Despite our efforts, traffic congestion continues to worsen for lack of adequate investment. Over the next several months, we will join in the benefits of California's recent voter-approved

fuel tax while also considering a third try at voter approval of a local transportation sales tax.

With these observations as background, I will summarize our key recommendations on a new national surface transportation program.

First and foremost we encourage you to preserve and protect the federal revenues that have built and supported so much of our transportation system. We view the fuel tax as a "user fee" that should be dedicated to transportation investments. We recommend that you make permanent the Highway Trust Fund and the revenues to support it.

As you know, much of our existing transportation infrastructure is in a state of decline while, at the same time, population and economic growth in areas like Orange County requires new highway and transit investments. Less than a month ago, California voters recognized these realities in approving a state gas tax increase.

However, this type of voter support for funding the transportation infrastructure would not have been possible if the federal government were diverting fuel taxes for non-transportation uses. We urge this Committee to maintain its strenuous opposition to increasing fuel taxes for purposes of reducing the federal budget deficit.

Equally important to public attitudes and receptivity to new transportation initiatives, is ensuring that residents of California, along with the rest of the country, receive a "fair share" return on their fuel tax dollars. I strongly recommend that you work to preserve the 85 percent minimum allocation for federal highway funds that you first enacted in 1983.

As part of the effort to protect and preserve the federal revenue base, we recommend that you reconsider the current federal policy of exempting alternative fuels from federal "user fees." Currently, the effect of these exemptions on the Highway Trust Fund is minimal. However, as the use of these

fuels becomes more prevalent, and perhaps mandatory, we are concerned that there will be a significant drain on revenues. We believe that now is the time to address this issue and preserve the long-term integrity of the Trust Fund.

Just as important as preserving the Highway Trust Fund, is the urgent need to manage it effectively. Our primary concern is with the current large unspent balance in the Fund. While these monies sit idle in order to cushion the true magnitude of the federal budget deficit, critical surface transportation needs go unfunded. At the same time, public knowledge of the situation seriously undermines our credibility with voters and with users of the transportation system.

We urge this committee to support actions that will permit spending down the Highway Trust Fund balance to prudent levels at a reasonable rate. In addition, we urge a gradual lifting of the obligation limits for transportation programs to prevent further buildup in the Trust Fund.

We recommend that a portion of the funds made available by reducing the Trust

Fund balance be earmarked for development of a program to encourage and reward local investments in transportation improvements that serve regional and interstate, as well as local travel demand. The state of California has implemented such a program as part of the recent fuel tax increase, setting aside more than 10 percent of the new revenues to match locally generated funds. A similar federal grant program would encourage the development of new intergovernmental and public-private partnerships needed to solve our transportation problems.

To further encourage local and private investments in our transportation infrastructure we urge you to build upon the limited authorization for toll road financing that this Committee championed in the last federal reauthorization act. From my perspective as a board member for one of joint powers agencies in Orange County that is designing and building a tollway under the H.R. 2 pilot toll road provisions, I urge you to make this program permanent. Further, we recommend that you consider eliminating barriers to retrofitting tolls on facilities which have aged beyond their design life and for the integration of private toll facilities with the federal-aid-system.

With regard to your reauthorization of specific transportation programs, we strongly support a continued federal role in the rehabilitation and replacement of the federal-aid-highway system to protect the enormous investment already made in these facilities. To ensure that federal dollars are spent where they will do the most good, we also support some consolidation of the numerous categorical programs, with greater state and local flexibility in spending decisions.

In light of the many requirements now being imposed on local government for congestion management, air quality improvements and mobility for the elderly and handicapped, we also urge you to continue federal support of transit programs, including the dedication of one penny of the federal fuel tax to transit. In addition, we support a greater reliance on formula allocation of funds for transit capital improvements, along with greater flexibility in their use.

We are also concerned about the process for handling federal transit grant

requests, particularly the trend toward earmarking funds for projects in advance of the filing of grant applications. An attachment to my written testimony describes an interchange project to connect operating segments of our HOV lane system that we believe will compete well for federal funds based on its cost effectiveness and local funding support.

While we recognize that this Committee does not have jurisdiction to award this grant, we are concerned that all available funding for upcoming years will be lost to us through earmarking. We respectfully request your support in ensuring that all applicants may compete for federal transit grants on a level playing field.

Mr. Chairman and members of the Committee that concludes my remarks. Thank you, once again, for the opportunity to speak on behalf of Orange County.

ADDENDA TO TESTIMONY by
ORANGE COUNTY TRANSPORTATION COMMISSION
ORANGE COUNTY TRANSIT DISTRICT
Before
THE SUBCOMMITTEE ON SURFACE TRANSPORTATION
OF THE
PUBLIC WORKS AND TRANSPORTATION COMMITTEE
U.S House of Representatives
July 2, 1990
Long Beach, California

A significant component of the County's integrated transportation program is an approximate 90-mile system of operating and planned commuter lanes and a 20-mile transitway to provide for high occupancy vehicle (HOV) priority treatment throughout the county.

The transitway will tie the various HOV facility components together and is designed to directly serve the county's major activity centers. It consists of a barrier separated core project on I-5 combined with buffer separated lanes with exclusive access and egress ramps to local streets and arterials on the SR 57, SR 55, and I-405 freeways. For those interchanges with high traffic volumes, direct connection will be provided. These interchanges at I-5/SR 57 /SR 22, I-5/SR 55, and SR 55/I-405 represent significant capital investments designed to provide major travel-time savings to a large number of users. These direct connections are required if the countywide transitway and commuter lane system is to operate as a total system, provide relief for the traffic bottlenecks associated with freeway-to-freeway interchanges, and assure HOV commuters a safe and reliable trip.

Over the past several years, the Orange County Transit District and the Orange County Transportation Commission have taken joint actions in support of the development of transitways in Orange County, and in particular the core project on I-5. Concurrent with the CALTRANS project to widen I-5, the transitway

project is expected to be under construction by mid-1991. Transit District staff is currently completing an Urban Mass Transportation Administration sponsored Alternatives Analysis/Environmental Assessment (AA/EA) for the SR 55/I-405 interchange connectors which is intended to be the second phase of the transitway development program.

Local funding has and will be used to complete the core transitway project. It is anticipated, however, based upon the favorable reviews by UMTA staff, that the SR 55/I-405 transitway connectors will be partially funded by a federal grant.

In a letter to Representative William Lehman, Chairman of the Subcommittee on Transportation, House Appropriations Committee, last April, the Urban Mass Transportation Administration Administrator discussed criteria for Section 3 New Start Program funding of local projects. The first criteria is cost-effectiveness and the second is local financial effort. We believe that the SR 55/I-405 interchange project deserves your support based on its rating on both of these criteria.

UMTA Administrator Brian Clymer's April 5, 1990 letter shows in Attachment 2 that Orange County's project ranks best in cost-effectiveness of the five projects listed as being cost-effective. Cost-effectiveness is defined as total cost per new trip, or "dollars per new trip index". The projects described as "Likely to be Cost-Effective" include Los Angeles Metro extensions at $5.60 and $4.20 in 1985 dollars, with Orange County's project calculated at $3.75 in 1989 dollars.

TESTIMONY
Page 3

In terms of local financial commitment, Orange County is projecting a local match of 25% to receive a $152 million UMTA grant. This must be placed in perspective in that the initial phases of this project have been and will be 100% locally funded. Thus the total cost of the 20-mile core transitway will be $462 million, with UMTA being asked to provide only about 33% in the form of a Section 3 grant for the SR 55/I-405 project.

The application for this grant will be submitted in the fall of 1990. We respectfully ask for your endorsement of this Orange County project. We recognized that the Appropriations Committee has jurisdiction over this funding, and we have become concerned that Congress has been endorsing future projects by earmarking funds in advance of the filing of grant applications. Therefore, we fear that Section 3 funding for the upcoming years could be committed before this project reaches the point in the UMTA process for grant application. We hope you can help us in whatever way is appropriate to see that funding is available for this very cost-effective project for Orange County.

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COMMUTER TRANSPORTATION SERVICES, INC.
TESTIMONY BEFORE THE SUBCOMMITTEE ON
SURFACE TRANSPORTATION
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
U. S. HOUSE OF REPRESENTATIVES

HEARING ON REAUTHORIZATION OF THE POST-INTERSTATE
SURFACE TRANSPORTATION PROGRAMS

MONDAY, JULY 2, 1990
LONG BEACH, CALIFORNIA

TESTIMONY DELIVERED BY JIM SIMS, PRESIDENT

Commuter Transportation Services, Inc.
3550 Wilshire Boulevard, Third Floor
Los Angeles, California 90010
(213) 380-7750

My name is Jim Sims and I am President of Commuter Transportation Services, Inc., -- CTS. We are the oldest and largest commute management company in the country. We represent more than 12 million people in the four county Southern California area and currently serve over 3,000 major worksites.

While CTS recognizes and supports the value of capital transportation projects, we concentrate our resources on making the best use of the system already in place -- through transportation demand management (TDM). TDM works by managing vehicles on the roads in the following ways:

1. By increasing vehicle occupancy through such programs as carpooling, vanpooling, high occupancy vehicle (HOV) lanes, park and ride lots and parking management.
2. By increasing the use of public mass transit.
3. By decreasing the need to commute -- especially during peak hours. This is achieved through telecommuting from home or neighborhood work sites, four day work weeks, staggered work hours, biking and walking to work.

I would like to make three recommendations for consideration in the Surface Transportation Reauthorization Act:

1. The Highway bill must explicitly recognize transportation demand management as a key strategy to improve mobility.

TDM enables us to maximize the use of streets and highways that are already in place. In addition, it has other significant benefits:

• TDM is cost effective. In the CTS fiscal year 89-90 which ended last week, we had an organizational budget of 6.5 million dollars. During the year we placed 45,000 individuals in ridesharing arrangements. That same 6.5 million would have bought the construction of 1,000 feet of light rail, 343 feet of freeway and 121 feet of underground rail.

TDM also brings a new partner to the table -- the private sector. In 1985, on average, major employers in Southern California spent less than $5 per employee per year on their ridesharing programs. Now these companies are spending between $50 and $200 per employee per year. While much of this increase has come as a result of air quality regulations, it is an example of how the private sector can contribute to the solution through demand management programs.

• TDM reduces air pollution. The 45,000 trips that we reduced last year saved 15,348 tons of emissions. And , our cost per ton of air pollution reduced is $443 compared to industry's cost for stationary sources of $4,000 per ton.

o TDM conserves energy. Last year CTS reduced gasoline consumption by 30.7 million gallons.

o TDM is less disruptive. Reducing wear and tear on the highways reduces maintenance interruptions. Accomplishing TDM goals does not require that residents be displaced against their will.

Urban congestion threatens our nation's economic vitality -- that same economic vitality that our highway system was built to promote:
The majority of our nation's work force is employed in urban areas and the greater part of our gross national product is produced in urban areas. We must be able to move our goods and services and employees in and out of work centers.

In addition to urban congestion, we have seen suburb to suburb commute patterns emerge as the major source of commute vehicle miles driven. These commuters can be more efficiently served through demand management strategies.

My second recommendation for the Highway bill is:

2. Highway funds must be as available for demand management programs as they are for system management and capital projects. And, there must be parity in the federal match ratio.

States should be given the opportunity to spend their federal funds on what works best for them. Their judgment should not be prejudiced by a discrepency in match levels. There should be no inducement for selecting transportation solutions for reasons other than absolute effectiveness.

My third recommendation is:

3. The Highway bill must designate funding for demand management research.

There is abundant data to indicate that removing single-occupant vehicles from the road through managing demand is not only cost effective, but also a viable long-term solution. However, we do not have studies deep or broad enough to fully evaluate and fine-tune which strategies work best in which cases, and at what points mode shifts occur. Because of this void in data, we urge that funds be designated for TDM research. Considering the significant fiscal and policy decisions on which this information depends, it would be a gross oversight to not build in a component to quantify the effectiveness of the demand side of the transportation equation.

The Highway Act, historically, has embodied our nation's transportation vision. With the completion of the interstate there must be a new vision -- one that recognizes our growth and changes and addresses them appropriately. The vision must consider and complement other federal policies such as fiscal prudence and clean air/quality of life issues.

The time has come for transportation demand management to be recognized as a significant part of the transportation solution and be supported at a level commensurate with its value. The Highway Act is the place to do it.

Mayoral Testimony/Subcommittee on Surface Transportation

Mr. Chairman and Members of the Congressional Subcommittee on Surface Transportation, my name is Luigi A. Vernola and I am the Mayor of Norwalk. I am testifying today on behalf of Norwalk and the Mayors of Santa Fe Springs and La Mirada.

As the Subcommittee is aware, tremendous growth in Southern California since 1950 has put great pressure on local transportation systems. This pressure has created an immediate need for creative and innovative multi-modal approaches to correct current shortcomings.

We asked to testify before you today to bring to the attention of the Subcommittee our concerns regarding the widening of Interstate 5. Current funding provides for widening only to the confluence of SR-91 and again from I-605 South. This means that the link from SR-91 to I-605 is not funded through the Cities of Norwalk, Santa Fe Springs, La Mirada and Downey.

The section of roadway we are speaking about was constructed to the current design standards of the early 1950's. For the purposes of historical perspective, this was the first Federally funded section of the Interstate System. As we all know, it is a system that has kept America at the forefront of technology and an economic leader.

The Cities represented here today are especially concerned about four issues that arise due to the proposed improvements. These issues are ones dealing with **transportation, the environment, public safety and the economic survival of the region surrounding the improvements.**

With the understanding that the intent of National Transportation Policy is to look at improvements regionally, we feel the plan for the current improvements would cause a bottleneck on I-5 that would diminish many regional benefits, as well as drastically contradict the initial intent of the improvements. This departure from a regional transportation perspective has resulted in spotty improvements that will not improve the regional traffic needs. Currently, capital improvement dollars are spent where it is easy to do so, leaving more complicated sections neglected with the end result being a diminished regional transportation benefit.

Further, from a pollution standpoint, a bottleneck on the I-5 where it passes through our cities would have a tremendous air quality impact given the volume of traffic on this roadway. The slow down in this affected area would concentrate vehicles and their exhaust in our cities thus having an air quality impact that none of us is comfortable with and will have extremely negative pollution implications.

The lack of necessary ramp improvement construction to the I-5 due to no decision on future designs leaves our region with serious congestion problems at the freeway ingress and egress points as

well as bridges for local street systems. Fire, Paramedic and Law Enforcement Services are severely impacted because of freeway related deficiencies.

Our communities of Norwalk, Santa Fe Springs, La Mirada and Downey developed along the I-5 corridor and currently are in the midst of redevelopment activities to bolster our economic viability as is necessary for municipalities to do these days. Clearly if in the future the region is to remain economically sound and have a regional transportation perspective, improvements to the I-5 between Highway 91 and I-605 are a must.

However we also, have the responsibility of being protective of the business and industry that line the I-5 because of what they contribute to our tax bases and our respective City's service levels. We cannot endorse a policy that would devastate local businesses by increasing the width indiscriminately of the I-5 right-of-way through our cities.

We do endorse a National Policy that would provide for the funding of improvements for this historic Interstate through a scheduled project. However, the economic vitality of our communities demands a creative, innovative approach to improvements development. For this segment, this translates into increasing capacity while staying within the current right-of-way.

Examples for the Subcommittee's consideration could be:

1) Reversible lanes to handle peak hour volumes if the volumes are unbalanced.
2) Center express lanes for long-distance, through traffic that would be physically separated from the local traffic.
3) An elevated, 4-lane express route to carry long distance, through traffic with the lower 6 or 8 lanes functioning as a collector-distributor and short-haul facility.
4) Relocating current interchanges and on/off ramp systems.
5) Looking at designs that are safe but different than the current Federal highway standards such as narrower lanes, tighter ramp curves and waivers from current design standards that work better in less densely developed areas.

Perhaps we also need to take a more aggressive stance in dealing with the motoring public and communicate that it is not possible to think in terms of "one driver - one car" anymore. We cannot let this mentality dictate our roadway needs. Let's look at designs that improve I-5 but do so from a more creative approach that better meet our future traffic volumes.

The current improvements on I-5 will be futile for both Orange County and Los Angeles County, if the portion of I-5 that runs through our cities does not receive some type of creative and innovative solution. Our cities are willing to work in concert with the State and Federal authorities in trying to reach some type of creative solution to the problem that we all face. We, as

cities, are willing to do whatever is feasibly necessary to satisfactorily address this issue, as is attested to today by our presence before the Subcommittee.

In closing, I would like to reiterate our desire to:

1) See the upgrading of the I-5 from Highway 91 to I-605.
2) Commence a study to address the problems that we have discussed.
2) Endorse authorization of funds for the project.
3) Encourage National Policy that fosters creative and innovative capacity improvement alternatives within the existing right-of-way.

Finally, I very much want to continue the relationship between Norwalk and the cities represented here today and your Subcommittee so that we can provide input into this process that will have such a dynamic transportation, environmental, safety and economic affect on our cities and on Southern California generally. This Interstate is a major link between Los Angeles and Orange County. Thank you.

TESTIMONY OF WILLIAM WOOLLETT, JR.

EXECUTIVE DIRECTOR, TRANSPORTATION CORRIDOR AGENCIES

BEFORE HOUSE OF REPRESENTATIVES

SURFACE TRANSPORTATION SUBCOMMITTEE

Orange County's three Transportation Corridors, the first toll roads in California, are an important step forward not only for the state but for the nation as well.

Design and construction of the Corridors is administered by a Joint Powers Authority comprised of the County of Orange and 13 cities. The roads will be financed through locally-generated funding by fees on new development, toll revenues, as well as possible 35% federal reimbursement.

The Corridors represent a unique public/private partnership formed to answer a regional transportation crisis.

Ground breaking is expected to begin on the nearly 70 miles of new highways late this year. All three will be under construction in 1991, with openings beginning as early as 1993, through 1996. Our ability to meet these deadlines depends to a great extent on our ability to comply with a variety of federal environmental regulatory requirements, including NEPA, the Endangered Species Act, the Clean Air and later Acts, and the Section 4(f) requirements.

I would like to focus my discussion today on the Transportation Corridor Agencies' efforts to comply with the Clean Air Act and Section 4 (f).

Even though the Transportation Corridors are a locally-funded answer to the traffic congestion crisis in Orange County, the process of designing and building these important facilities is nevertheless subject to federal regulatory processes through environmental and Federal Highway Administration requirements.

Clean Air Act Transportation Conformity Requirements

The Clean Air Act requires new transportation facilities to be determined to be in conformity with State Implementation Plans adopted pursuant to the Clean Air Act. In 1989, the South Coast Air Quality Management District adopted a dramatically new Air Quality Plan for the Los Angeles Basin to comply with the requirements of the Clean Air Act. The plan includes significant new requirements concerning the approval of new highways. These so-called "transportation conformity" provisions were developed after extensive discussions between the various local transportation authorities, Caltrans, the Air Quality Management District, the Air Resources Board, the Southern California Assn. of Governments, and the EPA.

The essence of the new transportation conformity procedures is that projects which are included in the Regional Mobility Plan component of the Air Quality Plan are not required to undergo separate project-by-project conformity determination as long as the project size and configuration is consistent with the size assumed in the Air Quality Plan.

Despite the elaborate efforts among the transportation and air quality agencies to achieve consensus on this issue, we are concerned that the EPA is attempting to impose new and additional transportation conformity procedures which could jeopardize the construction of the Corridors. In our view, it makes no sense to require additional review of a project's conformity with the Air Quality Plan once the project is specifically included in the Air Quality Plan. This is especially the case with regard to the South Coast Air Quality Plan, which makes it clear that some additional transportation improvements are needed to reduce congestion and assist the Basin in meeting the Clean Air Act ozone and carbon monoxide standards.

We sincerely appreciate the successful efforts of Chairman Anderson and the other members of this Committee to amend the House Clean Air Act legislation to make it clear that transportation conformity determinations are required to be made at the plan and program level, and that project-by-project conformity review is not required by the Clean Air Act. As you know, the Committee's amendment was endorsed by the California Air Resources Board and by Caltrans. We believe that the inclusion of the Committee's amendment in the Conference Report on the Clean Air Act is critical to our ability in meeting our scheduled opening dates for the three Transportation Corridors.

Section 4(f) Compliance

Section 4(f) of the Department of Transportation Act is another area of concern to the Transportation Corridor Agencies.

Section 4(f) prohibits the Federal Highway Administration from approving the use of parks and open space areas by highways unless there are no feasible and prudent alternatives to such use. The federal courts have interpreted Section 4(f) to apply not only to location of highways within parklands, but also the location of highways adjacent to park and open space areas. Section 4(f) creates some unique problems in Orange County because of the significant amount of parkland established by local government in the last decade, in the areas traversed by the proposed Corridors.

Many of these park and open space areas were established with the explicit understanding that the Corridors would be located in the vicinity of the parks. Indeed, in many cases, the parks and Corridors were planned together to minimize the impacts from the Corridors. We are proud of this planning process. It has resulted in the establishment of large, new park areas and environmentally-sensitive alignments for the Corridors. Nevertheless, we are concerned that recent judicial interpretations of Section 4(f) by the federal courts in California may jeopardize the Corridors. These courts have held that highways are subject to the requirements of Section 4(f) even where the park

areas and the highway facility are jointly planned to minimize the impacts of the highway.

Ironically, these court decisions are operating to discourage the establishment of new parks by local government because of their legitimate fear that the establishment of new parks will jeopardize the approval of critical transportation facilities. Thus, Section 4(f), a statute originally designed to protect parklands, is now interfering with the establishment of new park and open space areas. We encourage this Committee to investigate this problem and consider an appropriate legislative solution.

This $2.1 billion project has been made possible through an innovative combination of public sector support and private sector cooperation, as Orange County moves to solve transportation challenges with its own local solutions. Just as President Bush recommended in his transportation plan, the Transportation Corridors are a locally-funded answer to a local need.

Federal support is critical to local projects, but the fact that the federal government cannot fund all improvements must be understood and incorporated into policy-making. Local jurisdictions need assistance and incentives through federal legislation to make private toll facilities a reality.

Through the reauthorization of the federal highway program, the federal government can help bridge the gap

between available local financing and costs for new infrastructure.

Because the Transportation Corridors are a "pilot project," and given the funding constraints present in the state even following the recent passage of Proposition 111, the tollways continue to be affected at the federal level by transportation regulatory requirements. Therefore, the recognition by tne Congress and the Federal Highway Administration of the cooperative planning process underway in Orange County is vital.

The groundwork needed to make these projects a reality was laid long ago by key individuals in the county as well as on the state and national level.

In a state proud of advanced infrastructure and a renowned network of freeways, the concept of tolls on a California highway was a radical idea. But shrinking state and federal funds for new, desperately-needed highway miles forced Orange County officials into finding a solution.

The solution is three high-tech, state-of-the-art tollways designed with an eye toward preservation of the environment, and a commitment to future mass transit options.

In 1987, Congressman Glenn Anderson was instrumental in passage of public law 100-17, supported as he was by the House Committee on Public Works and Transportation. This legislation designated the Orange County Corridors as demonstration toll road projects.

Finance plans for the projects are currently being completed and the sale of toll revenue bonds will commence when necessary. Currently, the dual environmental and design processes underway are being funded through the collection of the development fees.

Because of the success to date in ensuring that these tollways become a reality, the program designating the Corridors as a pilot project is worthy of emulation. As America's infrastructure needs increase, the Orange County Transportation Corridors stand as an example of successful cooperation at all levels of government in accomplishing a goal benefitting its citizens.

TESTIMONY
BEFORE
SURFACE TRANSPORTATION SUBCOMMITTEE
OF THE
HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE

A. NORTON YOUNGLOVE, CHAIRMAN
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD

JULY 2, 1990
LONG BEACH, CALIFORNIA

THANK YOU FOR ALLOWING ME TO TESTIFY TODAY ON BEHALF OF THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT. WE REPRESENT AN AREA OF 13,350 SQUARE MILES WITH MORE THAN 12 MILLION RESIDENTS IN LOS ANGELES, ORANGE, RIVERSIDE, AND SAN BERNARDINO COUNTIES. OVER SEVEN MILLION WORK TRIPS ARE TAKEN EACH DAY IN THE SOUTH COAST AIR BASIN. IMPROVING OUR MOBILITY AND AIR QUALITY ARE BOTH ESSENTIAL TO THE ECONOMIC VITALITY OF THE SOUTH COAST BASIN AND THE HEALTH OF ITS RESIDENTS.

THE SOUTH COAST AIR BASIN HAS THE WORST AIR QUALITY IN THE NATION. OZONE AND CARBON MONOXIDE REACH MAXIMUM LEVELS NEARLY THREE TIMES THE NATIONAL STANDARD SET TO PROTECT PUBLIC HEALTH. FINE PARTICULATE MATTER (PM10) REACHES LEVELS OF NEARLY TWICE THE NATIONAL HEALTH BASED STANDARD. THIS BASIN IS THE ONLY AREA IN THE NATION STILL EXCEEDING THE NITROGEN DIOXIDE HEALTH STANDARDS. BASIN RESIDENTS INCUR BILLIONS OF DOLLARS IN DAMAGE TO HEALTH, MATERIALS, AGRICULTURE AND VISIBILITY.

TRANSPORTATION SOURCES CONTRIBUTE SUBSTANTIALLY TO OUR AIR QUALITY PROBLEM. WHEN COMPARED TO TOTAL POLLUTION EMITTED IN THE SOUTH COAST AIR BASIN, CARS AND TRUCKS CONTRIBUTE 46% OF REACTIVE ORGANIC GASES (ROG), 59% OF THE NITROGEN OXIDES (NO_X) AND 87% OF THE CARBON MONOXIDE (CO). REACTIVE ORGANIC GASES AND NITROGEN

OXIDES REACT IN THE PRESENCE OF SUNLIGHT TO FORM OZONE, OUR MOST SERIOUS AIR POLLUTION PROBLEM.

WITH THE SUPPORT OF THE STATE LEGISLATURE, THE SCAQMD HAS BECOME MORE ACTIVE THAN EVER IN THE PURSUIT OF HEALTHFUL AIR IN SOUTHERN CALIFORNIA. WE CAN ACHIEVE CLEAN AIR IN THE SOUTH COAST AIR BASIN THROUGH AN AGGRESSIVE PLAN OF ACTION OVER THE NEXT 20 YEARS. THIS ACTION PLAN, OFFICIALLY CALLED THE AIR QUALITY MANAGEMENT PLAN (AQMP) HAS LAID THE GROUNDWORK FOR AN INTEGRATED REGIONAL STRATEGY FOR ATTAINING HEALTHFUL AIR. THE PLAN INCORPORATES DOZENS OF TRANSPORTATION AND OTHER MEASURES WHICH, WHEN IMPLEMENTED, WILL HELP IMPROVE THE AIR QUALITY AND ALSO ADDRESS THE MOBILITY NEEDS OF OUR REGION'S RESIDENTS.

SOLVING SOUTHERN CALIFORNIA'S SMOG PROBLEMS ARE CLEARLY MADE MORE DIFFICULT BY GROWTH. IN DEVELOPING OUR SMOG CLEAN-UP PLAN, THE DISTRICT ALSO EVALUATED THE IMPACT OF GROWTH. IF THE AREA'S POPULATION AND BUSINESS ACTIVITY WOULD REMAIN AT TODAY'S LEVEL, EMISSIONS IN THE BASIN WOULD HAVE TO BE REDUCED BY ABOUT 65% TO ACHIEVE FEDERAL AIR QUALITY STANDARDS. HOWEVER, INCLUDING GROWTH IN THE PROJECTIONS RESULTS IN THE NEED TO REDUCE FUTURE EMISSIONS BY ABOUT 78%. DURING THE DEVELOPMENT OF THE BASIN'S CLEAN-UP PLAN, IT WAS CONCLUDED THAT MOST, IF NOT ALL, OF THE PROJECTED GROWTH IS INEVITABLE.

THE AQMP INCORPORATED GROWTH MANAGEMENT CONCEPTS SUGGESTED BY THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS. THE ASSOCIATION CAME TO THE CONCLUSION THAT TRAFFIC COULD NOT BE CONTAINED AT TODAY'S LEVELS, BUT ITS RATE OF GROWTH IN THE FUTURE COULD BE SLOWED. AT PRESENT TRAFFIC GROWTH RATES, AN UNCONSTRAINED SYSTEM WOULD LIKELY SEE A 50-60% GROWTH IN VEHICLE MILES TRAVELLED IN THE DISTRICT BY 2010. HOWEVER, WITH THE ADDITIONAL MASS TRANSIT, CAR POOL LANES, TRAFFIC MANAGEMENT AND JOB/HOUSING BALANCE CALLED FOR THE AIR QUALITY MANAGEMENT PLAN, TRAFFIC GROWTH CAN BE CUT IN HALF. THIS APPROACH STILL LEAVES THE DISTRICT HAVING TO SOLVE THE AREA'S SEVERE AIR QUALITY PROBLEMS IN THE FACE OF A 25-35% INCREASE IN TRAFFIC.

I WOULD LIKE TO SHARE WITH YOU SOME OF THE PRINCIPAL OBJECTIVES OF THE REGIONAL MOBILITY PLAN WHICH ARE INCORPORATED INTO THE AIR QUALITY MANAGEMENT PLAN AND OUR THOUGHTS ON HOW YOU CAN HELP US TO ACHIEVE OUR AIR QUALITY AND MOBILITY ENHANCEMENT GOALS THROUGH THE REAUTHORIZATION OF THE SURFACE TRANSPORTATION ASSISTANCE ACT.

THE PRINCIPAL OBJECTIVES OF THE REGIONAL MOBILITY PLAN ARE TO:

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- ATTAIN AND MAINTAIN MOBILITY IN AN ENVIRONMENT OF RAPID POPULATION AND ECONOMIC GROWTH.

- TO ACCOMMODATE THE TRANSPORTATION DEMANDS OF PEOPLE AND GOODS GIVEN THE ADOPTED GROWTH-MANAGEMENT FORECAST.

- TO INDUCE CHANGES IN TRAVEL BEHAVIOR THAT WILL LOWER THE NUMBER OF HOME-TO-WORK TRIPS AND INCREASE VEHICLE OCCUPANCY, AND PROVIDE THE SUPPORT TO CONSTRUCT THE NECESSARY INFRASTRUCTURE.

- TO ACHIEVE AN EFFICIENT BALANCE AMONG ALL MODES, INCLUDING NEW TECHNOLOGIES.

- TO MAXIMIZE USE OF EXISTING FACILITIES THROUGH SYSTEM AND DEMAND-MANAGEMENT TECHNIQUES.

- TO SUPPORT A PATTERN OF DEVELOPMENT THAT SHORTENS TRIP LENGTHS THROUGH COMPREHENSIVE PLANNING.

YOU CAN ASSIST US IN ACHIEVING THESE GOALS BY:

- SUPPORTING AND GIVING PRIORITY TO FUNDING PROGRAMS FOR IMPROVED MASS TRANSPORTATION FACILITIES THAT

ARE LIKELY TO REDUCE TRIPS WHICH WOULD OTHERWISE BE MADE IN AUTOMOBILES.

- O SUPPORTING AND GIVING PRIORITY TO FUNDING THE DEVELOPMENT OF HIGH OCCUPANCY VEHICLE LANES WHENEVER CAPACITY IMPROVEMENT PROJECTS ARE PROPOSED RATHER THAN SIMPLY ADDING NEW GENERAL PURPOSE OR MIXED-USE LANES TO OUR ALREADY OVERCROWDED FREEWAYS.

- O SUPPORTING TRANSPORTATION SYSTEM MANAGEMENT INVESTMENTS WHICH WILL ALLOW US TO MANAGE THE EXISTING SYSTEM BETTER AND MORE EFFICIENTLY. FOR EXAMPLE, TRAFFIC SIGNALIZATION PROJECTS AND TECHNOLOGICAL IMPROVEMENTS SUCH AS THE CITY OF LOS ANGELES SMART STREET'S AND TRUCK MANAGEMENT PROGRAMS WHICH WILL IMPROVE TRAFFIC FLOW AND REDUCE EMISSIONS.

- O SUPPORTING PROGRAMS WHICH WILL LIMIT VEHICLE USE IN HEAVILY CONGESTED AREAS DURING PEAK TRAVEL PERIODS WHERE EMISSION CONCENTRATIONS ARE PARTICULARLY HIGH.

- O SIGNIFICANT ADDITIONAL CONGESTION REDUCTIONS COULD BE ACCOMPLISHED WITHOUT PUBLIC EXPENDITURES FOR TRANSIT IMPROVEMENTS IF CONGRESS WOULD DIRECT EPA

TO PROVIDE REALISTIC ALLOWANCE FOR TRIP REDUCTIONS AS A PART OF MEETING STATIONARY SOURCE AIR QUALITY REQUIREMENTS. TO BE MORE SPECIFIC, A STATIONARY SOURCE THROUGH MOVING CLOSER TO ITS EMPLOYEES OR CLIENTS, COULD ACHIEVE SIGNIFICANT AIR QUALITY AND TRAFFIC CONGESTION GAINS BUT IS UNABLE TO MEET THE EPA "PERMANENT" REQUIREMENT SINCE NOTHING IS FOREVER. CHANGING THAT TO BE BASED ON CURRENT OR REQUIRED PORTIONS OF FUTURE EMPLOYEES OR CLIENTS, OR EVEN OVER AN ANALYZED FIVE-YEAR PERIOD OR ANY OTHER REASONABLE CRITERIA, BUT NOT THE CURRENT INFINITY.

O SUPPORTING REQUIREMENTS FOR EMPLOYERS TO REDUCE WORK-TRIP-RELATED EMISSIONS. WE HAVE A PROGRAM IN THE SOUTH COAST AIR BASIN WHICH, AS OF TODAY, AFFECTS MORE THAN ONE MILLION EMPLOYEES WORKING AT OVER 1700 COMPANIES. WE EXPECT THAT 8000 COMPANIES WILL BE IN COMPLIANCE WITH THIS REGULATION WITHIN A YEAR.

IN ADDITION, THE INEQUITABLE TREATMENT FOR TAX PURPOSES OF EMPLOYER SPONSORED PROGRAMS TO ACCOMPLISH TRIP REDUCTION IS A MAJOR HURDLE TO MAXIMIZING THE EFFECTIVENESS OF THIS TRIP REDUCTION PROGRAM. YOU CAN SUPPORT CHANGES IN THE TAX STRUCTURE TO GIVE EQUAL TREATMENT TO EMPLOYER SPONSORED PARKING AND OTHER TRANSPORTATION

OPTIONS SUCH AS SUBSIDIZED BUS PASSES, VANPOOL SUBSIDIES OR CARPOOL INCENTIVES.

MANY OF THESE PROGRAMS CAN BE SUPPORTED BY A FUNDAMENTAL CHANGE IN THE WAY TRANSPORTATION FUNDS ARE ALLOCATED AT THE FEDERAL LEVEL. FLEXIBILITY IS REQUIRED SO THAT LOCAL AND REGIONAL OFFICIALS CAN DECIDE WHICH TRANSPORTATION INVESTMENTS ARE MOST EFFECTIVE AND EFFICIENT FOR THE REGION, RATHER THAN BEING CONSTRAINED BY FORMULA ALLOCATIONS BASED ON PROJECT CATEGORIES AS IS NOW THE CASE. THIS CHANGE CAN LEVEL THE PLAYING FIELD FOR TRANSPORTATION INVESTMENTS AND ELIMINATE THE INHERENT BIAS IN A SYSTEM WHERE CERTAIN TYPES OF PROJECTS ARE FAVORED OR GIVEN PROPORTIONATELY HIGHER FEDERAL SUBSIDY THAN OTHER TYPES OF PROJECTS.

BY THE SAME TOKEN, LOCAL AND REGIONAL AGENCIES NEED TO ASSURE THE FEDERAL GOVERNMENT THAT TRANSPORTATION FUNDS ARE SPENT EFFICIENTLY AND THAT SELECTED PROJECTS WHICH ARE BUILT WITH FEDERAL MONIES WILL IMPROVE MOBILITY AND CONTRIBUTE TO BETTER AIR QUALITY. THIS CAN BE ACCOMPLISHED BY INCORPORATING IMPROVED CONFORMITY PROVISIONS INTO THE FEDERAL CLEAN AIR ACT THAT WOULD REQUIRE LOCAL, REGIONAL, AND FEDERAL TRANSPORTATION PROJECTS AND PLANS TO CONFORM TO AIR QUALITY MANAGEMENT PLANS SUCH AS THE SOUTHERN CALIFORNIA AQMP. THE SENATE VERSION OF PROPOSED AMENDMENTS TO

THE CLEAN AIR ACT CONTAINS AN IMPROVED CONFORMITY REQUIREMENT. WE STRONGLY SUPPORT THE SENATE'S VERSION BECAUSE IT WILL ALLOW SOUTHERN CALIFORNIA TO REACH ATTAINMENT. WITHOUT A FEDERAL REQUIREMENT FOR CONFORMITY REVIEW SOUTHERN CALIFORNIA MAY NOT BE ABLE TO ACHIEVE FEDERAL CLEAN AIR STANDARDS WITHIN THE TIME FRAME SET FORTH IN THE AQMP.

THANK YOU FOR ALLOWING ME TO TESTIFY TODAY AT THESE IMPORTANT HEARINGS. THE LINK BETWEEN AIR QUALITY AND TRANSPORTATION IS IRREFUTABLE. IN THE SOUTH COAST AIR BASIN WE ARE WORKING WITH THE TRANSPORTATION PROVIDERS TO COORDINATE OUR EFFORTS TO BRING ABOUT IMPROVED MOBILITY AND IMPROVED AIR QUALITY AS QUICKLY AS POSSIBLE IN ACCORDANCE WITH THE REGIONALLY ADOPTED AIR QUALITY MANAGEMENT PLAN. WE LOOK FORWARD TO YOUR SUPPORT OF OUR EFFORTS AND CONSIDERATION OF THE POINTS WE MADE TODAY AS YOU DELIBERATE THE REAUTHORIZATION OF THE SURFACE TRANSPORTATION ASSISTANCE ACT.

Mayoral Testimony/Subcommittee on Surface Transportation
July 2, 1990

Mr. Chairman and Members of the Congressional Subcommittee on Surface Transportation, my name is Luigi A. Vernola and I am the Mayor of Norwalk. I am testifying today on behalf of Norwalk and the Mayors and cities of Santa Fe Springs and La Mirada.

As the Subcommittee is aware, tremendous growth in Southern California since 1950 has put great pressure on local transportation systems. This pressure has created an immediate need for creative and innovative multi-modal approaches to correct current shortcomings.

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With the understanding that the intent of National Transportation Policy is to look at improvements regionally, we feel the plan for current improvements would cause a bottleneck on I-5 that would diminish many regional benefits. This departure from a regional transportation perspective has resulted in spotty improvements that will not improve the regional traffic needs. Currently, capital improvement dollars are spent where it is easy to do so leaving more complicated sections neglected with the end result being a diminished regional transportation benefit.

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Our communities of Norwalk, Downey, Santa Fe Springs and La Mirada developed along the I-5 corridor currently are in the midst of redevelopment activities to bolster our economic viability as is necessary for municipalities to do these days. Clearly if in the future the region is to remain economically sound and have a regional transportation perspective, improvements to the I-5 between Highway 91 and I-605 are a must.

However we also, have the responsibility of being protective of the business and industry that line the I-5 because of what they contribute to our tax bases and our respective City's service levels. We cannot endorse a policy that would devastate local business by increasing the width indiscriminately of the I-5 right-of-way through our cities.

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Examples for the Subcommittee's consideration could be:

1) Reversible lanes to handle peak hour volumes if the volumes are unbalanced.
2) Center express lanes for long-distance, through traffic that would be physically separated from local traffic.
3) An elevated, 4-lane express route to carry long distance through traffic with the lower 6 or 8 lanes functioning as a collector-distributor and short-haul facility.
4) Looking at designs that are safe but less than the current Federal highway standards such as narrower lanes, tighter ramp curves and waivers from current design standards that work better in less densely developed areas.

Perhaps we also need to take a more aggressive stance in dealing with the motoring public and communicate that it is not possible to think in terms of "one driver - one car" anymore. We cannot let this mentality dictate our roadway needs. Let's look at designs that improve I-5 but not to the level demanded by future traffic volumes. We need to cooperatively develop alternative modes such as commuter rail, light rail, bus and car pools. It will be necessary to force the single driver into alternative transportation.

In closing, I would like to reiterate our desire to:

1) See the upgrading of the I-5 from Highway 91 to I-605.
2) Endorse authorization of funds for the project.
3) Encourage National Policy that fosters creative and innovative capacity improvement alternatives that stay within the existing rights-of-way.

Finally, I very much want to continue the relationship between Norwalk and the cities represented here today and your Subcommittee so that we can provide input into this process that will have such a dynamic economic and air quality impact on our cities and on Southern California generally. This Interstate is a major link between LA and Orange County. Thank you.

ADDITION TO THE RECORD

CITIZENS UNITED TO

save south pasadena

Mrs. Alvalee C. Arnold
647 Orange Grove Ave.
Suite 303
South Pasadena, CA 91030

July 10, 1990

STATEMENT TO THE SUBCOMMITTEE ON SURFACE TRANSPORTATION
HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

on

REAUTHORIZATION OF THE POST-INTERSTATE SURFACE TRANSPORTATION PROGRAMS

SUBMITTED BY ALVALEE ARNOLD, CO-CHAIRMAN
CITIZENS UNITED TO SAVE SOUTH PASADENA

Mr. Chairman and Members of the Congressional Subcommittee:

Due to lack of notification we were unable to make a formal presentation at your field hearing on July 2, 1990, in Long Beach, California. However, we feel that our comments are important and request the inclusion in the records.

The expiration date of September 31, 1991, for the present Highway Trust Fund authorization is most appropriate.

The Era of Freeway Construction is over. It is now evident that more freeways in urban areas is NOT the answer to the traffic congestion that is becoming more devastating every day in the Los Angeles Area as well as in many other parts of the nation.

"Closing the gap" on the Long Beach Freeway through El Sereno, South Pasadena and a section in Pasadena will simply provide an additional six-and-a-half-mile section of gridlock. The cost, according to the cost of the Century Freeway, would exceed one BILLION dollars, and I don't know of anyone who will seriously predict that costs will go down. It is no longer a prudent, viable solution to our needs.

There are alternative solutions to our regional transportation problems that would be far more effective. For example, using the costs of the new Blue Line countywide rail transit system from Long Beach to Los Angeles, the estimate has been made that 58 miles of light rail could be constructed for approximately the same amount of money it will cost to build the six-and-a-half-mile gap of the (710) Long Beach Freeway.

The development of an integrated rapid transit system is the answer to moving people and goods in congested areas such as the Los Angeles area. By integrated rapid transit systems, I mean a combination of buses, Monorail, Light Rail, Commuter Trains, the Alameda Corridor, etc. all coordinated to move people and goods effectively.

South Pasadena is the 5th oldest incorporated city in Los Angeles County. The City of South Pasadena has been declared one of the Eleven Most Endangered Historic Places by the National Trust for Historic Preservation and, along with numerous other organizations, has pledged their support in our efforts, including litigation.

We recognize the need for a solution to our problems of providing mobility for the people. We are a part of the "people involved" and are eager for an acceptable solution.

Thank you for the opportunity to include our comments.

AlvaLee Arnold

AlvaLee Arnold, Co-Chairman
CITIZENS UNITED TO SAVE SOUTH PASADENA

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REAUTHORIZATION OF THE POST-INTERSTATE SURFACE TRANSPORTATION PROGRAMS

THURSDAY, JULY 5, 1990

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON SURFACE TRANSPORTATION,
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
San Jose, CA.

The Subcommittee met, pursuant to notice, at 10:00 a.m., in the City Hall, City Council Chambers, 801 North First Street, San Jose, California, Hon. Norman Mineta, Chairman of the Subcommittee presiding.

Present: Representatives Mineta, Bosco, Anderson and Packard.

Mr. MINETA. Today the Subcommittee on Surface Transportation continues its scheduled field hearings to help determine the sum and substance of Federal Aid Highway Mass Transit and Highway Safety Programs once the current programs expire on September 30, 1991.

During the past 34 years, Americans have enjoyed a tremendous Federal investment of more than $270 billion in our nation's transportation systems. We have built more than roads and bridges, interstates and mass transit systems. We have built a way of life that has sustained the American people and fortified our economy.

But what of tomorrow? Especially in such high growth, high mobility communities as San Jose, Santa Clara County and the entire San Francisco Bay Area. For tomorrow, we must make certain that Americans can travel safely. We must move people and goods in a way that will improve our air and our overall quality of life. And we must leave no doubt in the minds of our children that we will act consistently and with foresight.

Americans now travel more than two trillion miles on our highways each year. In the future, that level will only rise. Yet it is estimated that as a nation we will need to invest more than $95 billion annually just to maintain the current level of service through the year 2020.

The question is: Where will we get the money, and how should we use it?

Clearly the strong partnership that already exists among the American people, business, industry and all levels of government will be called upon to meet our challenges of building and rebuilding our transportation systems. But at the same time, we must never lose sight of the fact that how we spend that money is as important, if not more important than how much we spend.

More than a year ago, this Subcommittee on Surface Transportation set its legislative agenda. That legislative agenda is to build the transportation future America wants and needs. We have conducted many hearings in Washington, D.C. and we have received expert testimony. But the health and well being of our transportation network requires more hands-on input than any series of Washington hearings could provide. That is why we are today in San Jose.

Transportation is an overwhelming concern here in the Bay Area. One month ago, Californians throughout the region and the State voted decisively to increase the state tax on gasoline to fund transportation projects; and in so doing, sent a strong message to the rest of the nation. And that message is this: Under-funding our transportation needs may once have made some sense for the sake of short-term fiscal relief. Under-funding in the future, however, could be economic suicide in a new world which values butter more than it does guns.

In the 1960's and the 1970's, we spent more than 2.3 percent of our annual gross national product on our transportation network. In the 1980's, that level dropped to four-tenths of one percent.

All of you know the result. The result was congestion on our highways and decay of our mass transit systems. And the lesson is clear, transportation programs must never again be under-funded as they have been in the recent past.

In the 1990's, I believe the key to finding solutions to our nation's transportation problems will be to define the appropriate Federal role. I believe that Federal role must take into account state and local needs, program flexibility and the right of people who have paid taxes into the transportation trust funds to get what they have paid for and not see those funds idle away at the same time that there is talk of increasing the Federal Gasoline Tax.

Through this hearing and those to follow, I am confident that we will further our efforts to determine what the Federal role should be in the future and how we get from where we are today.

I would like to thank all of today's witnesses in advance for their testimony and offer special gratitude to the mayor and the city council of the City of San Jose for allowing the subcommittee to use this fine facility. I personally have spent a great deal of time in these chambers, especially in this seat as well, and so it does feel good to be here.

We are privileged to have with us the Chairman of the Full Committee on Public Works, Congressman Glenn M. Anderson of Southern California to be present with us here as the subcommittee meets.

Mr. Chairman, I appreciate your taking time for your own busy schedule to be here with us at these subcommittee hearings in San Jose. I am privileged and honored to have you here and at this time I would like to yield to you for whatever time you may wish to consume.

Mr. ANDERSON. Thank you, Mr. Chairman.

Chairman Norm Mineta, my fellow colleagues on the Public Works Committee, distinguished local officials and those of you in the audience, it is a pleasure to join you in San Jose for this very

important hearing on the Reauthorization of our Federal Highway and Transit Programs.

As we near the completion of our interstate highway system, we have the opportunity to re-deploy Federal resources which were previously used for its construction. And of course, we must make sure that any new Federal program preserves our investment in this system.

Remember, when we complete it, we will have spent more than $125 billion on our interstate highways, and we must not allow this investment to deteriorate. Yet we must also meet the challenges of rapid urban and suburban growth where the solutions will likely not be the construction of additional lanes of freeway. Meeting these challenges will test our creativity as we pursue more flexible solutions which meet the challenges of this rapid growth and the resulting traffic congestion.

The tremendous growth which you are experiencing right here in Santa Clara County and in the Bay Area in general, will truly test local transportation decisionmakers as they search for effective solutions. With the Amendment to the Clean Air Act soon to be considered by a House and Senate Conference Committee, compliance with the revised act will also be necessary, and funding associated with these activities will compete for scarce Federal resources in an era of Gramm-Rudman hearings. And that is one reason why I am looking forward to hearing this distinguished roster of witnesses testify throughout the day.

The testimony which you give today will greatly help us in our efforts in Washington to craft the most effective highway and transit programs. We must craft programs which will allow our country to continue to grow economically. No one, not the businessmen nor the consumer, benefits from having employees or goods sit in traffic on congested highways or surface streets.

In conclusion, we must craft transportation solutions which keep pace with our economic growth or traffic congestion will strangle our economy rather than allow it to blossom and all of us to prosper. And let me say that I can think of nobody that I would prefer to have coordinating and drafting our legislation in Washington than your own Congressman Norman Mineta.

I have worked with Norm since the people of San Jose were first wise enough to elect him to Congress and since that time, he has been a most effective advocate on your behalf, locally, and an outstanding leader on transportation issues nationally. And I have great confidence and trust in his abilities and look forward to working with him and with those of you who have taken the time to join us today as we proceed with this legislation which may be the most important bill facing Congress in 1991.

Thank you, Mr. Chairman.

Mr. MINETA. Thank you very much, Mr. Chairman.

At this time I would like to yield to a very fine colleague from the 43rd District here in the State of California. We have a very bipartisan committee on the Public Works and Transportation Committee and though there may be a few issues in which we do differ, it is based more on philosophical than it is along partisan lines and we are pleased to have Congressman Ron Packard with us.

Mr. PACKARD. Thank you, Mr. Chairman. It is a pleasure to be with you here in your own district and let me also add to what Chairman Anderson said about you. You have truly become one of the great leaders of this country in terms of surface transportation, highways, roadways and also the many issues you certainly have become an expert on.

It is a pleasure being here and to welcome the witnesses on the report of what they have to say this is the beginning of the process that this committee will be going through to develop the information and the basis upon which to develop our next 30 year transportation plan.

As many of you know, 35 years ago we began what has become an issue under state system which has become, in my judgment and in the judgment of many others, the greatest public works process in the history of the globe.

The networking and the lacing of this country with freeways across the country that has truly built this country into an economic giant. Without that network of interstates, there is no way that we could compete around the globe. That is because we had the foresight 35 years ago to plan the interstate plans until sunset. It will be completed at the end of about a year from now. A little over a year from now, I think that is the middle of 1991.

The funding mechanism and formula that has also sunset. So it is incumbent upon this committee, with the help of many of you and many others throughout this country, to develop a new transportation plan for the next 30 years at least; and to develop a new and perhaps different funding mechanism. Certainly, that will be our charge.

That is no small charge because funds are in short supply, as we know. And yet there are surpluses in our highway funds and the highway trust funds. Counties and cities as of this date that are passing within rather interesting and—I'm grateful—regularity, new money sources for transportation in the state of California.

That is absolutely essential. There is no way the Federal Government can fund the requirements that are going to be ours for the next three decades. We must get funds from local sources, from town sources and from state sources throughout the entire country. Otherwise we will not be able to pull ourselves out of the deep hole we find ourselves in now in terms of trying to get back to even with our trend from the past decades.

It is going to take high technology, in my judgment, to help us solve our problems. The next transit transportation plan is not going to be just placing lanes and more bridges and highways throughout this country. It is going to take some high-tech solutions, smart highways, smart vehicles, high speed rails, light rails and some other various mass transit systems that we are going to have to develop innovative ways to solve our problems. We all know grid lock on freeways and our highways and city streets is not acceptable for the next 30 years. We must find solutions and formulas.

I am very pleased too with my colleagues here and you good folks here in trying to find those key solutions that may help us to develop a more remarkable plan for the next 30 years than we had in the past.

Again, Mr. Chairman, it is a pleasure for you to be with us. I would like to welcome my colleague Barbara Boxer who you will probably introduce later, but it is always a pleasure to have her come and give her input in this process.

Thank you, Mr. Chairman for allowing me to join in this hearing.

Mr. MINETA. Thank you very much, Mr. Packard.

We are pleased to have as our lead off witness the Representative from the Sixth Congressional District here in the state of California, Congresswoman Barbara Boxer.

Barbara has been a tireless worker on our behalf on the Budget Committee, plus her work on the Government Operations Committee.

But Barbara, we do appreciate very much as we had to wrestle with our whole budget considerations this year, with your help as a member of the Budget Committee. When the Chairman and I, Chairman Oberstar testified before Congressman Slattery's Subcommittee on Revenue Needs, you were very helpful as it related to your thoughts about the Highway Trust Fund and the Aviation Trust Funds and the need to use those rather than to have those just accumulate and idle away.

So again, I appreciate your leadership and thank you very much and go ahead and proceed in your own fashion if you would. And following that, if you would join us here at the dais we would appreciate it. Barbara.

TESTIMONY OF HON. BARBARA BOXER, A REPRESENTATIVE IN CONGRESS FROM CALIFORNIA

Mrs. BOXER. Mr. Mineta, I am so pleased to be here with you and Chairman Anderson and Mr. Packard, and I join you in welcoming our colleagues to Northern California.

I just wanted to say for the record what an honor it is for me to be the lead off witness here today. My thoughts are really an echo of what all of you have said. We have got to move forward in rebuilding and expanding this country's highway and transit systems.

I just wanted to say for the record how important your leadership is, Mr. Mineta, because sometimes the people in your home town know you in one way and not in the other way. I just wanted to make it very clear to them that your leadership on these issues is stellar. And of course, having Congressman Anderson as the Chairman of the full committee is extraordinarily important for California; and to have the bi-partisan support that Mr. Packard brings. I think the Californians on that committee are absolutely key.

I will be very brief and will be delighted to join you until about the noon hour.

I think it is very clear to most Americans that the Cold War is ending. What that means is very good news for us. We can now begin to pay attention to our needs at home. And just as the Cold War is ending, the economic war is heating up. And today I want to make the point that we cannot win the economic war if we cannot move our people and our goods. There is no way we can

even begin to compete with the new Europe, with the Asian Pacific if we cannot move our people and our goods.

Now, we have been coasting on an infrastructure that was made in the 1950's that Mr. Packard talked about what a wonderful investment that was. It really was under Dwight Eisenhower that that investment was made. He had a vision; but since then, we really have not done enough. And just as in our own lives, if we neglect an investment, we are going to lose it and we are going to fall behind; and we really have not done enough. That is why I had such great anticipation when Secretary Skinner called a press conference to announce his visions of the future for our highways and our transit system, only to be terribly disappointed that it seemed to me that he was punting the ball to the states and the local governments.

Now, there is no question that Mr. Packard is right. We have to do this in a cooperative way. But we have to be part of the picture. The Federal Government has to be part of the picture, particularly since we are sitting with billions of dollars in a highway trust fund that has been building up; and it has been hiding to some degree the horrendous deficit that we face. This is really a fraudulent accounting gimmick; and it is totally unfair. We currently collect the Federal tax from our citizenry to sustain our roads and transit systems and yet we are not using it. And that is why I was very pleased to join with you in a losing fight that we wage; a very close fight that we wage to try and get that highway trust fund off the budget and use those funds for the purposes they are supposed to be used for. And I will be joining with you as soon as the Chairman feels it is time to press that issue forward again, because I think it is absolutely critical.

So we are in a new time now, and a new day and you are in the leadership and I am joining you today in saying, "Let us move forward. Let us be able to win this economic war by investing in our infrastructure." And I am very, very pleased to have the opportunity to open up this distinguished list of witnesses today.

Thank you very much, Mr. Chairman.

Mr. MINETA. Thank you very, very much, Ms. Boxer, for your statement and for your help as a Member of the Budget Committee. And I would like to have you join us here at the dias.

At this time, I would like to call on the Honorable Jim Beall, a member of the City Council here in San Jose as well as the Chair of the Transportation and Public Works Committee, League of California Cities and Vice Chair of the Transportation and Communications Committee of the National League of Cities.

Mr. Beall, your testimony will be made a part of the record and if you would go ahead and proceed in your own fashion.

TESTIMONY OF JIM BEALL, COUNCIL MEMBER, CITY OF SAN JOSE; CHAIR, TRANSPORTATION AND PUBLIC WORKS COMMITTEE, LEAGUE OF CALIFORNIA CITIES, VICE CHAIR, TRANSPORTATION AND COMMUNICATIONS COMMITTEE OF THE NATIONAL LEAGUE OF CITIES

Mr. BEALL. Thank you, Mr. Chairman. Good morning, members of the committee. I would like to welcome you to our Council cham-

bers where I spend a lot of time. It is rather unusual for me to be on this side. But I enjoy having the committee. I hope you will take any opportunity to visit San Jose and see the sites in our city.

I first want to commend the Chairman for scheduling this hearing and exploring the current state of transportation services in Northern California. I am pleased to have the opportunity to speak to you today representing not only San Jose, but the League of California Cities where I currently hold the Chairmanship for the League's Committee on Transportation and Public Works, and the National League of Cities Transportation and Communications Committee, of which I am Vice Chair.

I speak to you this morning with great optimism. On June 5th, the voters of California made many of us with a keen interest in transportation very happy. As you know, we approved propositions 111, 108 and 116 which will give us $18.5 billion additional in the next 10 years for transportation. This was the first great step to tackle some of the tremendous transportation problems we face in California.

To further sketch the transportation picture for Northern California, I would like to point out that many local governments have taken important steps in recent years to pass, with voter approval, increases in local sales taxes with the revenues dedicated to key transportation needs.

Santa Clara County, where you are today, has passed such a measure to improve three key corridors in our county. Since the passage of the Santa Clara County sales tax, many other Bay Area counties as well as other counties in California have passed similar measures. Many other Northern California Counties are now planning on similar ballot measures as well.

In addition to the above efforts, an important component of transportation finance that is often forgotten is the effort of local governments contributing local discretionary funds to transportation projects. Out of the total amount of city expenditures on transportation, somewhere between 40 and 50 percent comes from locally raised discretionary funds. This demonstrates a real commitment to transportation, especially in light of the state's impossible tax structure and the lack of authority of local governments since Proposition 13.

In spite of our optimism after June 5th, students of transportation finance in California realize that the resources in the foreseeable future will not be enough to provide an acceptable level of transportation service in this state and Northern California. In order to make the scarce resources go further, we have to exercise better judgment about our transportation facilities. This is especially true in our congested urban areas. The levels of government which shape transportation policy can no longer make decisions in an isolated manner. The full impact of each decision, not only for the jurisdiction making the decision, but neighboring jurisdictions, must be considered.

A cornerstone of the transportation package passed by the voters on June 5th was a requirement that local governments, counties and cities, in each urban county must adopt a congestion management plan designed to reduce traffic congestion and specifically link urban development decisions to the transportation system.

Congestion management plans which are consistent with regional and statewide transportation plans will have a competitive advantage for the funds made available by the June 5th vote; and local agencies will be able to withhold local tax subventions to neighboring jurisdictions if they do not comply with the congestion management plan. This is a completely new way of doing transportation business in California, necessitated by the tremendous gap between the state's transportation needs and its resources.

In addition to the improved planning requirements for the congestion management plan, leaders at all levels of Government are seriously debating alternative governing structures to deal with the unprecedented growth experienced in California. Several key legislative proposals are currently under consideration in Sacramento.

Additionally, both gubernatorial candidates have indicated support for establishing new institutions or rearranging old institutions in an attempt to get a better handle on urban development in this state. Central to any of these institutional changes will be our state and local transportation system. In the next ten years, we expect to see significant change in California as it relates to our transportation decision-making structure.

The next critical step for transportation in California is Congress' deliberations to develop a post-interstate transportation policy. The policy must fit with the developments that I have already outlined here today. The policy must provide needed revenue, but also permit the flexibility to spend the money wisely in accordance with state and local transportation priorities. California has taken critical steps to put its transportation program in order. Congress and the President must now act in such a manner as to complement this action. To accomplish this goal, I offer the following recommendations for the Federal post-interstate policy:

First a commitment must be made to complete the current interstate program.

Second, funding levels should be set to properly maintain and rehabilitate the existing federal system. The post-interstate program priorities should then be shifted to resolve the urban/suburban congestion problem.

Three, each state must be guaranteed a return on its federal taxes in an amount proportional to its contribution. As you know we are now in a deficit situation in California and I'm not sure how much. I would be really interested to investigate that. I believe it is about $150 million to $200 million a year if you look at it very closely. So I am very concerned about that.

Four, flexibility has to be built into the system to permit the expenditure of the money in accordance with high priority needs identified through the local planning process, regardless of mode of transportation or ownership of the system. An example is the urban, suburban and rural solution we talked about.

Five, the current FAU/FAS programs must be maintained initially at the current level and then increased to reflect increased cost in providing the service.

Six, the transportation trust fund should be established independent from the general Federal budget and should be not included in the deficit calculation. We fully support Congressman Anderson in his efforts to champion our cause in that effort.

Seven, the federal gas tax should not be increased for deficit reduction purposes.

And finally eight, the new Federal transportation policy should permit state and local governments to amortize billboards on Federal highways; and enhance highway safety through improved trucking regulation.

We hope these remarks will be helpful in your deliberations.

Again, thank you for this opportunity.

The local government officials of the United States and Northern California are ready to assist you in any way we can to develop a meaningful Federal transportation policy to lead us in the next century.

Thank you, Mr. Mineta.

[Prepared statement of Mr. Beall appears on p. 2486.]

Mr. MINETA. Thank you very much, Councilman Beall.

Chairman Anderson?

Mr. ANDERSON. Councilman Beall, you stated that the cornerstone of the recently enacted state transportation package is the adoption of a congestion management plan among local governments.

Can you explain to the committee how the local regional governments will determine the method for distributing state funds made available by the June 5th vote only among the local entities that have adopted the congested or congestion management plan?

Mr. BEALL. The congestion management plan is designated to set up an agency to specifically deal with congestion. It is made up of local government officials. The local government officials in each county or groups of counties are designated to set the priorities of the transportation fund in that particular area. So, for example, Santa Clara County's congestion management agency will develop a plan for handling congestion in this area and develop a priorities process whether they be transit highways, safety projects or whatever; this will be submitted to the regional agencies and the state governments in order to relieve our congestion management program in this area.

It will also guarantee certain local funds, such as the half cent sales tax we passed in this county to try to match those funds. Each city has to also agree to certain parameters regarding growth and development that are established by this congestion management agency.

Mr. ANDERSON. If they did not join the congestion management plan, would they still be eligible to get funds to do other things; or would they have to be a part of that plan and agree to work toward whatever the goal would be?

Mr. BEALL. Part of the law is that the congestion management agency would develop a plan and if the local government in that particular area, such as the county does not adopt the congestion management plan, then subventions and gas tax subventions can be withheld from that particular city government and so forth.

Mr. ANDERSON. Would they be withheld?

Mr. BEALL. Yes. There is a process for deciding whether or not those funds would be withheld. And it only amounts to the subvention of the state to the local government. That is about $3 billion

total for ten years as opposed to the total that we passed in June of $18.5 billion. It only affects that $3 billion total over ten years.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. MINETA. Thank you, Mr. Chairman.

For the post-interstate surface transportation programs, preserving the Federal investment and the Federal Aid Highway programs will be a major priority. If the state and local governments are provided greater flexibility for the use of Federal funds, should there be requirements for the use of Federal funds for preserving the Federal Aid Highway System?

Mr. BEALL. I think that is an appropriate thing to do and I believe that is being done in California, but in some other states. I think we have to preserve our investment that we already made in the 42,000 interstate miles that we already have in this country. That is the position of the League of Cities that we maintain and preserve the interstate system. So we believe in the proper maintenance because we believe that if the Federal funds are not sufficient to maintain them, then eventually local and state governments are going to have to chip in to the job and that is part of the equation that we look at.

Mr. MINETA. Now under the pending amendments to the Clean Air Act, transportation projects in non-attainment areas may be limited to mass transit projects and highway projects that improve safety.

Will the proposed project limitations under the Clean Air Act amendments adversely affect transportation projects in the Bay area?

Mr. BEALL. It is a possibility that they will in certain cases. However, we are taking on that challenge by adopting these congestion management plans which have to take into consideration the air quality impacts of the various projects. So now in California with the congestion management plans, when we review a particular project, we will have to analyze the air quality impacts on those projects. So we feel that that is a positive way of reacting to the Clean Air mandates. It would be very difficult to complete a lot of the projects, however. We won't be able to build new freeways, I don't believe, in a lot of non-attainment areas.

Mr. MINETA. It seems to me that despite a congestion management plan under the Prop 111, the Clean Air Act may have precedent or priority over state law in that regard.

So if the limitation is there only for safety kinds of projects, it may stymie.

Mr. BEALL. One of the problems that we have in terms of local government officials is that we have a lot of mandates. We have a lot of people telling us what to do in terms of how we complete these projects; and you do try to cope with that. However, sometimes the single purpose type of legislation that deals with one thing affects something else. So if we are trying to solve transportation and also in the congestion, and try to solve air quality at the same time, sometimes they go across purposes. Then we have the whole thing with urban development and housing needs; and dealing with the housing responsibilities we now have the local governments. It becomes quite a burden to complete all of these things at once. That is one of the limits we face as local government officials.

Mr. MINETA. In your testimony, you talk about amortizing billboards on Federal highways. Do you have any recommendation as to what period of time that ought to be amortized in? Five years, seven years?

Mr. BEALL. I think the value of the billboards has to be determined in terms of each particular billboard, depending on its size and value, and amortized generally over five to seven years for a sufficient period of time.

Mr. MINETA. Very well. Thank you.

Mr. Packard?

Mr. PACKARD. Thank you, Mr. Chairman. I think I have fairly accurate figures on points that you brought up in relation to the amount contributed into the Federal system by California taxes and how much you have gotten back. We are on the 85 percent rule as you know which means that no state gets less than 85 percent of what they have contributed, even though the figures look like there are some states that do and I am not sure how that figures out, but California gets about an average of 86 percent of the monies back. Over the last 30 some years since the system has been in place, we have contributed approximately $1.8 billion more to the plan than we have received back.

Last budget year, however, we got about 100 percent—just a hair over 100 percent back. I think that is partly because we are now in the process of completing our interstate system in California whereas we have been delayed in getting some of our projects through until some of the more sparsely populated states had gotten theirs.

But the point is still very well taken in your testimony and that is that California has been and for all intents and purposes continues to be a donor state—a significant donor state. When we are talking about one percent of California's donation, we are talking about a lot more money than one percent of Idaho or Alaska's donation.

Are you recommending in this bill that we depart from the new plan; that we depart from the 85 percent floor and that every state get back an amount equal to what they give in or at least a portion equal to what they put in?

Mr. BEALL. I think some kind of different formula has to be done. Right now California, because of the FAU Interstate and the FAS formulas, we lose out and we would like to have a formula that responds to the fact that we are going to be—have the greatest population increase in the United States.

The population increase last year in California equalled the population of the City of San Jose. That is about 770,000 people who were added to this state. And we are trying to respond to the congestion and all the problems which our state has. At the same time, we are not even getting out the amount of money that is put in by our state.

So there has to be some type of a response to that. Because what happens, as I said before, if the Federal Government is not giving us our fair share, then what happens is we have to pick up the slack at the state level by passing tax increases. That is exactly what we have done in California.

Mr. PACKARD. In the existing interstate plan—it was designed that way, I think or at least part of the rationale was that there were some states, rural states specifically, who could not raise enough money to put the interstate system into their states, and thus it had to come from other sources which would be a redistribution of the funds and California, of course, more than those states that I had mentioned.

The thinking now is, among some, and particularly among California highway leaders is that the system, the backbone system has been built in every state under the interstate plan and that now a reach distribution more equitable in terms of returning an equal amount to every state. We will never get 100 percent back because of the moment the Federal Government takes over the collection of these funds and the redistribution of these funds, there is an administrative and other costs that will not return 100 percent dollars back to any of the states.

But you are recommending it be done a basis that would be more keeping with what's what.

Mr. BEALL. That's right.

Mr. PACKARD. Will mandating the Federal planning requirements assist and enhance the ability of the local governments to develop your congestion management plans, in your judgment?

Mr. BEALL. I think if there were some kind of a planning requirement, it would assist us. I mean planning in terms of allowing us to plan; not in allowing the Federal Government to plan. That would be the key thing for us.

If there was some kind of guidelines created that we could work with the Federal Government in creating, we could then develop the plan across the county and spend the money more wisely in the urban/suburban areas. The solutions for San Jose and our area is not the same as for Seattle or other major metropolitan areas. Each area has its own situation and demographics and so forth and geography. They should be required to develop plans to spend the money wisely.

But to have a kind of a broad brush, the "son of interstate" kind of program is something the League of Cities strongly opposes. We do not favor that because that is just lines on the map. It is not really solving congestion and we are strongly opposed to that at the state level and at the Federal level. We have been trying to get that message across.

Mr. PACKARD. Thank you very much.

Mr. MINETA. Let me introduce a very fine colleague from California, Congressman Doug Bosco, a member of our Committee on Public Works and Transportation and this subcommittee as well. Pleased to have you here.

Mr. BOSCO. Thank you, Mr. Chairman. And it is a pleasure to be down here in your home bailiwick.

Mr. Beall, I am interested in one question that I have asked a number of people at our hearings in Washington and that is that another way of maximizing our highway money is to use it efficiently. I get the impression, especially up my way which is the north coast of California that a lot of red tape gets involved anytime you go to build anything.

I broke the ground for the Cloverdale bypass eight years ago and that is the only shovel of ground that has ever been lifted on that bypass, even though for most of that time we have had the money to do the project. But there is all kinds of anthropological things and rerouting and citizens' lawsuits and rare flowers and endangered species and weapons and you name it. And this might be an exaggerated case.

But how much of the money that is proportioned to the highway system gets spent in extraneous matters that really do not go into building these systems?

Mr. BEALL. I don't know exactly in terms of the state system. You could probably ask Mr. Best that question. But I know in terms of our Measure A program, we were able to reduce the overhead costs by hiring private consultant engineers—getting them involved in designing the facilities. I think doing things in a fast track process is an appropriate thing to do. The state environmental regulations are just as good or better than the Federal environment regulations. I think if there was some kind of a merger of the two, it would probably ease timeliness on our projects.

Mr. BOSCO. That is what I was wondering about in terms of the reauthorization that we are doing now. Should we consider a way of allowing states that have good protective laws to go their own course and not have to duplicate Federal regulations?

Mr. BEALL. I think in California that would be very easy thing to do, given the fact that we have such strong laws here in our own state and the cities support that. In fact, there was a resolution adopted to that effect by the League of California Cities and the League of California Cities then presented it to the National League of Cities last year and they adopted it, as well; to streamline the process and look at ways of doing things in a package approach, rather than a sequential construct. These documents were all drafted sequentially. If you kind of package them together and take a better project planning approach to building the project, you get the projects done faster.

The California voters also responded to that in Proposition 111. There is a clause that requires Caltrans to reduce the overhead on new projects to 20 percent. So there is some reflection of the concern of the voters in that regard, also.

Mr. BOSCO. I have noticed that in another project we are building up our way that there is all kinds of studies that have been required, but they do not start on the second one until they finish the first one. I have asked them why don't you just do all of these at once because they are not dependent sequentially. It seems to that there is a lot for them to do to speed up in this process.

Do you find that the Federal or the State requirements are duplicative for the most part?

Mr. BEALL. A lot of cases, yes.

Mr. BOSCO. And yet you have to go through the ritual of doing each?

Mr. BEALL. A lot of boiler plating. I think we could do a better job. Also, I might point out that we could save money. That is the important thing.

The Traffic Authority that is building the project in Santa Clara County has a value engineering process that we instituted in this

county for the highway projects that we are building. Thus far, we managed to—by having the engineers look at the particular projects—cut $100 million dollars out of our project costs and provide the same congestion relief for less money. So you can do things to save money and speed up the time lines.

Caltrans is taking a lot of steps, also, to deal with that problem. I think we have to have support from the Federal Government to do that, as well.

Mr. BOSCO. Thank you very much, Mr. Beall.

Mr. MINETA. Congresswoman Boxer?

Mrs. BOXER. Mr. Chairman, I have no questions. I just wanted to comment that your eight steps for post-interstate transportation policy were very clear and concise and to the point. I, for one, greatly appreciate the effort you put into your testimony.

Mr. MINETA. Thank you very much, Mr. Beall, for being here on behalf of the League of California Cities and the National League of Cities.

At this time, I would like to call forward a panel from the Metropolitan Transportation Commission; the Honorable Rod Diridon, Chairman of the Metropolitan Transportation Commission as well as Supervisor of Santa Clara County; the Honorable Steve Weir, Vice Chairman of the Metropolitan Transportation Commission and Supervisor of Contra Costa County; the Honorable Tom Nolan, Commissioner of the Metropolitan Transportation Commission as well as Supervisor San Mateo County; and William Hein, Deputy Executive Director of the Metropolitan Transportation Commission.

Supervisor Diridon, we have your statement as Chairman of the Metropolitan Transportation Commission. That will be made a part of the record. You may proceed in your own fashion at this point.

TESTIMONY OF ROD DIRIDON, CHAIRMAN OF THE METROPOLITAN TRANSPORTATION SUBCOMMITTEE AND SUPERVISOR, SANTA CLARA COUNTY; STEVE WEIR, VICE CHAIRMAN, METROPOLITAN TRANSPORTATION COMMISSION AND SUPERVISOR, CONTRA COSTA COUNTY, ACCOMPANIED BY TOM NOLAN, COMMISSIONER, METROPOLITAN TRANSPORTATION COMMISSION AND SUPERVISOR, SAN MATEO COUNTY

Mr. DIRIDON. Mr. Chairman, I would like to welcome you first to your home. It is nice to have you here in Santa Clara County that cares for you and appreciates all that you do back there in Washington for us.

Mr. MINETA. When I hear about the 90 degree heat and the humidity back in DC, it is always good to be back here.

Mr. DIRIDON. Well, we have saved the best for you and we are proud to have you back there for us and happy to have you back home.

We welcome the rest of the members of the committee and I do so as the Chair of the Santa Clara County Transit Committee Board of Supervisors as well as the Chair of MTC.

Joining the panel today and you have already introduced them are Steve Weir, Vice Chair of the Commission; Tom Nolan, the Commissioner from San Mateo County; and Bob Stockwell will be

speaking to you later on from the Golden Gate Bridge Authority. Bob is a Commissioner, also. You have heard from Jim Beall who is also a Commissioner. Larry Dahms, our Executive Director will be speaking to you as a member of the panel of the Transit Operative Coordinating Council. And we are pleased to have Bill Hein here, the Deputy Director as technical support for the panel.

I will summarize my testimony, Mr. Chairman, in order that you will have more time for questions. I know also that your schedule is very tight today. I, as a consequence, will try to be brief.

I do want to stress to the panel something that they are already are very aware of because we are all Californians here, and that is on June 5th the people of California made a very profound statement that they want to fix the problems here in not only in Santa Clara Valley, but throughout the State of California as it pertains to traffic congestion and air pollution.

The nine cent gas tax increase and the two rail bond measures will create nearly $20 billion over the next ten years. That was a declaration of great profundity. That should put us in a position to allow us to move ahead with your help to solve the transportation problems within the near term future.

I should stress that many of the counties—In fact, all of the major counties of the Bay Area also adopted at least one and some of them two, half cent sales tax to create local funds to solve the same problems.

That combination of local and state funding makes two legs of the three legged stool that is a transportation funding platform. As you know, a three legged stool without a leg doesn't stand up. And the leg we lack now is the Federal leg and that is the leg that you are in the process now of constructing.

The declaration of the people of California, really to me and the members of MTC, said something very profound about shifting priorities. We know that we must comply with the Clean Air Requirements. We know also that the people of California are concerned about clean air. Indeed, air pollution kills people. It isn't just for fun that we are complying with the Clean Air Standards, its because air pollution kills people.

So we are working now very hard through the MTC and the Air Board at the regional level to come into compliance with the state and Federal air pollution laws. A major effort in that compliance process is to build transit systems; to transition now from an all highway national transportation programs to a multi-modal transportation program.

We in this region are ready. We have a master plan that speaks very firmly to both highways and mass transportation. We are ready to meet that challenge and are anxious for you to assist us in doing so.

The expiration of the Surface Transportation Act which was adopted in 1987 is an ideal opportunity to craft that conversion of priority. We ask you to keep in mind the requirements for mass transportation and for complying with the Air Pollution laws both at the state and Federal levels as you go through that conversion process.

We have been involved in the national coalitions that have been crafting advisory programs for you. We are very pleased to have

been very active members of those programs, especially the Transportation Alternative Group, the TAG, which not only MTC has been involved with, but I am very proud to have been involved with as the Chair of the National Association of Counties Mass Transportation and Railroads Committee.

We do support the programs being proposed by the TAG especially the following: An increase in the Federal gas tax. It is tough in an election year to talk about this, but I think the people of California are willing. They have proven it. An increase in the federal gas tax dedicated to sustaining and improving the nation's transportation system. I stress again that the gas tax should be increased for transit and highways; not for deficit reduction.

The second point is the flexible use of Federal transportation funds in a predictable, formula-based funding distribution program. This is to ensure, to the extent feasible, that we would have an equitable distribution between the metropolitan and rural systems. We are sensitive to the needs of the rural states.

I recall your question to Jim before me and I understand that you are going to have to deal with the Senate that has a vast number of the members from rural states. So we are very concerned that the rural systems maintain priority.

We are also concerned about the literal reduction of the ability to do business in terms of the national economy by the congestion that is occurring now within our metropolitan areas.

The third point is the establishment of emphasis on a system, not just individual projects, and to address congestion and access problems with uniform Federal matching requirements for investments in both expanded highway and transit facilities. Please let me elaborate there just momentarily.

What we are concerned about is that right now there is a distinct bias towards highway projects because the highway match is much lower than transit match. With a 50 percent transit match, the highway match is anywhere from 25 to as low as 12 or 13 percent on occasion. We need to have a consistent matching requirement so that we can make local decisions based on the adaptability and the effectiveness of the mode; not on what federal money is least expense.

In MTC, the systems approach is very important. We concentrate on that and we have been successful in developing a master plan that does stress a systems approach. We see the melding of the interrelationships of highways, local roads and the various kinds of transit into an overall system in the region. We have that master plan adopted now. It has been adopted not only by MTC, but all of our support organizations. The difficulty is now in funding that master plan because we do not have the Federal assistance that was projected.

I would like to touch a moment on the so-called Denver Accord. This is the agreement that was recently reached in Denver by many of the local government elements of the TAG. We support it and we would ask you to support it also.

The substance of the Denver Accord is quite similar to the ideas embodied in the MTC principles. The essential argument is that we must shift away from state-dominated, state-owned, freeway-only approach to transportation.

The Accord statement illustrates the facts from the Secretary of Transportation's biannual report to Congress that other forms of transportation are grossly under-funded. In urban areas, it will often be more cost effective to invest in transit ways than freeways. Our state, however, with their lingering rural bias—actually, many states, not just California, but many states with their lingering rural bias fail to recognize or address this real need for total transportation systems. We urge Congress to rectify that myopia.

I would like to also stress our regional master plan. We are very proud in the Metropolitan Transportation Commission to have a master plan to transportation which we embodied in our Resolution Number 1876. That has been supported by all 24 transit systems and by all of our nine counties and our 97 cities.

That master plan for transportation has elements of highway expansion, highway improvements and four BART extensions. We have our nine light rail extensions and busway expansions. That is a consensus plan now by the whole region. That means when we go back to Washington, as Congressman Mineta knows, we have all of the Congress members of this region advocating for one project at a time.

Our priority projects now before Congress are the Tasman Project in Santa Clara County, the extension of the Guadalupe Corridor line both east and west; east into the east San Jose area which will interconnect with BART eventually; west into the Sunnyvale and Mountain View Caltrans system.

The other regional priority is the BART extension in four different directions but most immediately, we are looking forward to the BART extension to the San Francisco Airport from Daley City.

We are looking for Caltrans extension in downtown San Francisco and the upgrade of that system, generally.

That is a $2.4 billion program; 70.6 percent is paid for by the state or local governments. Let me say that once again because I think that is terribly important for you to be able to carry back to your colleagues to remind them that we are doing our share in California and looking for your help at the federal level for only a minor portion.

Our master plan is a $2.4 billion program of which 70.6 percent is paid for by local or state sources. Only 29.4 percent is paid for by the Federal Government. That is far different than the minimums that the Secretary of Transportation has indicated—50/50. As a consequence, we ask for potentially less than our share, but indeed we have a much higher and more crisis level need in both terms of our congestion and the air pollution problems.

Again, that master plan is adopted and supported by all of our local governments, all of our transit agencies. It was very difficult to craft that consensus. It will only stay together if we are able to receive the assistance from you in terms of that matching share.

That matching share is lynch pin of that consensus. Without the leverage that comes through our regional and public planning organizations, which MTC is for transportation, we cannot maintain that consensus. As a consequence, your help is vitally required.

I would like to conclude by indicating that we would like to assist you in achieving a redirection of the federal highway and transit program to serve the interests of all parties. We would like

to achieve this by using metropolitan and rural program requirements to stimulate new thinking by existing institutions. Those existing institutions are in place in the metropolitan planning organizations across the United States.

If you require assistance approach and require those regional metropolitan planning organizations to come together with a systems plan before funding is released, then we will indeed accomplish an awful lot more for your dollars and for the local dollars that are being expended and the systems will inter-relate and inter-connect in a way that they have not in the past.

We are ready here in the Bay Area and in Santa Clara County. We have worked together, we have the master plan system approach and we are ready now to assist you in pursuing Federal funding that accomplishes those objectives.

We know in California, because we are a little bit ahead of the rest of the nation in terms of rural matching funds as well as the systems planning approach, will be a proving ground for the new Federal transportation policy and in the post-interstate period.

We look forward to working with you at what is sure to be a historic point in the development of the transportation system of this country.

In closing, I would like to note that I do have testimony from several different other organizations. I will not read that testimony to you. I would like to summarize the Santa Clara County testimony, if I might, by indicating that your funding of the Guadalupe Corridor project has been quite helpful and very much appreciated.

We have opened the northern portion of that project now—about a half of the project is open. We expected 2,000 to 5,000 riders per day. In the month of April, which is our last full month of ridership figures, we carried 9,370 riders a day far in excess of the 2,000 to 5,000 expected by the engineers.

We open the next link of that system—and this is an invitation to you all—on August 17th. At that time, our great Congressman Norman Mineta will be our guest speaker. We will have an opportunity to see the trolleys reach another two and a half miles south to the first suburban areas of the valley, the residential areas. We invite you all to be with us on that day. It is at 10:00 a.m. on August 17th.

Beyond that, our portion of that regional master plan includes three light rail extensions, a BART extension, the Caltrans extension upgrade and busway expansion. You will see that in the written testimony.

We have representatives of the senior community here today. The Seniors Can Act Together. Herb Goldblum is here. He would like to submit his material into testimony, and I am doing that hereby.

The Sierra Club has also asked that their testimony be submitted into your review. I will do that also. They do represent the Transportation Now Coalition, which has come together in Washington and which I am sure you have heard in your earlier testimony, so I will not elaborate further.

Mr. MINETA. Without objection, those statements will be made a part of the record.

Mr. DIRIDON. Thank you very much, Mr. Chairman.

Now, Mr. Chairman, if you have any questions, we stand ready for those questions; and we appreciate your taking the time to be in San Jose today.

[The prepared statement of Mr. Diridon appears on p. 2580.]

[The prepared statement of Mr. Goldblum appears on p. 2725.]

Mr. MINETA. Thank you very much, Chairman Diridon.

Let me ask Supervisor Weir or Supervisor Nolan if they have any statements to submit.

Mr. WEIR. Thank you, Mr. Chairman. To underscore the regional consensus, although I am from a county that is distant from San Mateo, from Contra Costa County, we stand before unified in the number one project. That is the San Francisco BART Airport extension.

To simply underscore what Chairman Diridon has said, a strong economy and a clean environment have to go hand in hand. You can't have one without the other.

What we need as local metropolitan officials is the flexibility to decide which projects, in terms of both air quality and mobility makes the most sense. So in your postinterstate systems you put together, the flexibility I heard spoken of this morning is absolute paramount if we are going to be able to meet both the desire to the public and that is to move and the desire of all of us to have clean air.

Mr. NOLAN. Thank you, Mr. Chairman and members of the committee. My name is Tom Nolan. I am a member of the Board of Supervisors and also a member of the Commission.

I would like to take a moment, if I may, and hone in one county and what all is going to be for that county.

First of all, I want to thank you, Mr. Chairman, and the Members of the committee for your past and current support for our major project which is the extension of the BART at San Francisco International Airport. The preliminary engineering is already underway for the first of four stations on that project.

We are also appreciative of the Federal support for our Caltrans now in the San Francisco expansion, another major project that will have major implications for an entire system.

Between now and the year 2005, in San Mateo County, we expect that jobs related trips will grow by 20 percent. From this trend, 400,000 to 500,000 each day. An additional 200,000 work trips will be by county residents to and from adjacent counties. Air passenger related trips to and from San Francisco Airport add an additional 100,000 trips per day.

In our county, our major transportation plan has two major components: mass transit is one somebody already mentioned and parts of the airport, which we believe when fully developed in four stages can handle an additional 40,000 people and take them off the freeway.

The other part of it is Caltrans and we have been operating that. The primary part of that is being due to a place where people want to go to—downtown San Francisco. We have grown from 20,000 to 22,000 passengers a day to possibly 60,000 or 700,000 additional passengers—total passengers.

These are major improvements that can affect the quality of life in the peninsula and San Francisco and certainly make major contribution to the area's air quality as well.

In terms of funding our plan, as has been suggested here, every single transportation measure that has been on our ballot for the last ten years has been approved overwhelmingly by the people of the county. Essentially, that includes the two big projects: the BART and the Caltrans. People have affirmed this. I think what we are asking for is the flexibility, as mentioned here, to help us solve our own problems in ways that make sense to us.

I can assure you, Mr. Chairman and members of the committee, that when we went to the people with our Measure A, our transportation sales tax measures, it was a product of considerable compromise. We have 20 cities within San Francisco County and as you know, to get those amendments on the ballot, you have to have a majority of the cities, a majority of the population, plus a majority of supervisors.

We believe that there ought to be three major characteristics of the new interstate program. We think there ought to be in terms of adequacy. We think the program has got to be large enough to provide the needed federal shares to make the local plans.

Second, flexibility has already been mentioned.

The highways in San Mateo County are not an option at all. There will be no additional freeway in San Mateo County, and probably very little participation in new highway improvements in our county, although we do need those as well.

And number three, predictability. That is the ability to plan multi-year contracts. We need to be able to know as far in advance as possible what their federal shares is supposed to be.

Mr. Chairman, we now look forward to working with you on a new partnership that is being forged here and beginning here this morning. Of course, doing that, on behalf of the people of our county, the Bay Area and California and the United States, welcome. Thank you.

Mr. MINETA. Thank you very much, Tom. We have always had good support from the Bay Area delegation on this, and especially from Congressman Miller in the 7th District, as well as Tom Lantos in the 11th District as well.

Chairman Anderson?

Mr. ANDERSON. Thank you, Mr. Chairman.

Supervisor Diridon, in your written testimony, you mention the local sales taxes for transportation improvements which have been adopted by a number of counties in the San Francisco Bay Area including Santa Clara County. Now, many of the Bay Area's transit operators use the funds raised by these local taxes to contribute more local funds than is required by law for federal transit grants.

Now, the administration has indicated their support for the continuation of this over-matching. From your testimony today, do I understand that you would oppose over-matching for transit assistance?

Mr. DIRIDON. Mr. Chairman, let me first compliment Happy upon being re-elected to the Long Beach City Counsel.

Secondly, I would like to stress that we over-match in the Bay Area because first of all, we have been able to gain the local sup-

port to pursue the over-match and as required in order to be able to obtain a competitive advantage for the very, very meager funds that are currently available at the Federal level for mass transportation. But we don't think it is fair. We think——

Mr. ANDERSON. For transit and highway assistance, both of them?

Mr. DIRIDON. For either. If the Federal Government is going to provide funding on a project by project basis, they ought to do so equitably and they ought to do so adequately. Our first point—Mr. Nolan and I both stressed—is that we need an adequate source of funds, and then we don't need to talk about over-match. We can talk about funding projects that are ready to be funded because they are good projects. Rather, what we have now is a very time consuming process compounded by the Urban Mass Transportation Administration resulting in delay after delay after delay in the review process.

I hate to take the time, but I should share with you what has been a horror story in terms of our transportation planning process in this region. It takes us at least ten years from the time we begin the first study on a transit project to the time that the project is approved for construction. That means the project is going to increase in cost, just by the virtue of inflation, not to mention the other problems that occur when you elongate a program such as the erosion of public confidence.

That means that you are going to increase the cost by at least 50 percent on that project. Yet, in every one of our major transit projects, it has taken at least ten years to the point of receiving the grant approval; not construction. The grant approval.

It took 11 years for the Guadalupe border project with Congressman Mineta and Edwards pushing very hard the whole time. The reason is because there isn't enough funding for mass transportation. As a consequence, there is not enough staffing in the Urban and Mass Transportation Administration to do the reviews.

In addition to that, there is a tendency for that organization to delay reviews as a way of not having to pass the money out or not having to say no.

So we need more funding for mass transportation. If you had the additional funding, then we wouldn't have to be talking about pitting one local organization against the other in a manner that requires over-match. We would instead be talking about, "Well, this is the best project in the nation. We will fund that project. And we will fund it according to current Federal regulations which says a 75 percent federal match is appropriate. Not 50 percent." Your law—Congress' law says 75 percent Federal match is appropriate on transit projects.

So indeed, we don't like the idea of over-match. We have had to resort to it simply because it is the only way we can obtain the Federal assistance, but we would certainly look forward to a time when the funding would be more adequate and we wouldn't have to put one local organization against the other in a manner which is really destructive to the local consensus.

Mr. ANDERSON. Do you concur any recommendations made by Caltrans that has recently issued report on the reorganization of the Federal highway and transit programs?

Mr. DIRIDON. No. As you would expect, Caltrans is looking forward to a reauthorization which would continue to see the funds flow through the states. We believe that that is a step which has been archaic in the process. The metropolitan areas have developed very good master plans that are systems oriented to solve problems within metropolitan areas. Indeed, the problem is focussed on metropolitan areas. It is either congestion within a metropolitan area or access problems in the rural areas getting into and out of the metropolitan areas.

The state is primarily interested and concerned about their state highway systems which are not necessarily oriented for metropolitan problem solving. As a consequence, we diverge from the State Department of Transportation proposals in terms of rather having those funds come through your metropolitan planning organizations. They are your creatures. You required them. We have now established them. We have made the metropolitan planning organizations in the Bay areas very strong in terms of consensus building ability. Now, we would like you to use it.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. MINETA. Mr. Chairman, on page four of your statement, you refer to the Denver Accord and you talk about the state domination as it relates to two things. One, rural areas. Secondly, more weighted towards highways than it is towards mass transit.

First of all, legislatures generally are dominated by state legislatures. Probably more dominated by rural interests than they are by the urban because there are just more of them than there are urban interests.

Secondly, as it relates to highways versus mass transit, highways have a trust fund. Mass transit has a mass transit account within the highway trust fund. So you have got an imbalance right there.

You say, "We urge Congress to rectify this myopia." How would you envision us doing that?

Mr. DIRIDON. Mr. Chairman, there would be two responses to that. The first is that which is presented in the paper and that is local flexibility. Send us the funds. Don't tell us how we must use it.

Mr. MINETA. Let me stop you on that one score. If we do increase flexibility into the program, it again points to something else you mentioned and that is a strong COG, an MTC type of organization. But I bet we can count on one hand the number of strong COG's there are in this country. Why should we then say, "Yes. We will go for flexibility," and allow regional councils of government to make the determination on what the mix is going to be when there aren't very many strong COG's across the country.

Mr. DIRIDON. Mr. Chairman, there may be two responses to that. The first would be to use the strong COG's where they are.

Mr. MINETA. There are a half dozen in the whole country.

Mr. DIRIDON. Where they do exist, though, you could use them.

Mr. MINETA. We do right now.

Mr. DIRIDON. Pardon me?

Mr. MINETA. We do right now.

Mr. DIRIDON. The problem is that there isn't enough funding to accomplish the objectives that we are master planning. So it comes back to funding.

The other response, Mr. Chairman, is to require that the COG's become strong. If the funding isn't available to a local jurisdiction, unless they have a strong COG, then indeed we will see strong COG's cropping up all over the place. That is what we thought back when this was originally established—the MPO process was originally established. That is what we thought was going to occur.

We indeed took your instructions to heart, and created a metropolitan transportation commission as the control point for funding entering this region. Indeed, by the adoption of Resolution of 1876 by MTC and support of that resolution now by virtually every local jurisdiction, we are able to accomplish that objective for you, so that we don't bother you with extraneous requests, but come to you annually with one request from this region.

If you required that as a prerequisite for funding any projects in other areas, indeed, other areas would have strong COG's. Unfortunately, there are times in other areas, when a strong, local jurisdiction will end-run the COG. Once that happens, then the COG will have no more power. Because then, in order for any local jurisdiction to succeed, they would have to be doing the same end run process.

Mr. MINETA. Let me ask, has the Metropolitan Transportation Commission had a chance to view the report by Caltrans relative to the reauthorization of the Federal highway and mass transit programs?

Mr. DIRIDON. Mr. Chairman, we have just received it. The staff has begun the review process. It will have to come up through the committees at MTC and the Commission eventually will adopt a policy statement.

Mr. MINETA. Very well. We would be very much interested to hear your reaction to it because there are a number of things in there, especially as it relates to transit that make a very, very big difference. I think frankly, we will be questioning Mr. Best about this because I think it will have an adverse impact on the state of California.

[The following was received from Mr. Diridon:]

38-253 O—91——76

MTC
METROPOLITAN TRANSPORTATION COMMISSION

August 13, 1990

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The Honorable Norman Y. Mineta
Chairman, Subcommittee on Surface Transportation
Committee on Transportation and Public Works
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Mineta:

At the Subcommittee's July 5th field hearing in San Jose, you asked the Metropolitan Transportation Commission to provide a response to the Caltrans document entitled "Addressing Modern Transportation Challenges - California's Recommendations for a Post-Interstate National surface Transportation Program." We are pleased to submit our analysis of the Caltrans report.

To begin with, it should be understood that this document reflects the recommendations of the California Department of Transportation; it is not a consensus position of transportation interests in California. We do, however, agree with many of the Caltrans recommendations and are viewing the report as a good starting point for future discussions within the state.

Our analysis of Caltrans' Post-Interstate proposals leaves us with two distinct and conflicting impressions: first, of a program that seeks to address today's transportation problems through new partnerships and fresh thinking; or second, of a package of ideas that perpetuates state dominance, modal biases and fragmentation. We believe that this gap between the vision and the reality of the program structure undermines the very good intentions behind the Caltrans approach.

In the Executive Summary of the report, Caltrans outlines five objectives for the Post-Interstate program and postulates that its recommendations provide a program structure that meets these objectives. We are in complete agreement on the objectives, but believe that in every case, Caltrans has included elements which serve to undermine the programs to meet these objectives. A review of each of the five objectives follows.

- <u>Preserve our existing national infrastructure investment</u>

  The Caltrans proposal splits funding 50/50% between the Highway System of National Significance and the FAST-Highways program. No increase in user fees is proposed, but a drawdown of the trust fund balance is presumed. While this program would continue to fully fund interstate needs in non-urban areas, an examination of the Highway Performance Monitoring System shows that existing funds from all sources have funded less than half of urban infrastructure requirements.

In addition, the Transit System of National Significance proposal would divert 15% of Urban Mass Transportation funds to routes of national significance and force new rail starts and other urban capital intensive projects to compete for FAST funds in a reduced formula program with transit capital, rehabilitation and operating needs. The Transit program would thus result in less funding being available for infrastructure preservation. In addition, the proposed apportionment of funds to states based on contributions to the federal Mass Transit account would severely penalize states like California and regions like the Bay Area with large investments in transit. These areas do better with the existing Section 9 formula which allocates funds to urbanized areas on a population/service formula.

- Refocus national policies to respond to urban congestion rural access, intermodal connectivity, and air quality, and

- Give priority to projects (regardless of mode) that offer the best solution to each region's transportation problems

Caltrans does a commendable job in outlining the need for a "unique mix of capital and operating strategies to meet current and future transportation objectives including metropolitan congestion relief, rural access improvements, increased intermodalism and preservation of environmental resources." We concur with their recommendation for a systems approach, for corridor level planning and for modal flexibility. However, Caltrans undercuts these basic objectives by including the following restrictions in its HSNS, TSNS, FAST-Highways and FAST Transit programs:

-- Caltrans proposes to allow transit projects to be eligible in HSNS corridors. However, the structure for investing in transit in these corridors virtually guarantees that the funds will be spent on highways instead. First, HSNS projects are funded 85% federal/15% state and local while TSNS projects are 25-50% federal/75-50% state and local. Elsewhere in the report Caltrans acknowledges the need to equalize matching rates. Second, funds can be spent on highway projects in an HSNS corridor by right and presumption, but transit projects must meet at least 112-17 criteria. While the criteria may be useful, evaluative tools, if they are employed it should be to guide choice between modes, rather than to bias choice toward the highway alternative.

-- There is no guarantee that the states will in fact focus on such issues as congestion, access, connectivity and air quality as total discretion is left to the states as to involving regions, as to allocating funds between metropolitan and rural areas, and as to addressing air quality. Funding needs to be linked instead with the existing "3C" planning process and with a management systems approach, perhaps through the implementation of congestion management and pavement management requirements.

While Caltrans endorses the existing "3C" cooperative planning process, and suggests that a cooperative partnership involving states and localities, their proposal leaves all the flexibility and all the control over purse strings at the state level. The need is to provide predictable sources of funding to drive regional system planning, rather than to rely as Caltrans does on each state's "unique allocation process." The 3C process must be coupled to funding rather than decoupled, and a flexible formula allocation should be provided.

Instead, Caltrans proposes a "hold harmless" based on FY 1991 FAU and FAS funds for non-state systems only, preserving categorical differentiation and removing local autonomy by reserving final programming to the state level.

- <u>Provide accountability to Congress for achieving these national objectives</u>

  We generally endorse the Caltrans approach to defining performance standards on the national system. This approach allows Congress and FHWA to set mobility objectives for a limited HSNS and should allow state and local partners to devise flexible approaches to meeting those objectives, including such approaches as arterial improvements, high occupancy vehicle lanes, traffic operation systems and transit improvements. The performance standards would allow monitoring of investments while maximizing the opportunity to resolve problems of access and congestion. These standards must be accompanied however with flexibility, truly equalized matching rates and criteria, and predictable urban formula allocations for the process to work.

Caltrans has done well in providing a coherent philosophy for the Post-Interstate era. It is correct in stating that we must not "default to the assumptions, institutional relationships and programs that shaped the policies of three decades ago." Caltrans has gone a long way in providing fresh thinking, as has the National Transportation Policy. We believe, however, that there is a gap between philosophy and the delivery program that still remains to be resolved. Throughout the report, Caltrans stresses that metropolitan traffic and congestion problems need to be solved at the regional/subregional level, and suggests heightened involvement of local and regional agencies in the planning process. The bottom line for solving congestion problems is that a guaranteed stable funding formula needs to be established at the regional level. Only by the creation of this kind of budget discipline can the planning process be made to work. We look forward to working with you and the Subcommittee to formulate legislation which can merge good intent with practical tools to meet the Post-Interstate challenge.

Sincerely,

Rod Diridon
Chair

RD:HD:lw:7626p
cc: Bob Best, Caltrans

Mr. MINETA. Mr. Diridon, in your testimony, you specifically note MTC's support of an increase in the Federal gasoline tax for transportation improvements. If such an increase is enacted, what is to prevent an unwilling administration from not spending the funds that would be collected?

We found that to be the case now; and now we have some $10 billion of gas tax revenues that have been collected for Federal aid highway programs and mass transit. They are sitting there idling away in what I call OMB's version of a Swiss bank account.

Mr. DIRIDON. Yes, we realize, Mr. Chairman. You and I have talked at length about the so-called sequestering process that is occurring with the trust funds for highways transit and airports; and are concerned about it. We would hope that in any reauthorization bill you would require that the trust funds not be retained as an artificial budget balancing device, but rather that the trust funds be spent down.

If a local jurisdiction tends to bankroll funds instead of spending funds, then that local jurisdictions should lose those funds over a period of time. I don't think it is healthy—either for you to put money in the bank that isn't spent. Tax dollars are given to you, I think, for programs. And it isn't healthy for us, certainly, because we need those funds to accomplish objectives.

So we hope that an element of the reauthorization bill would be the requirement that the Executive Branch expend the trust funds and only keep those portions which are for projects that have been committed and only for a short period of time.

Mr. MINETA. Congressman Packard.

Mr. PACKARD. Back to the flexibility that you are suggesting, Mr. Supervisor, who would make the determination as to which projects would receive priority monies that would come through under the flexible program?

Would that be at the state level; at the local level with the cities; or would it be some regional planning agency? Who would determine which projects would move forward and which ones would not?

Mr. DIRIDON. Mr. Packard, I think the way we ought to do it is the way we are doing it in this region. The local jurisdictions begin the process. We are a grass roots region. The projects are recommended first by the local jurisdiction.

The local jurisdiction accomplishes the studies in cooperation with MTC. When those studies are completed and the project identifies itself as a priority because it is a good project; it has a low cost per new rider figure and the other kinds of criteria are met. Then that project works through the MTC priority setting process and it becomes then the fundable project for the year. That becomes a project then that we go back and ask for earmarks on or other kinds of assistance that are offered—direct grants in some cases.

The stress there, though, is that it begins with the local jurisdiction requesting the project. If there is more funding provided—when there is more funding providing by your reauthorization, then instead of coming to you with one project at a time, which is our current process because there isn't more funding than for one at a time for this region, then we can come back to you for more

than one project at a time and begin building systems instead of projects.

Mr. PACKARD. In most council of governments—there are certainly many I know—there are imbalances in the voting structure, in the power base, and some small projects or projects in small communities are often left wanting because the power base doesn't really give them what they need and they have no vehicle whereby they can offset the voting block of the more metropolitan areas.

How is that resolved in your situation? How would it be resolved in a flexible plan that you are recommending?

Mr. DIRIDON. Well, first, common sense would indicate to any metropolitan planning organization that they better take care of the little guys or the little guys are going to get them in the end, because you have to maintain that consensus. There are typically more little guys in total than there are big ones. In fact, there are only a few large organizations in any COG. So often times, there is a balance that works out within an MPO, with the little fellow sometimes having a lot more power than the big one.

There should be some requirement for share-back to rural areas. We recognize that. We understand that both in terms of the rural states, as well as the rural jurisdictions in even a state like California, there are an awful lot of votes involved, especially in the U.S. Senate. So we understand that the rural areas are going to have to be guaranteed some amount of funding.

So I would imagine that in your final legislation there will be some declaration that at least a portion of the funds released through an MPO that does represent smaller areas will have to go back to those smaller areas.

Mr. MINETA. Thank you, Mr. Chairman.

Congressman Bosco?

Mr. BOSCO. I have no questions.

Mr. MINETA. Congresswoman Boxer?

Mrs. BOXER. Mr. Chairman, I have one question. The three of you have really been leaders in your own areas and in the environment and your support of transit is proof of that. I also wanted to compliment you in your joint testimony for pointing out your support for the Americans with Disabilities Act and the Clean Air Act.

Many times, when these acts are passed, people in localities express dismay because it does make it a little more difficult; and you did allude to the fact that these mandates can be difficult. I really sympathize with that. As you know, I was a county supervisor for six years. I am very pleased that Supervisors Jocamine and Stockwell are here from my own county. I remember in those days, we were fighting hard against the state mandates that came down. They were always unfunded. We never knew what to do.

I would like to ask all of three of you—because we are under time pressure—just to briefly answer. How big a problem are these mandates coming down? The Clean Air Act and the Americans Disabilities Act. Can you handle what we have done? Do you need special funding to go along with the mandates?

Mr. WEIR. Obviously, special funding to go along with the mandates would be important. The state recognized that when the passage of Proposition 13 took place in the 70's. We need the flexibility to spend what funds we can on the best projects we can.

We also recognize, though, that with the rural county issues, one has to address the broad spectrum of needs. If you force us at a local level to come back to you with a consensus on our projects to take into account the special needs of both air and mobility, we will work in those special interest groups to the best of our ability.

If, however, you allow us to come back—either MTC in this region or some other area—and do in-runs for the major blamerous big projects, all of those side issues will fall off the wagon. We think that in this region, at least, we have addressed mobility for the handicapped. We are now addressing the major issue of clean air. We agree with those goals. Force us at the local level to come to you with a completed package and it will happen.

Mrs. BOXER. Thank you.

Mr. MINETA. Would my colleague yield on that?

Mrs. BOXER. Of course.

Mr. MINETA. Supervisor, you mentioned if there was any mandate under Proposition 13, that it would be picked up by the state, I take it. Is that what you are saying?

Mr. WEIR. Well, that has been the theory of the so-called——

Mr. MINETA. That is what I was going to say. That is the theory, because as I recall, under every bill that comes out of the state legislature, they put a disclaimer saying, "No. This is not a mandate."

So then all they do is shift it to local governments that then have to pick up that cost. So even though it is mandated, if every bill after that comes out saying, "This program is not a mandate to local government," and then you still have to eat that cost, you don't come out ahead on that.

Mr. WEIR. Certainly, it is better in the alternative, and that is mandates without having some funding. We are at least petition the state. I have several hundred thousand dollars in for my operation for the state. We are still waiting for the check if they are in the audience.

Mr. DIRIDON. Well, for Santa Clara County, that price tag is several million dollars that we will never see. We know that. I guess it isn't a perfect world, but at least we should try to make sure that Federal mandates are funded. We understand, of course, that the Federal legislature is a very responsible organization and that you will, of course, legislate that the Federal mandates are funded. At least, you will try, I know.

Barbara, I would like to especially compliment you on the great job you did as the Chairperson of the Regional Bay Area Quality Management District. You were all of our guiding light in terms of how to act as a good regionalist.

Mrs. BOXER. That's very nice. Thank you.

Mr. NOLAN. On that question, I would say that in San Mateo County, we have been before you and before the state legislature on the issues of Americans for Disabled and Air Quality before. It becomes difficult to sometimes put all these values together, but I can assure you that those values are highly held by my Board of Supervisors in our County. I, for one, as a member of our transit district, am willing to accept the challenge to do what we can with it. Of course, we appreciate the fine efforts you made.

Mrs. BOXER. Thanks. Thanks, Don. Thank you all.

Mr. MINETA. Let me thank very much the panel from the Metropolitan Transportation Commission for your input to these deliberations. It is very, very important. Thank you very, very much.

I would now like to call forward a panel made up of the Bay Area Transit Operator Coordinating Council. The panel members will be made up of: Larry Dahms, the Chair of the Bay Area Transit Operator Coordinating Council and the Executive Director of the Metropolitan Transportation Commission; and Howard Goode, Management Analyst for San Mateo County Transit District; Frank Wilson, the General Manager of the Bay Area Rapid Transit District; Carney Campion, the General Manager of the Golden Gate Bridge Highway and Transportation District; Lou Montini, Assistant Director, Santa Clara County Transit District; Vincent Harris, Deputy Director of the Alameda County Transportation Authority; and Ken Stanley, the Director of Planning for the Alameda County Contra Costa Transit District; Ed Harrington, the Deputy Director of Finance for the San Francisco Public Utilities Commission and Municipal Railways.

As I said, one of the reasons for these regional hearings is to get the hands-on experience of folks who have the day to day operational responsibilities for operating our system. So it is a pleasure to have all of you here.

Mr. Dahms, your testimony will made a part of the record. Why don't you lead off. Proceed in your own fashion, sir.

TESTIMONY OF LARRY DAHMS, CHAIRMAN OF BAY AREA TRANSIT OPERATOR COORDINATING COUNCIL AND EXECUTIVE DIRECTOR OF THE METROPOLITAN TRANSPORTATION COMMISSION, ACCOMPANIED BY HOWARD GOODE, MANAGEMENT ANALYST FOR SAN MATEO COUNTY TRANSIT DISTRICT; FRANK WILSON, GENERAL MANAGER OF THE BAY AREA RAPID TRANSIT DISTRICT; CARNEY CAMPION, GENERAL MANAGER, GOLDEN GATE BRIDGE HIGHWAY AND TRANSPORATION DISTRICT; VINCENT HARRIS, DEPUTY DIRECTOR; KEN STANLEY, DIRECTOR OF PLANNING FOR THE ALAMEDA COUNTY CONTRA COSTA TRANSIT DISTRICT; ED HARRINGTON, DEPUTY DIRECTOR OF FINANCE FOR THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION AND MUNICIPAL RAILWAYS; AND LOU MONTINI, ASSISTANT DIRECTOR OF THE SANTA CLARA COUNTY TRANSPORTATION AGENCY

Mr. DAHMS. Thank you, Mr. Chairman and members of the committee for the opportunity.

I think the main point to be made by all who are sitting before you is that the Transit Operator Coordinating Council exists and works in the Bay Area and represents a diverse group of transit operations.

I am appearing before you today as Chair of TOCC. As a group, our Bay Area Transit Operator Network serves over 1.5 million people a day, with an annual operating budget of about $750 million. You have named the people here and have noted that Mr. Montini is here in Mr. Reading's stead.

We are happy to be before you and to offer our teamwork presentation. First, I would like to stress our support for the reauthoriza-

tion principles that are embodies in the T-2000 program developed by the American Public Transit Association which many of us had an opportunity to make input to, particularly including the call for the increase in gasoline user fees for public transportation.

I have attached that statement of principles to the testimony. These principles underscore the need for dedicated, stable sources of funding for transit in our nation's cities and clearly state the national interest of both transit operations, transit capital rehabilitation. Note in the principles, as in the testimony of almost every national organization, support for more flexible Federal funding, a point already discussed at some length this morning. Before deferring to my transit partners for their remarks, let me explore briefly this concept. Why is flexibility important? How can flexibility be achieved? How can flexibility become inflexible?

Briefly, in that order, consider these answers:

Why is flexibility important?

A flexible federal program is essential if other Federal objectives are to be given adequate consideration. Land use integration, air quality mitigation, multi-model integration, increased local funding and cost effective project investments are all encouraged if state and local decisions are free of overly rigid federal funding categories and regulations. Often improvements are not even feasible unless there is an opportunity for local tradeoffs to be made.

How can flexibility be achieved?

We propose a geographic allocation of formula funds dedicated to building and operating metropolitan and rural access systems.

The existing state-local decision process described in federal law provides the basis for determining how planning and funding decisions would be made. With slight modification, this existing law could impose a system discipline while providing sufficient flexibility to encourage the integration of freeways, local arterial, transit and major terminals. Where a well established MPO exists, it could assume a leadership role in the state-local partnership.

In other cases, the state could play the leadership role so long as it focused on the metropolitan or rural access system. The federal government had demonstrated its ability to get all states to focus on the delivery of a single system—the interstate. There is every reason to believe that a similar focus on metropolitan and rural access system development can be achieved now. In this case, however, an extended partnership and more flexibility are required.

How can flexibility become inflexible?

There are traps to be avoided, as follows:

The move to create a National Highway System of 150,000 miles can lead to a State/Federal preoccupation with a single part of the system. While this may have been required to complete the Interstate System, it threatens a meaningful response to congestion in urban areas where a multi-faceted attack is required.

Perpetuation of anti-transit bias manifested in alternatives analysis requirements, differing matching ratios and other regulations directed only at transit acts also to undermine flexibility.

These Federal impediments to flexibility are exaggerated by State Transportation Departments still wedded to a freeway as always the best solution. These impediments must be countered by

Congress if we are to benefit from new thinking needed to meet new transportation challenges.

Perhaps I should pause just for a moment there to illustrate that point. You ask us to review—you asked Mr. Diridon, my Chairman, earlier to review the state proposals for reauthorization. While we haven't had a chance to go through the document thoroughly, parts of it does serve to illustrate the concern we have about having all of our eggs in the state decision basket. Because while there are some very good ideas presented in the California report—and I don't want to take away from the good ideas—there are some concerns.

There is a place where the national highway system versus the state system—an appeal is made in that document for common matching funds so that the cheap federal dollars as is put in that report will not unduly push state and local officials towards projects which may not be the most cost effective projects.

Yet on the other hand, two or three pages later in the same report, the point is made that transit projects should have to have 50 to 75 percent local funding. It seems to me there is a major contradiction there relative to the question of the cheap federal dollars pushing the program to the state freeway solution as opposed to the transit solution when there are times the transit solution will be a better choice.

Further, there is not a long list of hurdles to get over in that report relative to selecting three freeway solution. Yet, there is a list of about a dozen such hurdles on the transit side that would have to be overcome if the transit choice is to be made. That is just the kind of federal prejudicing that we think we will need to do away with and not perpetuate.

So in conclusion, a gap does exists between the lofty goals expressed in the Secretary's national transportation policy and similar statement by our own California Administration versus specific implementation proposals. In this brief examination of the concept of flexibility, we suggest that it is a worthy strategy in search of achieving other Federal objectives, so long as care is taken to follow through to the logical conclusion.

We appreciate the support your committee can give in matching worthy objectives with strong implementation incentives.

Thank you very much for this opportunity to discuss these concepts.

Now, looking to each direction, the panelists, I think have some short comments to make.

[The prepared statement of Mr. Dahms appears on p. 2572.]

Mr. MINETA. Fine. If the panelists would please proceed?

Mr. Goode, do you want to start at your end?

Mr. GOODE. I would simply underscore three words that Supervisor Nolan made to you earlier in terms of objectives for your program. Those were adequacy, flexibility and predictability.

Adequacy is bound up with your definition of the Federal role in the program. We have labored long and hard in this region in an effort to help you to find that.

Flexibility you have heard a lot about. It is important. It needs to be an inner growth component of the new program.

Finally, the predictability from the point of view of an implementing agency is vital; that if we are to embark upon and deliver in a timely and cost effective manner, and major projects, we have to be able to depend upon the funding sources.

Thank you.

Mr. STANLEY. Good morning. I am the Assistant General Manager of the Alameda Contra Costa Transit District which is the east based transit system of the third largest transit system in the state of California.

I would like to focus my few remarks in support of the increased Federal transit operating assistance which is one of those predictable things that we would like to see.

I think it is very clear to everyone in attendance that we have a pollution problem and a congestion problem of severe magnitude. There is also a growing consensus that building more highways won't solve the problem. People won't put up with the cost of neighborhood destruction and increased air pollution that automobile oriented proposals carry.

But if transit is to carry a greater share of the burden, then the availability of transit must be improved. The product offered must indeed provide an alternative to driving alone. The voters of California have shown themselves willing to pay for improved transit as the June elections have demonstrated.

I believe the Federal Government also has a role to play and that is as Federal Operating Assistance. Unfortunately, over the past decade, the Federal Government has cut back funds for transit operations. Every year, there are attempts to eliminate this funding altogether.

Faced with increasing demands for improved schools, police and fire protection, the local governments have been reluctant to increase support for transit. Most new funding mechanisms for transit, such as the local transaction sales taxes or the state-wide rail bonds have been primarily for capital projects; not operating funds. This is understandable since it is easier to vote for something you could see and feel. Yet, the keys to encouraging more transit use is expanded coverage and more frequent service, and these require more operating funds.

Frequency is consistently cited as the number one factor that impacts an individual's decision whether to use transit or not or to drive alone. Frequency is the key to transit's competitiveness with the automobile.

Some would argue that funding local transit operations is not a Federal role. However, air pollution and lost productivity due to grid lock are of national significance. Since improved transit is clearly a necessary part of the solution, it should be funded accordingly. Furthermore, the Federal Government does subsidize transit's competitor, the automobile, through tax benefits that encourage free parking and the Federal Aid Urban and other highway programs that fund local streets and highways.

In closing, we don't think that transit's role should be judged on its current market share, but its potential market share. Others have demonstrated that the potential is enormous. That it will never be realized without increased transit operating funds. Californians have shown their willingness to pay their share to reduced

air pollution congestion. The Federal Government should increase its contribution to solving these problems with more operating funds.

Mr. HARRINGTON. Good morning, Congressmen. Ed Harrington from the City of San Francisco, Deputy General Manager.

You have heard these two words a lot this morning. I will be brief. Again, the same thing: flexibility and predictability and as it applies to the City of San Francisco.

The City has a transit first policy. It has had one for 20 years now. We make up about two percent of the population of the state of California. However, the mini railway of San Francisco carries more than 20 percent of all transit writers in California on a daily basis. So we have the absolutely most transit dependent ridership in the western United States.

Clearly, our issues about flexibility would mean that you would allow us to take the funds that you want to give and allow us to use it for transit; not transportation, freeways and those types of things. Even the few freeways we have, as you know, Mother Nature is helping us knock down. So what we have left in San Francisco is a transit and transit first policy.

The second point is predictability. We are now doing seven-year plans for the state of California. We just passed our second half cent sales tax in San Francisco. To pass that, we gave the voters a 20-year plan for capital spending in San Francisco. To be able to do a 20-year plan, we had to make gross assumptions about the level of support that you would be giving us.

The only kind of support that we could even possibly count on is our Section 9 formula spending. It is the only thing that gives us credit for actually carrying people.

The Section 3 Discretionary part is a nice idea, but it can do a variety of things for a variety of people and it has no direct connection with actually being in the transit business and being successful in the transit business like we are in San Francisco.

So again, what we are looking for is some flexibility, but also the predictability to be able to plan for our needs for the future.

Thank you.

Mr. MINETA. Mr. Wilson.

Mr. WILSON. Mr. Chairman, I thought I would be the first speaker to wish you a good afternoon, but apparently I am not. So good morning.

On behalf of the BART organization and our broadbase constituency here in Northern California, I thank you for giving us the opportunity to assist you in laying the foundation in the framework for the transport systems that will take us into the 21st Century.

As architects of the strategies that will define the character of this country's urban centers, you will directly and dramatically impact life as it is lived at the local level.

Public transit operating organizations such as BART are in a very real sense your contractors. We will have to execute—in other words, build and operate—the plans which you will be setting in the Surface Transportation Act.

This local/federal participation or partnership, which has evolved over many years, should be acknowledged, strengthened

and made permanent. This, we believe is best accomplished by: supporting regional choice in local decision-making; providing financial energy in the proper form to perform the functions; encouraging creativity in generating solutions to mobility challenges; and permitting public transit to use all of its inherent advantages to achieve National priorities such as environmental preservation, economic development, elderly and disabled mobility, business opportunity for the disenfranchised and a more rational energy utilization.

These critical objectives can best be achieved in the new transportation laws if they feature new rules and regulations that are as state-of-the-art as the technologies that they will invest in.

We strongly urge you to insure that the authorization legislation permits public transit to be used as a vehicle for proactive management of both the regional and national agenda and not merely equip us for a post crisis act of coping with a hopeless situation.

We need your financial and political support to be on the leading edge of service delivery and urban vitalization and not on the lagging end of stop-gap survival efforts.

The pressures are both immense and immediate here in the Bay area. We enjoy a very vibrant economy. We are experiencing sustained growth in population. In fact, one out of every ten jobs created in this country will be created here.

BART, as a principal transit carrier, is experiencing expanding ridership and growing demands for service. If there needs to be an example of local determination within the overall framework of local Federal participation, it must be the Bay area. The voters in this metropolitan area, and indeed the state, have spoken clearly once again. By approving new gas taxes and the sale of bonds for rail system development, we now bring billions to the bargaining table and more than our fair share to the partnership.

Funding for the four BART Extension Projects is nearly the reverse of the traditional 75 percent Federal, 25 percent local commitment. Our constituents have taxed themselves to build transit systems. They have taxed themselves to operate transit systems. At times, it appears we have invented the notion of self help. It is now time to look to our partner for help and that help can come in many forms, in addition to more money.

Two such measures would take the form of enlightened techniques for programs management and administration.

First, the establishment of a multi-year contract authority. This would provide an opportunity to fund new rail starts in a way which would permit more Federal money to be applied more rapidly and efficiently than is currently possible under full funding contract procedures which invite earmarking, hoarding and delayed application of Federal funding.

We have developed such a proposal and wish to share that with the committee and would like to submit that as part of our testimony here this morning. We believe that it represents an example of a more forward thinking, aggressive and creative technique that allows flexibility in program implementation.

The second measure calls for a more modern and sensitive Federal program that eliminates the artificial classification of transit systems into categories with very hard boundaries.

The current approach differentiates between so-called "old" system such as New York and the new system such as BART. We oppose such fragmentation of the UMTA program. In terms of age, BART sits between the "old" systems and the new. We have significant extension needs and expansion needs. At the same time, if we do not embark on an aggressive rehabilitation and rebuilding program now, we will suffer the same deterioration the older systems have already experienced. If there must be New Starts and the Rail Modernization categories, then we believe all operators must remain eligible for funding from both sources, as their needs dictate.

These are just two examples of how progressive lawmaking can lead to new ways to solve some old problems.

In summary, if we as transit system operators are to be successful in building the transport systems that the Congressional architects envision, then we will need solid partners and not silent partners.

At this time, I would like to indulge, Mr. Chairman, in an effort to move the agenda along. We have a statement from Erlene DeMarcus, the Vice President of BART Board of Directors, which I would like to enter into the record if you print.

[The prepared statement of Mr. Wilson appears on p. 2721.]

Mr. MINETA. Without objection, sure.

[The prepared statement of Mr. DeMarcus appears on p. 2578.]

Mr. MINETA. Mr. Montini.

Mr. MONTINI. Good morning. I am Lou Montini, Assistant Director of the Santa Clara County Transportation Agency. We are the operator of the County's bus and light rail system. We also have responsibility for the County highway and expressway system, as well as the three general aviation airports in Santa Clara County.

We in Santa Clara County have a growing mass transit system consisting of over 500 buses and the soon to be completed 20-mile light rail system. The ridership on both systems have been increasing steadily and have reached record levels in the last few months. We will open the next two-mile segment of the light rail line on August 17th and the entire south line next summer. We are in the final stage of a federal alternative analysis and draft DIS for the Tasman Quarter which is our next highest priority new rail project.

The Federal capital and operating assistance provided by Congress have proven valuable to the development and continued growth of public mass transit in this County and in the San Francisco Bay region.

As stated by Supervisor Diridon and others in earlier testimony, we must continue a strong funding partnership between the Federal, State and Local governments. The funding commitments for transit should increase by all three levels in the coming years if we, as a nation, are to achieve both air quality and congestion goals.

We in Santa Clara County and in California have raised local and state taxes to finance much needed transit improvements. So must the Federal Government increase the national gasoline tax to meet the growing transportation of the future.

Finally, both the federal and state clean air goals and the American Disabilities Act will probably require transit operators to increase their level of operating and capital budgets in order to respond to and effectively address these federal and state mandates. It is vital that the Congress provide the necessary new funds to transit providers to help implement these policies.

That concludes my comments.

Thank you.

Mr. HARRIS. Good morning, Mr. Chairman.

My name is Vincent Harris. I am the Deputy Director for the Alameda County Transportation Authority. I am afraid we have somewhat of a mistaken identity in the Bay Area as we are not AC Transit. However, we do share with the transit operators as the Transportation Authority does provide an order of magnitude $7 million to AC Transit.

I come to you today on behalf of our governing board. As you are aware, Alameda County is one of the 11 self help counties in California. The Alameda County Transportation Authority administers this voter approved half cent sales tax for otherwise unprogrammed transportation improvements in Alameda County. The projects in the program were identified as the most essential in the County. Our program includes rail projects, local streets and roads, and major Interstate highway facilities.

Alameda County's program, which will amount to approximately $1 billion in a 15-year period is aimed at correcting currently perceived deficiencies. It does not provide for transportation needs.

In addition, we find that these voter approved sales tax funds are inadequate to meet our full transportation expenditure plan commitments. The recent statewide transportation measures will offer some assistance in this regard. However, here again, the available funding will be heavily dependent on continued Federal support and will only start to address current needs.

In Alameda County, there are approximately 40 miles of designated interstate routes that have received no interstate constructing funds and barely enough Interstate 4R funds to maintain the existing inadequate roadways. It is these routes of national importance and other neglected "missing urban links" that need continued Federal assistance to meet future needs in this growing region. We refer to "neglected" links in the total system as the emphasis on interstate completion did result in shortages elsewhere.

We have two examples in Alameda County of routes that are of national importance, but which have received insufficient funding to match their needs. These routes are I-880 and I-238.

I-880, the Nimitz Freeway, was designated under Section 139(a) of Title 23. We have a sales tax commitment for improvements on 13 of the 35 miles of this facility in the amount of $220 million. However, we have identified a total need on our portion of I-880 amounting to approximately $458 million in 1990 dollars. The increases on this route and other sales tax projects are due to such matters as increases in the scopes of work to meet Federal requirements and to the need to rehabilitate the existing roadways. For instance, our commitment on I-880 was for freeway widening. We now find that we may be required to build a high occupancy vehi-

cle facility and we find that much of the existing plant is worn out and needs replacing.

We do not have a commitment to I-238, as similarly designated 139(a) system inclusion. However, I-238 connects I-580 and I-880 and, because of truck restrictions in the City of Oakland, serves all interstate truck traffic entering the Bar Area from Central Valley over I-580. Correcting the deficiencies on this major interstate truck facility will cost over $100 million. And there are no state or local funds currently available for this work.

Accordingly, we urge reauthorization and increase of the Federal gas tax for transportation purposes for the following reasons:

First, to meet the growing needs for this region.

Secondly, to protect and enhance the existing Federal transportation investment.

Thirdly, to assist and reward local efforts aimed at maintaining and upgrading routes of national importance.

Finally, to provide for missing links in the transportation system.

Our presentation notes some of the problems in Alameda County. However, as the Bay Area grapples with air quality, transportation and land use issues, we are well aware that the solutions must be worked up in a reasonable setting. Our comments could well apply to any or all of the Bay Area counties.

In closing, I repeat that the Alameda County Transportation Authority strongly support reauthorization and increasing the Federal gas tax for transportation purposes.

[The prepared statement of Mr. Harris appears on p. 2592.]

Mr. MINETA. Thank you very much, Mr. Harris. Again, would you, for my own purpose, clarify. You are the Deputy Director.

Mr. HARRIS. Yes. I am the Deputy Director for the Alameda County Transportation Authority. That is the implementation body for the Measure B4 Program, the Half Cent Sales Measure in Alameda County.

Mr. MINETA. Okay. Mr. Stanley, you are with AC Transit.

Mr. STANLEY. Right. From the Alameda County Contra Costa Transit.

Mr. MINETA. Absolutely. Okay. That is where I got confused. Thank you very, very much.

Chairman Anderson.

Mr. ANDERSON. Thank you, Mr. Chairman. I think my question would be directed to almost anyone there. My question is: Do you have any specific projections of the costs of complying with the new amendments to the Clean Air Act? Do you favor any aspects of the Senate passed legislation over our house pass or vice versa?

I happen to be on the conferees that will be meeting on this when we get back to Washington. I would like to have your attitudes, your views on the new proposal of the Clean Air Act.

Mr. DAHMS. Mr. Chairman, it is difficult to answer the question as to what the costs might be. To begin with, the air quality standards in state law are more stringent than the air quality standards in Federal law. My guess is that any cost associated with the Federal law would be less than what we would be required to invest in in any case in the state law.

The relevance of the Air Quality legislation as it plays out with transportation, to my way of thinking, is to go back with the theme we have been playing so strongly here as the one of flexibility.

The existing categorical funding programs limit the kinds of choices we can make relative to providing mobility; in effect, preclude us from having as meaningful a set of trade-offs and developing a mobility plan that will be responsive to the Air Quality requirements as we think we need. So one of the very important reasons for flexibility is to be able to take the air quality demands into consideration from the very outset as we develop our plans.

Relative to the Senate versus the House versions, I think that we had a little more ability to input the House version and probably lean a little more towards the House version.

Mr. ANDERSON. Thank you. You might check into that and if you have any specific version, let us know because I know I would like to have some guidance on it.

Mr. DAHMS. Well, we have taken a position that we can send to you, sir.

Mr. ANDERSON. Thank you.

Thank you, Mr. Chairman.

Mr. MINETA. Mr. Dahms, in your statement on page three, you mention with slight modification the existing state/local decision process might be changed. So I would like to ask you: What is the nature of that slight modification?

Mr. DAHMS. Well, it is probably the understatement of the morning.

Mr. MINETA. That is what I was afraid of.

Mr. DAHMS. I do think, though, that there is reference in everyone's discussions to the so-called 3C process that was created by Federal Highway Act some 25 or so years ago. It is that process that came out of Federal law that led to the evolution of organizations like ours and led them to exist.

To my way of thinking, that process establishes a partnership between state and local government. I think it works well in this state. It may not be seen as slight to other people, but it seems slight to me. That is that our problem—that the state, in effect, has insufficient flexibility. And the state, in effect, does not have the right focus when it comes to fighting the problem of congestion.

That focus has to be—there has to be a metropolitan system response. You can find all sorts of evidence to suggest that, but let me just give you one example. Secretary Skinner and his policy speaks a lot to the promise of the Intelligent Vehicle Highway System. Note that "system" is the last word in IVHS. That system in each metro area is going to be the metropolitan system. That is where the congestion is. It is not going to be the state highway system or the interstate highway system. As far as the congestion and urban areas is concerned, it has to be a metropolitan system.

So the slight modification, I think we need, is we need a requirement for a metropolitan system—an integrated system, one that integrates freeways, arterials, transit and terminals. Not one that is burdened by the ownership restraints that now stand in the way where 100 cities and nine counties and 20-some transit operators in the state all view their parts from an ownership perspective in this region reinforced by the kinds of categorical funding that we now

have. Instead, we need to have a categorical program, geographic distribution of funds to the metropolitan system and then the state concerns and the local concerns need to be worked out in a 3C process as they have in the past, but with this new focus.

Mr. MINETA. Let me ask: If we are trying to deal with an integrated systems approach dealing with metropolitan concerns, as well as rural, it seems to me what we have is metropolitan congestion, but from a rural perspective a need for rural access. If you utilize the 3C process—as I recall, the 3C process was for those areas of 50,000 or more in population.

So what do we do with rural areas if we use the 3C as a model—when that really applies to 50,000 or more in excess and yet we want to talk about rural access system development as well as metropolitan congestion system development?

Mr. DAHMS. Well, I think it is clear, Mr. Chairman, that there is two different kinds of problems and they require different answers.

Mr. MINETA. If I could interject; if you also say we need another category, it seems to me that we are going away from categories and trying to talk about flexibility, rather than create another category.

Mr. DAHMS. Well, the basic structure that we have recommended is the continuation of the support for the rehabilitation of the interstate. That that investment has to be preserved. That would be one category. There would be two other basic categories: a metro system category and a rural access category.

Now the metro system category, I think, falls neatly within the 3C process for the purpose of making the decisions about what are the most cost effective investments, assuming we have the flexibility to make those decisions.

In the rural access category, I think that for the most part, that still would be—the leadership would still by and large be with state officials, hopefully with local opportunity to participate with the state.

Mr. MINETA. Would the rural system have a mix of highway and transit?

Mr. DAHMS. I would think so. We have in our northern counties, particularly Sonoma and Napa counties are really quite rural yet. And yet, they do have transit needs. So I think even in rural counties, the transit program has to be taken into account, especially when you see things like the kinds of problems Greyhound is having now. There is clearly a problem of rural isolation.

My Commission has public hearings every year, according to state law in those northern counties. It is an amazing revelation to my commissioners every year to find out how many people are limited to one or two or three trips per month and then usually to some sort of medical facility. That does happen in rural Bay Area as it happens in the rural nation.

Mr. MINETA. But your MTC does not extend to those northern counties like in the case of—is it Fort Bragg that is being cut off from Greyhound service? They are not within your jurisdiction. So as I understand it, Fort Bragg's only recourse is to the Public Utilities Commission, rather than to let's say MTC for any kind of back up.

Mr. DAHMS. That's correct. And, of course—to an enlightened state approach, as well.

Mr. MINETA. California has done very well under the Section 3 Discretionary program, at least, partly because it over-matches Federal funds. That is, we provide more than the 25 percent local match required by Federal law.

What is your opinion as practice that should be encouraged in Reauthorization bill?

Mr. DAHMS. You might get slightly different answers from different participants here before you. It is not something we take a hard line position on. Mr. Diridon, our Chairman, earlier noted that it has been part of our strategy, but nonetheless noted concerns with it.

I think that, in essence, in our strategy, given circumstances as they now exist, what we have attempted to do is to isolate those projects that we would seek Federal funding for; and therefore be subjected to the more exhaustive regulations on those projects we isolated for. So in terms of our larger package, we have been able to accept the over-match requirement.

But if I could speak for the moment, and the San Francisco Municipal Railway, ten years ago when we did our analysis of what it takes to sustain the transit plan in this region, it was in the order of the magnitude of $100 million a year that it would require to sustain the plan. At that time, the combination of Section 9 plus the match was about sufficient to sustain the capital plan.

In the last decade, the erosion of Section 9 has been such that it now only provides enough to sustain half the plan. Therefore, if that lower threshold were to continue, it would mean that we are going to have to raise additional local monies.

So on that part of the program, over-matching is certainly not something that we would advocate. I think we have essentially bought in by practice to over-matching on the rail program in order to secure discretionary grants.

If I could look at that from another direction again, I use the example of expressing some disagreement with our friends at Caltrans on their state proposal where they would have 50 to 75 percent match for transit projects; and yet, only 25 percent for highway projects. We don't think that that sort of thing is going to promote the kind of intelligent decisions that we should be making. So if there is going to be an over-match requirement——

I guess the basic bottom line is that whatever that matching is, it ought to be the same across programs, so it does not distort the kinds of decisions we make.

Mr. MINETA. As you know that Section 9 funds come from the General Fund and Section 3 from the Trust Fund monies, so that has been part of the reasons for that diminishing Section 9 pot. If we were to increase the authorized amounts to come from Section 9, subject to the appropriations process, that may still not be possible to increase it.

On the other hand, if we say that that funding ought to come from Trust Fund monies, I am not sure what adverse impact that would have either.

Mr. DAHMS. It is a little easier for us than it is for you to support the APTA proposal to significantly increase Trust Fund monies from the gas tax.

Mr. MINETA. Of course, APTA is also talking about the 18 cent increase in gasoline tax—or 17 percent—7 cents. I'm sorry. It is ARTBA that is talking about 18 cents on the highway side.

Mr. DAHMS. Well, we will take a compromise between the two.

Mr. MINETA. If I could ask the members of the panel: How would you restructure the alternative analysis problem? Well, maybe they got into it with maybe Mr. Diridon's response.

Although, maybe this is something, Mr. Dahms, that you might be able to respond for the record. How would you restructure the alternative analysis process so that transit projects are not delayed or blocked by an unnecessarily cumbersome planning process?

I think this is something that Mr. Bosco was getting at; something that all of us on the panel are interested in, because of the time and money it takes.

Mr. DAHMS. Well, I think for openers, we have to go back to the basic principals. The alternative analysis starts with a good reason. That is to promote good projects. It is much like the environmental processes intended to make sure that we mitigate the environment as we create mobility improvements. The problem is that as these things develop, we seem to lose sight of their original purpose.

It seems to me that we would be much better served to return to the basic planning program; have the kind of flexible funding that we need; have some basic requirements to be met for any project selection, rather than load up the requirements on certain, isolated project which is what happens now particularly with alternative analysis.

So instead of it really serving its really useful purpose, it seems to be—as Mr. Diridon pointed out before, the way it translates here, it seems to be a strategy for delay instead of a strategy for selecting the best alternatives.

Mr. MINETA. How would you envision structuring a highway and transit bill, so that the Federal Government could make a determination whether a state entity or a regional entity where a strong MPO exists is best able to assume a leadership role in metropolitan area transportation decision-making?

Mr. DAHMS. Well, it seems to me two things would happen. Again, if the Federal requirement were simply that there must be a good system plan—as I understand it, the Federal Highway Administration is talking about certain elements of a good system plan. And that the three-seat process—that partnership is required according to the current rules to develop that plan, then water will seek its own level.

In those regions were the regional organization has the ability to take the leadership, they will. Where they don't have that ability, the states will then take that leadership and it is still a partnership plan.

Secondly, if we were to focus on a metropolitan system plan, as I think we should, then I think you would probably see the state legislature start to modify to some degree the membership of organizations like mine. Probably you would see a stronger state partici-

pation in memberships like mine if that sort of responsibility were clearly laid in its lap.

Mr. MINETA. Thank you.

Congressman Packard.

Mr. PACKARD. Just one question, Mr. Chairman. As transit operators, what do you see as your most serious problem in implementing the Americans with Disability Act?

Mr. HARRINGTON. If I may speak for the Muni-Railway, ours may be a little bit different from other ones here today.

As you know, the Muni-Railway has probably more modes of transportation than any of the transit agencies in the United States. We have the cable car. We have trolley buses. We have diesel buses. We have light rail vehicles. And we have a wide air transit system.

We are going to have specific problems with the definitions of train lining and single cars and needs for getting people on and off of vehicles when they mix with regular transportation on the streets.

If you have been in San Francisco, you realize that our light rail systems goes undergoes, in trains underground. It goes above ground. And it is single cars that go out to different parts of San Francisco. Those types of things were not really taken into consideration in some of the wording that finally came out of the legislation from my point of view.

So we have protected some historic vehicles that have specific needs. We still are going to have to do a variety of things to try to have people with certain mobility problems be able to not mix with street traffic when our trains come up from under ground and disperse to different parts of San Francisco. That is probably our biggest problem is going to be trying to meet the equipment needs in the timeframe that you have mandated for us.

Mr. PACKARD. Is the funding portion of that problem your most serious problem?

Mr. HARRINGTON. Yes.

Mr. PACKARD. Will that require different authorization or separate authorization that what we have already done?

Mr. HARRINGTON. What it will probably require, actually, is something that UMTA is working on right now. The light rail vehicles that we have right now are Boeing vehicles that only San Francisco and Boston ever purchased and they are not working in Boston any more.

If UMTA agrees to a shorter life and we are able to replace those vehicles earlier than otherwise envisioned, we could get vehicles that would have the different accessibility systems that we need.

Even with that, though, we are going to have problems on our streets with wheelchairs and cars mixing in mixed traffic. And that will be an issue for us regardless of what vehicles we have.

Mr. PACKARD. The districts represented here are significantly short of retrofitting their vehicles with facilities. Most of your district should be pretty well along in that area; is that true?

Thank you Mr. Chairman.

Mr. Chairman.

Mr. MINETA. Thank you very much, Mr. Packard.

Mr. Wilson, let me ask very quickly. You talked about the problems of the old systems versus—like New York and newer systems like BART.

I am wondering whether or not we have a similar problem as it relates to highway programs with let's say the 4R Program versus new capital improvements. How do we address that issue then as it relates to a system like BART that sort of falls in between?

Mr. WILSON. The observation that we are trying to bring into focus is the fact that BART really isn't a new system. At 18 years old, when you look at the time lines for major retrofits or major rehabilitation of say, rolling stock, rails cars, you are looking at seven years which would put us out at 25 years.

I think the philosophy that UMTA has been using is that they did not participate in the initial investment of building the system. The system could access rehabilitation funds. Fortunately, BART was—fortunately or unfortunately—not a beneficiary for federal funds initially. So at this point, we have access to both categories.

Our question is: Do we need to continue this artificial boundary? And if we are looking to more flexibility, let those decisions be made locally, whether expanding systems or whether in fact, it is more critical given the resources available to stabilize the infrastructure that is in place. We are just calling that to your attention.

With respect to San Francisco, you can look at that situation, I think, in a more greater degree of severity. The larger infrastructure which is much older, they, too, need to face the same types of situations.

Looking across the country at the Atlanta systems, in that category, you are going to be facing that issue. I think it is important not to structure a new law with new constraints or hurdles that would essentially let the program and the way the program is defined dictate the way the systems actually function at the local level.

Mr. MINETA. Combining New Rail Starts and Raid Mod categories would not solve the problem? They may be exacerbated?

Mr. WILSON. I am not certain that the funding needs to be combined to solve the problem. I think there is recognition that there is multi needs, a multi array of needs that the systems have, especially in let's say in the Bay Area and California where we are building new systems and in the case of BART needs to stabilize an existing infrastructure.

So whether or not you try to solve the problem through creation of categories, or you solve the problem by letting the regional decision-making body decide where the resources needs to flow, I think is a major issue. We are opting for the flexibility of deciding where the funds go.

Mr. MINETA. Let me thank the panel very, very much. As transit operators, of course, you are very key to what we are trying to do in the form of legislation. You are at the other end of the legislative pipeline trying to make sense out of what we do and to try to make things operate at the "street level." So your input into this process is very, very important.

So I appreciate your being here to enlighten us in terms of what your own experience is under the present law and what kinds of

improvements you would like to see us make in that post-interstate era.

Again, thank you very, very much for your being here.

I would now like to call on Robert K. Best, the Director of the California Department of Transportation.

Following Mr. Best's presentation, the subcommittee will be taking a short break for lunch.

That is not an admonition to you, Mr. Best, to you to keep it short, however.

Mr. BEST. Are you going to buy us a nice lunch?

Mr. MINETA. I am going to buy lunch.

Mr. BEST. Good.

Mr. MINETA. Wherever that might; whatever that might be.

Mr. Best, your statement will be made a part of the record and so if you go ahead and introduce your colleague and proceed in your own fashion.

TESTIMONY OF ROBERT K. BEST, DIRECTOR OF THE CALIFORNIA DEPARTMENT OF TRANSPORTATION, ACCOMPANIED BY CARL WILLIAMS, ASSISTANT DIRECTOR FOR FEDERAL FISCAL PLANNING FOR THE CALIFORNIA DEPARTMENT OF TRANSPORTATION

Mr. BEST. Thank you, Mr. Chairman. With me today is Mr. Carl Williams, Assistant Director for Federal Fiscal Planning for the California Department of Transportation.

In addition to my statement which references the booklet "Addressing Modern Transportation Challenges" which I know Members of the committee have had access to. We would like that included in the record as part of the statement.

Mr. MINETA. Without objection, it is so ordered.

Mr. BEST. Thank you, Mr. Chairman.

We appreciate the opportunity in recognizing the seriousness of the events that we are going through here in this reauthorization to be working with a committee that is as dedicated and knowledgeable in this particular area as your subcommittee, Mr. Chairman, and the Members who are experts in the transportation field to put in perspective the wide variety of issues and challenges that we are facing in this reauthorization.

We have tried to put together a presentation for the committee that is a little bit unusual in the sense that rather than just putting forth an advocacy document that would seek the maximum amount of money and the greatest deal for California, we have looked for those kinds of things that are of critical importance to California and have attempted to work with a broad-based group and put together what is a form of a compromised program, but still addresses the critical needs of California but also recognize some of the critical concerns that others may have as well.

I think we have learned some things in this process that will be interesting to the committee. Our process has been going on for over two and a half years. We participated in the AASHTO 20–20 process that this committee is well aware of. I met with a number of states through that process.

Our own Transportation Commission held public meetings up and down the state to get the input from a wide variety of people throughout the state of California.

We have participated in smaller state coalitions, the Crescent Coalition compared of like-minded states. We have had a number of meetings with states in a coalition referred to as the Bread Basket Coalition which is primarily rural western states to discuss with them the ideas that were coming out of the California process and to get their reactions to those ideas.

We initiated a strategic planning process in California called California Transportation Directions, pulling together interest groups outside of the transportation community and asked them what has been missing in the transportation picture; what has been wrong with the priorities that have been used; and what do the people that sometimes feel disenfranchised from the transportation process think needs to be recognized and considered in transportation legislation.

All of that input led to what we are calling here in California the Transportation Summit process where we, in fact, pulled together under the auspices of the Governor and the Legislature a series of meetings and workshops to try to figure out how to best prepare California for the coming era of transportation.

It probably would have been best for us, Mr. Chairman, if we had already had the reauthorization bill from the Federal level, so that we could work that in. But California's funding crisis didn't allow us to wait and it was necessary for us to move quickly to go forward with the new funding authorization for the state and in doing that, to make a lot of policy decisions with regard to how the state would function in the transportation arena. That was incorporated in some elaborate modifications to California's transportation laws which were validated by the electorate in the adoption of the funding mechanism in Prop's 111 and 108 just a month ago.

So we have come a long way in our process in sorting out what our priorities are.

I would like to mention that one of the biggest problems that we faced, and I think it is one that is going to be a major problem for this committee, was to get the transit and highway communities to work together and to sit down and to say, "How can we work together?" We found a real reluctance both within the state and nationally, to be able to put together a working group where both would participate in a give and take atmosphere and try to come to some sort of mutual understanding as to where one could give for the benefit of the other and the other could give for the benefit of the former.

We found this, a very difficult thing to accomplish. So the recommendations in our report, for example, have not had the full benefit of this type of give and take. We found it necessary to listen to the transit community on one side and then go listen to the highway community on the other side; and then try to synthesize a position between the two that we think would work here in California and would be acceptable for those interest groups.

With that, let me mention a couple of the points in the report and correct the apparent misunderstandings of some of the things

that have been said here this morning with regard to the transit position.

Mr. Diridon said that the state's position was that the state could get all the transit money. I find myself in a similar position with the State Transportation Commission who beats me up because I say that the Regional Transportation Commission should have a greater say and position in the funding decisions; and then the Regional Transportation Commissions come forward and beat me up because I say that the state ought to have a greater role in decision making.

In fact, what we are advocating here is that the transit dollars go through the regional agencies as they have in the past; not through the state as was reported by Mr. Diridon. This is in our report. We find that most transit decisions are focused at the regional or local level; and that the state should be playing a supportive role and not a controlling role with regard to the allocation of dollars in the transit arena.

Mr. Dahms also suggested that we didn't recognize the need for trade-offs between the two systems. In fact, what the report does say is that in the FAST-transit program that we referred to, which is essentially the formula distribution program, that the matching ratio should be identical between transit and highways for exactly the purpose of making sure that we are selecting the best transportation decisions and not chasing the dollars.

When we get into in the transit area Mr. Chairman, is the difficult concept of that discretionary grant program—of having a large, discretionary grant program that doesn't fit into, the equitable allocation of funds. It sits out there by itself. How do you deal with a discretionary grant program in the context of a long term predictable and stable funding at the Federal level so that you can then build on this stability with a long term state and local funding programs—like sales tax measures—that try to commit funds 10- or 20-years in advance.

That is a very, very difficult issue to address and one that we have attempted to deal with in our report on a compromised basis. It says, "The discretionary grant program is most likely going to be continued. It has a very strong political constituency for it and it has some very good reasons for it."

But if we are going to continue it, it should be treated separately because it will require higher matching ratios and other distinctions from the transit programs that can be treated as part of a long term programmable series of funding decisions that fit well within the formula distribution for transit and the formula distribution or the categorical programs on the highway side.

So those are some of the reasons, I think, that we will find the merging of the transit and the highway issues one of the most difficult ones to accommodate. We have found it extremely difficult in our attempts to put something together.

The only other thing I would like to emphasize is that a number of the points you heard this morning in terms of what we are most concerned that this committee should address, the principle points that you find in our report are very, very similar to those you heard this morning. The emphasis on preserving our investment in the existing national infrastructure which is so critical to all of us;

the need to be able to respond to urban congestion and rural access and intermodal connection; and air quality and disadvantaged access issues which are critical national issues, but have to be dealt with individually on a state by state basis in many cases; the need to redirect our effort from moving vehicles to moving people and goods; to focus on the systems concept, rather than a project by project; and have enough flexibility so that we at the local and state level can identify the best solutions given the varying differences that we have around the country and from different areas of the state.

The other area is the creation of these new partnerships. Several of the questions that you have asked and the answers you heard have said that: developing efficient transportation systems must be a partnership approach. It requires the active involvement of Local, State and Federal levels. And it has to be done in a way that brings these partnerships together to address the system on a systems basis and on an intermodal basis; not on mode by mode and jurisdiction by jurisdiction or ownership by ownership basis.

The last thing that hasn't been said today which we think is an important element of a national program is to establish accountability for the Federal program to hold the state and local governments accountable for achieving the kinds of objectives that the Congress sets forth in this national program. We advocate that a strong system of accountability to demonstrate that the states are, in fact, doing what they are supposed to do in order to qualify for the funds should be substituted for detailed federal control or categorical programs. Accountability is there to insure that the federal, state and local agencies are working together and toward the same set of criteria or objectives to deliver the kind of national program that the Congress would envision.

We think we are moving into a new era here. We think it is very timely for California. We have certainly recognized in this state that business as usual is gone; that we have to take different approaches; use our money different; attack our problems differently. We are certainly looking forward to seeing the new federal reauthorization come down the line and the ideas that will be envisioned there through the work of this committee.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Best appears on p. 2492.]

Mr. MINETA. Thank you very much, Mr. Best.

Chairman Anderson?

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. Best, what percentage of the funds currently available in the mass transit account of the Highway Trust Fund are generated by California; and since California currently receives more than 20 percent of these monies, wouldn't your proposal result in a loss of funds to the state?

Mr. BEST. Yes. We produce, I believe, about 12 percent of those funds and we do receive more than 12 percent of those funds.

The proposal that we have recommended does not specifically say that we would lose the current level of distribution of the transit funds because it doesn't provide specific numbers and formulas. In other words, a lot depends on what formula is used for the distribution of the formula funds; and then what results in terms of

future decisions in terms of granting through the discretionary program.

A lot of California's high return on the transit side come, I believe, through the discretionary program.

Essentially, what we are saying here is: This has to be a compromised program; that the Federal Highway Funds should provide for some transfer of what we call the FAST highway funds to the FAST transit program, so there is an ability to provide needed support for transit where transit solutions are better solutions than highway solutions.

There is a need for a basic equitable funding formula that insures that states receive a fair return on their contributions. While California is undoubtedly in the overall transportation arena going to stay some manner of a donor state, there should be limits on what that is. We believe that within the package that we proposed, even if we were to result in getting a somewhat smaller allocation of the actual transit dollars, that the support for the transit programs in California would be higher and that the overall return to California would be higher than it is now under the currently existing Federal laws.

But you have to look at both sides of the program to see how that works.

Mr. ANDERSON. Well, I would like to have you look at that because the way I figured it—and I was probably wrong was that we could lose under proposal and if we can, I would also like you to contact me, write to me or something and straighten me out on that.

Mr. BEST. We will certainly do that, Mr. Anderson, and give you a much fuller explanation of what is contemplated here.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. MINETA. I think part of the problem that I see or at least under this TSNS is that you are saying that 85 percent of the mass transit revenues ought to be distributed on a formula basis?

Mr. BEST. That is correct, Mr. Chairman.

Mr. MINETA. It seems to me, on that basis, we lose as a state. I don't know. I think that is what Chairman Anderson is saying. That we would have to take a look at that formula.

Let me ask, as it relates to road maintenance and bridge maintenance programs, Mr. Best, as to whether or not there ought to be a mandate on those two programs. Should there be some kind of a maintenance program as it relates to road maintenance and bridge maintenance?

Mr. BEST. We believe that for what we refer to as the highway system of national significance in our recommendation, but for whatever eventually becomes the primary designated Federal system, that it is appropriate for the Federal Government to set certain minimum standards with regard to the protection of that investment. There are programs such as pavement maintenance systems and maintenance management systems which have been tested in a number of different states, including in California and have pretty well established in terms of their cost effectiveness—in other words, you keep ahead of your maintenance schedule which in turn reduces your rehabilitation costs or your reconstruction costs down the road, particularly in areas where you don't have

major rebuilding expected because of dramatic growth—in other words, lower growth areas. Some of the higher growth areas, we end up rebuilding our highway facilities because the demands exceed them short of their actual physical life span, but those are certain isolated areas of the country and there is no reason that maintenance management obligations or pavement management obligations wouldn't prove effective there as well.

So we would certainly support that.

Our concern on the maintenance side, Mr. Chairman, is very limited; and I know it is one that you fully appreciate. That is, if we develop an allocation of Federal dollars into the maintenance program, we are concerned about Federal requirements that we have to have five wheels on all of our maintenance vehicles or something like that. So it is more the concern of the administrative overhead that might come; not at all concerned with Congress imposing requirements on us to have effective and efficient maintenance processes in place.

Mr. MINETA. One of the problems I see is that we are very good at capital improvement, doing the initial construction. But in terms of maintenance on a road or a bridge, it seems to me that that part is what gets short-changed. In most instances, those are the responsibilities of the states and localities. I am just wondering whether or not, in light of that, whether or not we should be putting in some kind of requirement that there be on the part of the state and localities a maintenance program.

I look at let's say the Williamsburg Bridge in New York and the Golden Gate Bridge here in San Francisco. Both were built roughly within ten years of each other, I think. One has been maintained pretty well and the other one that has gone to sea. If you were to try to make Williamsburg Bridge falling down rhyme with London Bridge falling down, we could probably have an appropriate ditty of some kind.

I am just wondering whether or not we shouldn't be doing something on that as it relates to local and state governments?

Mr. BEST. Well, from the California perspective, in our statutes and in our programs, the maintenance and rehabilitation are given number one priority. That is one of the reasons we don't have in California a substantial bridge problem. We still do have, just based upon age and functional obsolescence a number of bridge problems, but that wouldn't be covered by a maintenance program.

But again, because that is our number one priority, all I am saying is we agree with you that this is a top priority. It would be of no problem to this state. We would welcome it if the Federal Government set up those kinds of requirements, as well.

Our only concern is that if it turns into a Federal maintenance program, that we then get into that circumstance of having uniform national programs that don't recognize, necessarily, the difference between weather patterns, grade and soil conditions, and everything else that you have when you have to design a maintenance program for the system that you actually have on the ground.

Mr. MINETA. But you do that on initial construction in terms of life cycle costing, et cetera; do you not in terms of the initial of a project?

Mr. BEST. We try to, Mr. Chairman. We have found in some areas that we don't always know everything that we think we know when we build a project and we find that we are not always able to build into a project everything that is needed to minimize the maintenance obligations down the road. It certainly should be an objective.

Again, in terms of having that as a principle, we would support that principle.

Mr. MINETA. Should we increase the requirements in terms of what the state does on inspection programs on the initial construction of a bridge or a highway?

The reason I ask is that it seems to me that we have got some highways that are designed for let's say—I don't know—a design life of let's say 20 years or 15 years and yet, in eight to 12 years, they are crumbling.

Now, is that because we are not getting a seven-sack concrete job or we are getting a seven-sack concrete when we should be getting a ten-sack concrete job?

What is happening on some of these highways where we are not getting design life out of them?

Mr. BEST. I can speak directly to that precise point, Mr. Chairman, by giving an unfortunate reference to Interstate 5 here in California; and the fact that we are experiencing a substantial amount of pavement crumbling in section of Interstate 5. We know why it is happening, but we don't know why what is happening is happening. In other words, we know what is happening—what is doing it. We know that we are pumping the sub-grade out from underneath the pavement. We suspect it is moisture infiltration as one of the major reasons. We also suspect that over-weight trucks with high pressure tires that were not contemplated at the time it was constructed is another part of the reason.

So we suspect that there are a lot of reasons out there. We have a special group and a special monitoring station in place to try to figure out exactly what it is that is causing this deterioration. We do not think at this stage that we even have the answer to that.

We can go down the road and we can actually see the pumping action on the pavement. You can see the fines blowing out along the side of the pavement. You can visually see it occurring, but we don't know why the fines are separating out so that they are subject to pumping. We are not sure what all is contributing to it and why the sub-base is not as stable.

We are also experiencing other areas of reactive aggregates. Reactive aggregates that were very, very good for 10, 12, or 15 years and all of a sudden they became reactive again. Perhaps moisture infiltration has caused it, nevertheless we are seeing deterioration in pavement.

So we have to realize that we don't know everything. Amazing as it all may seem, I guess, we still have a lot to learn in this business. We are in the process of learning it. I think federal mandates that require that we concentrate on this kind of a program to make sure that we are building state of the art facilities at the time we are constructing them and then keeping track of these facilities once they are in operation, identifying maintenance problems and try to stay ahead of them is in everybody's best interests.

Mr. MINETA. But Mr. Best, ever since the Romans at Appian Way have been building roads, I can't understand. Does this mean why we can't design then the kinds of drains on the side of the road to allow the moisture underneath to drain out or whatever it is that we have to do? Why is that such a Herculean task?

Mr. BEST. Well, we have designed drains and we have gone back and retrofitted our roads like I-5 and put drains in along the sides of the roads to drain that moisture out. What we now find is that many of those drains are clogged with the fines out of the aggregate sub-base. So the drains are working, but they are not 100 percent effective. Instead of giving us what we had hoped to be maybe a 70 percent drain, they are giving us a 30 percent drain and they are serving as conduits to carry out some of the fines that may, to a limited extent, be exacerbating the problem.

So the Romans didn't know it all and we don't know it all quite yet, either.

Mr. MINETA. Very well. Thank you very much.

Mr. Packard?

Mr. PACKARD. You made mention, Mr. Best, on your testimony about increased private sector participation. I would be interested on your views on that fairly new concept into our transportation systems that we expect we will see much more of in the next three decades. Tell us how you see that happening and what kind of incentives you are looking at in terms of inviting private sector money.

Mr. BEST. Well, what we found in the reviews that I talked about of two and half years of looking at this problem is when you are in an area that is experiencing rapidly accelerating demands for transportation services, there just flat out is not enough money there to solve all the problems. It just isn't going to be.

We are passing a lot of sales tax measures in this state that you heard referred to. Many of those sales tax measures will offer a billion dollars plus of new revenues in a given county.

We have just passed a state law that will generate $18 billion to $20 billion of additional and new revenues.

Even putting those packages together with an assumption that we think the federal program will continue at least the level that it has been and hopefully include the spend-down of the Federal Highway Trust Fund, we still see shortfalls in California in terms of being able to deliver all of the highly needed transportation improvement.

So as part of our package here in California, we included the option for private investment to encourage private investment to come in to those areas where we provide a mediocre or inadequate level of transportation service, essentially, through our public facilities, but there are no immediate plans nor money to substantially improve them. We are suggesting that an option be available for the private sector to provide additional transportation facilities to meet those needs on a cost recovery basis.

What we have found is that the degree of interest in that is quite high, not only in roads, by the way, but also in rail systems. In looking at providing rail systems through this state privatization program we have the authority in the State Department of Transportation to assist, not with money, but with putting together a

legal authorization to allow a private company to come in and provide a transportation facility.

Within the short term future, I don't believe that we are going to see major relief, particularly not on a nationwide basis from privatization programs. But there are certain key areas where privatization can help us stretch our transportation dollars, so that we could use tax dollars more efficiently. We think privatization in the roadside rest area is an example of that.

We think privatization of certain types of facilities that are high demand facilities; for example, some of the major high cost bridges that are failing or need to be replaced or are functionally inadequate might be better considered to be spot location to be a revenue producing structure—that is toll structures. We have toll bridges in California. Most urban states have toll bridges. It is not a new idea.

Then there is the more dramatic program that California has that includes the ability to develop and implement fully entrepreneurially financed transportation projects. These will be important perhaps in high economic growth areas where the public investment is going to be a drag on the economic growth because it is not going to come along fast enough or within a time frame to support the level of economic growth that that particular area might need.

The private investment to augment those facilities will allow that economic growth to continue. It has a role, I think. We feel very strongly that privatization has a key role in expanding the use of our dollars, making our dollars more effective and in insuring that the public sector doesn't monopolize the transportation arena and then become a drag on economic development in high growth areas.

Mr. PACKARD. Are you recommending that we modify Federal policy in terms of using Federal aid highways to allow private involvement?

Mr. BEST. Yes. We believe there needs to be some modifications. Some of those modifications, for example, would include the ability to privatize some of the collateral facilities on federal aid highways where they are becoming a major drain on us in terms of maintenance and cost to our operational dollars.

Perhaps, as I said, earlier, replacing major structures, major bridges on Federal aid highways would be appropriate for privatization.

Also, on the major privatization projects that we have that would be off Federal systems, many of those would appropriately link to a Federal system; and we need some modifications of Federal policies to ease the linking of those into the Federal systems because there are connection issues.

So yes, there is an area that needs to be seriously addressed in this reauthorization to enable us to go forward with these kinds of investments on a lower cost and more expeditious basis.

Mr. MINETA. Would my colleague yield?

Mr. PACKARD. Of course.

Mr. MINETA. Would that include tolls on existing Federal facilities?

Mr. BEST. We have not specifically proposed tolls on existing—in other words, going back and taking an existing facility and impos-

ing tolls on it other than, of course, the concept, as I said earlier, of critical deficiencies, perhaps like a major bridge.

I do have to introduce something here, Mr. Chairman, that I think is wise for the subcommittee to consider. That is there is a growing movement to consider the use of congestion pricing as an urban mobility tool. That is being fueled out of the Clean Air Act. We have been talking here about the difficulty we have in bringing together the objectives and requirements of Federal laws like the Handicapped Americans Act or the Federal Clear Air Act and melding them into the transportation laws if the laws are not written together to achieve consistent and uniform goals.

The kinds of demand reductions that are being translated out of the Clean Air Act, for example, onto the transportation side—in other words, the implementation of the Clean Air Act is being said that the transportation programs must develop dramatic demand reduction tools in order for the transportation side to be responsive. And that is why you hear people coming around and say, "Don't build new transportation facilities because those promote demand whereas the transportation sectors responsibility to reduce demand." That is very narrow-sighted because frequently new transportation facilities will reduce congestion and reduce air pollution, but you need the demand management program in place to deal with the growth inducing side of it that is of concern.

While many people who spend a lot of time looking at demand management are of the opinion that demand management tools will not achieve the kinds of reductions contemplated as necessary under the Clean Air Act without the introduction of congestion pricing.

I think that this subcommittee should be considering that in terms of how are we going to introduce even a basic, sort of a minimal level of congestion pricing if that is what the Clean Air Act is going to require. If other Federal Transportation laws outlaw the use of congestion pricing on Federal aid facilities what are we left with.

Mr. PACKARD. Is the State of California willing—is Caltrans willing to accommodate joint usage with private sector on a state highway and are you encouraging the same on Federal aid highways where new lanes may be needed or toll lanes may be needed or a raised center, using right of way of state or Federal highways by the private sector?

Do you believe that that can be worked out in some kind of a joint venturing usage?

Mr. BEST. Yes. Mr. Packard, we definitely believe that is a necessity and it also expands to the interlock between other modes of transportation. We have to be able to use our highway rights of way for inter-city rail, MAGLEV trains or other things where they offer us the best opportunity to do that.

We have to look at our transportation corridors as corridors for the movement of people and goods through whatever means we can. This is going to require us to break down some of the rigid rules we have had as to what piece of concrete or what piece of ground can be used for what purpose and who can get on it and who can use it because we are going to need to have the private sector in there and using these facilities.

Just like on the railroads, we are going to find that railroad right of ways is going to have to have public trains running on them and private trains running on the same railroad rights of way. We are going to have to see private investment on private facilities and public facilities, using the same right of way in the roads, as well.

We need that kind of flexibility if we are going to deliver to the people of this country the highest level of transportation services with the limited dollars we are always going to have available.

Mr. PACKARD. Thank you, Mr. Chairman.

Mr. MINETA. Chairman Anderson?

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. Best, what do you see as a valid role for Caltrans relative to the MPO, the Metropolitan Planning Organizations, in a structured surface transportation program?

Mr. BEST. I think you have just hit, Mr. Anderson, on one of the really critical questions to be addressed in this process. That is how are these decisions going to get made?

Mr. ANDERSON. And what are you going to do after they are made if you didn't have a part in helping make them?

Mr. BEST. That's right. I think I am going to endorse what Mr. Dahms meant to say, but not what he said before this committee. In other words, what Mr. Dahms meant to say was that it is a partnership decision-making process that we have to go through.

The focus on that partnership decision-making process is to get away from this idea of ownership of facilities and ownerships of mode or identification of mode and getting ourselves working on to getting the local governments, the MPO's, the regional planning agencies, the state and the Federal Highway working on producing a system—the best system to provide mobility in that area.

All levels end up being the players. I think the Federal Government with certain guidelines can leave that decision—and this is something Mr. Dahms did say at the end of his remarks—can leave the decision of exactly how to structure that to the state.

I am comfortable here in California with a strong decision-making role from the MPO's, the 3C planning agencies. I think it is essential as we don't need the state saying, "This is the kind of a system we need every place."

We need different systems in San Diego and Los Angeles and the San Francisco Bay Area and Sacramento. Those kinds of systems have to recognize the demographics and the geography and the socio-economic make-up—in these different areas. The focus of this process is the metropolitan planning agencies. Or in California, maybe the congestion management agencies that are being pulled together to make these kinds of decisions.

We are comfortable here in California with having a strong decision-making role in the MPO's and with the state a full player, Mr. Anderson, as a partner in making those decisions as they go forward.

Mr. ANDERSON. But you are not in there now, are you?

Mr. BEST. We are in there.

Mr. ANDERSON. Oh, you are?

Mr. BEST. We are in there through the 3C process. We are a designated member of the congestion management effort. We are a

member of the Metropolitan Transportation Commission. So we are in there and we are part of that process.

There are other states, however, who feel very, strongly and are very concerned about a Federal requirement that would obligate them to pass off part of what has traditionally been a state role to a lower level of government.

I think by setting certain requirements that there be this planning process and let that planning process achieve this break down of the modal isolation and the jurisdictional isolation that we have had in the past, you can leave to the states on an individual basis the way to comply with that Federal mandate.

Mr. ANDERSON. I just want to make sure you are in there; not sufficiently to do the next state-wide picture. Otherwise, they could do something in a metropolitan part of the state that would actually work against what you would be trying to do state-wide.

Mr. BEST. Yes. Mr. Chairman, you are absolutely right. I don't think Mr. Dahms intended to suggest anything to the contrary, other than that the state would certainly be in there and participating and making those decisions to insure that there is a degree of consistency as necessary on a state-wide basis. Also, quite frankly, because the state is a major player as an owner-operator in the metropolitan areas and has to be part of the decision process.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. MINETA. Mr. Best, thank you very, very much for your testimony here. I want to thank Mr. Williams for his help over the time. We appreciate also the work of Kathleen Hoffman and your Washington office and the work of Mr. Williams on the Crescent Coalition has been very helpful to us.

So again, thank you very, very much.

Mr. BEST. Thank you, Mr. Chairman.

Mr. MINETA. At this time, the subcommittee will stand in recess until a quarter to 2:00.

[Recess.]

AFTERNOON SESSION

Mr. MINETA. At this time, the Subcommittee on Surface Transportation of the House Committee on Public Works and Transportation would please come to order.

I would like to call a panel made up of Michael Evanhoe, Executive Director of the Golden Triangle Task Force; and Mr. Will Kempton, Executive Director of the Santa Clara County Traffic Authority.

Mr. Evanhoe, Mr. Kempton.

TESTIMONY OF WILL KEMPTON, EXECUTIVE DIRECTOR OF THE SANTA CLARA COUNTY TRAFFIC AUTHORITY

Mr. KEMPTON. Mr. Chairman and members, Will Kempton with the Santa Clara County Traffic Authority. You have a copy of my written testimony, so my comments will be rather summary in nature. Hopefully, recognizing your short time frame, I can keep the time limit very brief.

What we wanted to alert you to in terms of a message of what we call a self-help county which we in Santa Clara as a result of a

November ballot measure in 1984, which authorized a one and a half cents sales tax increment for highway improvements in this county. The improvements were rather unique in the sense that they were all state highways. We raised the ten year sales tax, which expires in April of 1995, will raise nearly a billion dollars for improvements to three state highways in this country, two of which are on the urban system and one of which is on the Federal aid primary system.

We are well along in implementing those improvements, Mr. Chairman. The widening of Route 101 is two-thirds complete, with the remaining third going to construction this summer. Improvements to existing Route 85 are finished and open to traffic. Construction of the new Route 85 freeway—18.5 miles of new freeway in the West Valley corridor is well along.

Largely due to assistance provided by your office, Mr. Chairman, construction on Route 237 will begin this fall and we will see our environmental process concluded later this month. We appreciate your assistance in that effort.

The Measure A program, so-called for its ballot designation, is the first of its kind in the state of California. Currently, there are 14 other counties which have passed sales tax increments for state transportation programs.

To put that in perspective, what we are talking about here in terms of the life of those programs, an additional $11 billion of funding for what would otherwise be state transportation improvements. So it is a significant portion of the dollars that are being provided for transportation work in this state. Much of that money will be invested in the Federal aid highway system, including some interstate highway improvements. And also in transit facilities.

In terms of the post-interstate reauthorization, the Traffic Authority strongly supports what appears to be a universal appeal for flexibility in the development of this new framework for allocating Federal transportation dollars. We would, however, encourage the committee to look at a new concept. That is one of leveraging a higher return on the Federal investment in transportation improvements through the establishment of a local incentive program. Our concept of such a program is similar to one just approved by the voters in the state of California and the state legislature.

The State Local Partnership Program is a matching program that encourages local contributions to state highway and transportation work. That local state partnership program will provide $2 billion over the next ten years to match transportation projects which meet certain criteria, including deliverability requirements. Of course, the program serves to encourage local investments in state transportation projects and obviously, the state matching money is a tremendous asset in helping to defray the cost for local agencies. So a similar matching or grant program at the Federal level would create the same kinds of benefits, and we think would further foster the notion of intergovernmental cooperation.

The last point I want to raise today, Mr. Chairman, deals with the project development process. That is, the time it takes to get a project from start to finish and open to the public for use. The Traffic Authority recognizes and supports the need to meet sound

and reasonable environmental and project development requirements. However, the involvement of some of the regulatory agencies that have responsibility for overseeing that process is sometimes very time consuming. We don't argue with the requirements. What we would suggest is that there be some method of reducing or putting a control on the time that those agencies have for review. Mr. Bosco, in his comments, this morning talked about efficiency. We believe that issues like self certification and efforts to streamline project delivery are very important aspects of making the transportation system operate effectively and certainly, getting project work out to the public who is paying for it.

While the subcommittee may decide not to consider this issue in the reauthorization process, certainly project delivery is an important problem which should be reviewed in the near future.

Mr. Chairman, that completes my testimony. In closing, let me offer the assistance of the authority in working with your staff to further develop any of the comments that I have made today. Certainly, our thanks again to you, Mr. Chairman, for all of your assistance in the conduct of our Measure A work here in Santa Clara County.

[The prepared statement of Mr. Kempton appears on p. 2595.]

Mr. MINETA. Mr. Evanhoe, you want to join Mr. Kempton at the table?

Mr. Packard, if you would go ahead and question Mr. Kempton at this time.

Mr. PACKARD. I must leave. I have got an airplane to catch, but I would, if the Chairman would permit, I would like to go ahead and ask the question now and then I need to be excused.

Mr. Kempton, you suggested that we speed up the process and set deadlines or time benchmarks to be met, rather than eliminating some of the regulatory requirements.

Do you have confidence; and how best can we ensure that we will meet those deadlines? There is a tendency of trying to meet deadlines, but we keep putting them off or delaying.

Mr. KEMPTON. Well, I think Mr. Diridon mentioned today in his testimony—Supervisor Diridon from Santa Clara County—that in some instances, it takes ten years to get a transit project from the planning stages to the start of construction.

Mr. PACKARD. Which is totally unacceptable, no question.

Mr. KEMPTON. I think that much of that is in fact the result of duplicative processes, which if you go a self-certification route, for example, the environmental process can be I think streamlined significantly if you allow the states to use their own processes to satisfy Federal requirements. That is certainly one avenue that is available. But if there are necessary requirements—and we have had discussions with Mr. Mineta on this point—that in many instances, those protections are necessary and those processes should be in place.

If there were a way to provide the regulatory agencies with the staff resources necessary to accomplish the reviews required in a certain amount of time, that would be a very big plus in making the whole project development process more efficient.

Mr. PACKARD. I think we all agree that that is a major, major concern for the long time it takes to move anything—either in the

private sector through government approval and certainly in public sector, as well. The question of how to do is a major problem.

Mr. Chairman, I am sorry but I must go. Thank you very much.

Mr. MINETA. Chairman Anderson.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. Kempton, in your testimony, you propose that we look at leveraging a higher return on Federal dollars through the establishment of a local incentive program patterned after Proposition 3 in California.

Can you explain in more detail how this would work?

Mr. KEMPTON. Well, the proposition in California that was just approved by the voters, as I indicated, created a state/local match program. It sets aside a pot of money that is available for local agencies to draw on matching funds which in this particular year, the first year of the program, will be about 15 percent of total project costs. There are a series of criteria set down by the state for eligibility for those matching dollars and those eligibility requirements are primarily aimed at project delivery—the ability to get the work done quickly.

Obviously, for self help counties—and as I indicated, there are 15 of us now in California—we have the dollars and we have, for the most part, projects ready to go. So we are taking advantage of those funds.

Santa Clara County was the largest, single applicant in the state of California for those matching dollars for the first year. The program, as administered by the state of California, makes that money available. For us, it means about $6 million to $8 million to assist us in the conduct of our program.

Mr. ANDERSON. Well, Mr. Kempton, when the current half cent sales tax, as dedicated for highway purposes, expires in 1995, do you expect it to be renewed? If so, what will be the project needs at that time?

Mr. KEMPTON. Well, there are discussions going on at this particular time about the possibility of extending the sales tax or establishing a new sales tax program. My job is to focus on the projects that are before us in the first effort. That is primarily what I am attempting to do. I would say, however, that we have significant needs in Santa Clara County. We have one of the most sophisticated planning processes, I believe, that exists in the country. Our T-2000 and T-2010 efforts which have identified significant transportation needs—some highway, but as move into the next decade, shifting more to transit. Those needs are well documented and if in fact, there is an extension or a new program, those new sales tax revenues can be allocated for those projects that are included on those lists.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. MINETA. Mr. Evanhoe, why don't you go ahead and testify at this time?

For the record, Mr. Evanhoe is Executive Director of the Golden Triangle Task Force.

TESTIMONY OF MICHAEL EVANHOE, EXECUTIVE DIRECTOR, GOLDEN TRIANGLE TASK FORCE

Mr. EVANHOE. Thank you, Mr. Congressman. I am Mike Evanhoe. It is a pleasure to be here today.

The subject matter of my testimony is our efforts at local self help.

In 1984, Measure A that Mr. Kempton talked about earlier was passed by the voters in Santa Clara County, establishing the half cent sale effort. But in 1985, the business community working with the government officials determined that just building some new state highway facilities would not be enough; but the way the government operated in Santa Clara County had to make some major changes.

In 1986 and 1987, policies were adopted in the area of growth management, housing and transportation demand management programs.

Where are we six years later since all the discussion started in 1984?

We are today in the form of either ordinance or in policy before the planning commissions of the five member cities of the Golden Triangle Task Force: Palo Alto, Sunnyvale, Mountainview, San Jose and Milpitas, a growth management policy that has a four-area ratio of .35 on an average basis in each community. This will control the outright growth in each one of these communities.

In the housing area, a goal of 65,000 additional dwelling units of urban in-fill on land that was previously zoned commercial or industrial was the target. Six years later, we have 15,000 units identified either through rezoning or actually under construction; an additional 20,000 units under study. We hope to achieve our goal of 65,000 additional dwelling units beyond our general plans of 1986 in urban in-fill. That means giving up precious retail, commercial and industrial land converted to housing near jobs.

In the transportation demand management program, the five cities and the County of Santa Clara are annually funding, through their own local resources, a transportation demand management program to the tune of $1.5 million.

When the ordinances by these five cities are enacted later this year, there will be a framework of a loose, general nature that requires each company with more than 100 employees to have an appointed manager and transportation coordinator to work with the local cities and the county to develop transportation demand management programs. Our goal is to increase ride sharing from the 75 percent participation rate today to 85 percent by the year 2000.

All of these efforts have been done on a local, cooperative effort. We find that the business community, when offered an olive branch in working with the transportation demand management program, worked better than with an ax. So we feel that between the time that we started in 1984 to today, we have made some significant progress at the local level. Our program, coupled with Mr. Kempton's program, goes a long way in showing the citizens and the elected officials in Santa Clara can make headway in reversing unnecessary congestion.

Mr. MINETA. Thank you very much, Mr. Evanhoe.

Chairman Anderson.

Mr. ANDERSON. Yes. Mr. Evanhoe, what can we do to support your efforts in transportation demand management?

Mr. EVANHOE. As you develop new Federal policy in transportation in the coming months, Congressman, we hope that there will be an effort to encourage transportation demand management programs. Oftentimes, at the regional and local level, not enough attention is given to transportation demand management programs. It is necessary to complete the highway system, to develop transit rail and bus services; but we feel that it is a major in development of transportation demand management programs with a little encouragement from the Federal level could go a long way in using those new, mandated HOV lanes on Federal and state projects.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. MINETA. Mr. Evanhoe, as I listen to the communities you listed, is there not one community missing in that Task Force that is pretty key in terms of a geographical location? Is Santa Clara a member of the Task Force?

Mr. EVANHOE. Santa Clara dropped out of the Task Force a couple of years ago, Congressman, over the growth control/land use floor area ration issue. We feel, however, with the passage of Prop 111 by the voters of California requiring now on all urbanized counties in the state congestion management planning agencies that we have gone a long way in overcoming the difficulties within our communities. We are, in fact, the first county of the urbanized counties in the state to designate a congestion management planning agency. Our elected officials are now going through the process of identifying the board members and the new congestion management governing board will have its first meeting in early August.

Mr. MINETA. How is that going to be structured here in Santa Clara County?

Mr. EVANHOE. It will have a 12-member governing board. There will be five representatives. We are trying to follow the spirit of the one-man one-vote. So five will be from the City of San Jose; two from the Board of Supervisors, one representing the Board of Supervisors and one representing the Transit District Board of Directors; and five from the other cities of the county on proportional representation.

Mr. MINETA. In your work, how do you go to the employers to deal with let's say car pooling, van pooling or other kinds of demand management programs?

Mr. EVANHOE. We have set up an in-house corporate outreach services department where we have trained specialists that will work with each corporate company to try to tailor programs to their specific needs. Often, we think of the Silicon Valley with acres and acres of parking, but we recently had a company who, in an expansion mode, did not have sufficient parking spaces. There were actually employees fighting in the parking lot over available parking spaces. So we stepped in and helped that company form a parking program and a commute ride-share program to enable them to get better usage of their parking lot and to get more of their employees into van-pooling and car-pooling.

So we think that we have been structuring a program of training and actually going in and tailoring each program to a company's specific needs. We think they are cooperating because they see what has been happening in Southern California, Orange, Riverside, San Bernardino Counties in terms of the new Clean Air Act requirements coming out of California that will require some changes in the way business is handling TDM programs.

Mr. MINETA. What do you see happening to the Golden Triangle Task Force now with the congestion management plan required by Prop 111, et cetera?

Mr. EVANHOE. The Task Force members have voted the congestion agencies to be put in place and all the increments there that the Golden Triangle Task Force would go out of business feeling that a lot of its goals and accomplishments will be taken care of by the congestion management planning agency.

Mr. MINETA. Mr. Kempton, in terms of the work that you are doing with the Traffic Authority, and all the kinds of plans that you come up with, what is the process that you then have to go through to coordinate it with Santa Clara County, Transportation Commission, the State Transportation Commission, State Caltrans, MTC, all the other agencies that have their hands in the pot as it relates to transportation issues.

Mr. KEMPTON. Mr. Chairman, we operate within the framework of existing policies. We work, I think, very effectively with the county in helping to put together a priority list for projects of high priority in this area. We do work with MTC through the county in the development of those lists and also with the State Transportation Commission through the county.

I think our biggest impact in the way we have done the job here is in the relationship that we have built with the Department of Transportation. I think Caltrans expected that we would be a funding agency, simply signing the tax proceeds over to them to do the work. However, they were not able to meet the aggressive schedules that we proposed early on because of staffing limitations, and we put together a public-private partnership involving private consulting engineers in the design of the work. It served to be a very efficient model. It has worked extremely effectively. We are delivering the projects in about half the time that it would have taken if the state had done all the work.

Mr. MINETA. But if the Federal funds—let's say for the Federal aid to urban or Federal to secondary road systems or even interstate highway moneys or other moneys go to the state and they filter down. Where do you fit into that?

Mr. KEMPTON. Currently, we fit in just like any other agency. We go through the county to solicit those funds for projects on our system. So we have to go through the priority setting of any other kind of a project. So there is no special consideration as a result of being a self help county or having those dollars ready to go. That is kind of the issue we are raising with the suggestion that this committee look at the creation of a local incentive program whereby funds might be directed to encourage local contributions to Federal transportation systems. If that money were set aside and available, then I think you would go a long way towards bringing in additional local dollars, whether they be financed through developer contri-

butions or through sales tax measures or any other sort of a program. You would be, in essence, leveraging those federal dollars getting more bang for the buck from their application.

Mr. MINETA. With these other 14 counties that have a traffic authority as a result of their own passage of a Measure A type of issue, do they have the deputy director of those traffic authorities someone from the State Department of Transportation as a deputy director as you have here in Santa Clara County?

Mr. KEMPTON. We have a satellite office here in Santa Clara County that is headed by a State Department of Transportation deputy director reporting to the district director in San Francisco. We work very closely together but organizationally, there is no formal tie to the traffic authority.

Mr. MINETA. Mr. Yohata is not a deputy of the——

Mr. KEMPTON. Traffic authority. He is a deputy director of Caltrans. We are very fortunate to have him. We have developed a very close working relationship. I think that concept speaks very well. In fact, we just advised the Department of Transportation. They have a task force looking at organizational issues.

Mr. MINETA. I got the impression that somehow Mr. Yohata was actually in your office.

Mr. KEMPTON. He is actually in Santa Clara County right next door to our operation and that works very, very effectively. So we would encourage that to be the model employed in other counties, as well.

Mr. MINETA. Do you know whether that is in fact the model?

Mr. KEMPTON. It is not the case in all of the other 14 self help counties. It should be.

Mr. MINETA. Okay. Mr. Evanhoe and Mr. Kempton, thank you very, very much for your testimony. I know that your experience of working with these programs is going to be invaluable to us, so we may be calling on you for other help.

Thank you very, very much.

Mr. KEMPTON. Thank you.

Mr. MINETA. At this time, I would like to submit for the record the statement of Robert B. Stockwell, President of Golden Gate Bridge Highway and Transportation District.

[The statement of Mr. Stockwell appears on p. 2726.]

Mr. MINETA. I would now like to call a panel made up of the Honorable Helen Thomson, Supervisor in Yolo County; and the Honorable Jim Spering, the Mayor of Suisun City.

The statement of Supervisor Thomson and Mayor Spering will be submitted for the record.

So Supervisor Thomson, if you would go ahead and proceed in your own fashion, please?

TESTIMONY OF HELEN THOMSON, SUPERVISOR IN YOLO COUNTY, CA

Ms. THOMSON. Thank you, Mr. Chairman and members of the committee. I also have with me our SACOG Executive Director, Michael Hoffacker. I would like him to stay at the table with us and provide any technical assistance to questions that you may have about our statements to you or about the study itself.

I am Helen Thomson. I am a member of the Board of Supervisors in Yolo County. In fact, this year, I am chairing the Board. I am Chair of the Policy Advisory Committee for the Joint-MTC SACOG Strategic Planning Study, one of five such studies which took place in the United States. You have probably seen the results of those studies in some of the work that you have been reviewing.

The joint study involved representatives of two regional planning organizations and locally elected officials from seven counties along the Interstate 80 corridor. Representatives, also from three districts of the California Department of Transportation were on the Policy Advisory Committee.

This corridor is the major growth area of northern California. While major concerns for congestion were expressed by representatives of the western and central portions of the corridor, the representatives of the eastern portion of the corridor expressed concerns for air quality improvement as well. In the Sacramento metropolitan area, air quality concerns are driving transportation decisions. At the end of our study, we found that air quality emerged as a primary objective of the study area as a whole, including all of the segments and all of the participants.

Our study made it clear that many improvements will be needed over the next 25 years if potential congestion and environment problems are to be mitigated. The study discussed over $7 billion in improvements throughout the corridor—well beyond presently projected transportation resources, even considering California's recent successful initiatives which doubled the fuel tax and authorizing $3 billion in mass transit bonding, including rail improvements. It is clear that the additional funds must be raised at all levels—local, state and federal. I might say that all of the local governments along this corridor have, in fact, been doing their part, most of them by passing local initiatives raising sales taxes to try to deal with the problem so that the quality of life that the citizens along the I-80 corridor have come to enjoy can be sustained.

These needs will not be met with additional funds alone, however. The funds must be applied to allow the most cost-effective proposals to meet the objectives. This means that we must be able to apply those funds to projects based upon achieving desired results—not upon arbitrary categorical programs or to achieve the best federal/local matching ratios. In order to accomplish this, federal funds should have consistent matching ratio requirements and should be able to be used upon highway capacity, parallel arterial, or mass transit projects based upon results achievable. The key word describing this approach is flexibility. I believe you have heard a lot of that word here today.

The results should be focused upon the problems being addressed. For example, urban and suburban congestion and air quality. Measurement of results would then become necessary and for this reason, a legitimate focus of federal concern. Developing the means to reduce vehicle emissions, to evaluate the air quality impacts of transportation projects, and to identify the most effective approaches to the variety of transportation problems we face should be the focus of federally funded research and development activities.

Finally, if we at the local level are to be partners with the state and the federal government in financing transportation facilities and services, we will have to make programming decisions with confidence. The funding levels and the rules regulating the application of funds must be predictable. Transportation projects are characterized by long decision processes. A major transportation improvement will span several budget cycles; often, many funding partners' budgets, and sometimes the partners themselves. Predictable federal programs will assist in long term commitment at the state and the local level.

In closing, we recognize the maintenance of our considerable investment in transportation systems and facilities as a basic priority. This existing system is the basis upon which we build improvements which together with what we now have will address the needs of the next two or three decades.

This is our advice to you for a new Federal program: adequate funding flexibly applied and focused upon results. That is what the 21st century will demand.

Thank you.

I will ask Jim to continue.

[The prepared statement of Ms. Thomson appears on p. 2664.]

Mr. MINETA. Mr. Mayor.

TESTIMONY OF HON. JIM SPERING, MAYOR OF SUISUN CITY, CA, VICE-CHAIR OF SALOG/MTC STRATEGIC TRANSPORTATION PLANNING STUDY

Mr. SPERING. Good afternoon, Mr. Chairman and members of the committee. I represent a rural county, Sonoma County. I am a member of the Metropolitan Transportation Commission. I served as a Vice-Chair of the Policy Advisory Committee.

I believe our Chairman Helen Thomson has summarized the thrust of the study very well. But I would like to add a few thoughts.

The study opened the door for some new thinking by all of us involved, suggesting that the time is right for breaking new ground in the reauthorization bill as well. Further, the reauthorization should provide program incentives to stimulate further thinking about new opportunities for solving our transportation problems. I feel very strongly that flexible funding is a very key ingredient for rural counties like Sonoma.

Through the study, we opened an inter-regional dialogue that was very healthy. This suggests to me that state and local governments can build on the past planning partnerships to create even more productive future ventures.

Finally, our study finds the need for a strong and continuing federal commitment, but we clearly recognize that we carry our own local loan as well. The threat of ever increasing congestion on a few federally adopted routes is all too clear. Every partner must bear his share in devising a broader based solution.

That concludes my remarks, Mr. Chairman.

[The prepared statement of Mr. Spering appears on p. 2658.]

Mr. MINETA. Thank you very much.

Chairman Anderson?

Mr. ANDERSON. Thank you, Mr. Chairman.

I guess either one of you. As shown in the Strategic Transportation Study, transportation concerns vary considerably among different transportation corridors.

What criteria was used to establish air quality as the primary objective for the I-80 corridor?

Ms. THOMSON. Considerable concern with the fact that we were not in compliance with the federal standard was one of the main criteria. The other is the environmental concerns, particularly on the eastern segment of the corridor in a rapidly growing area, that there needs to be more environmentally sound planning done—both for land use and transportation. And including all of that in how we go into the future.

A need, as we see it, that—and a well documented need, a very fine study, of the capacity and load, et cetera, of the interstate highway, that there are not going to be many areas that the highway is going to be terribly expandable. So we need to look at the ability to use rail; to use light rail; to increase the traffic congestion mitigation and all of the planning that needs to go into that. In California, under the California Clean Air Act, which went into effect a year ago, we need to meet even more ambitious air standards.

Mr. ANDERSON. Are you doing pretty good?

Ms. THOMSON. We are trying very hard.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. MINETA. First of all, let me congratulate all of you in Sonoma County and Yolo County. Just last Friday, I had the chance, as Mayor Spering knows, to speak at Set Corp. I was very, very impressed with the turn-out there at that meeting and the interest that was shown. There is probably a great deal of that kind of input that went into this SACOG report that has been submitted here. I haven't had a chance to really go through it.

Specifically, how long has this been in the creation?

Ms. THOMSON. It took the Policy Committee and the Technical Committee about a year to do. As you know, our Congressman, Congressman Vic Fazio, was helpful in getting us included in the National Strategic Study as one of the five done across the country. The study went into the Federal Government about eight or nine months ago—possibly a year. I am not sure. About a year ago.

The Technical Committee was assisted by MTC and SACOG. They had a consultant. There were about four file boxes of the data that was collected. There was an enormous amount of research that went into this study.

Mr. MINETA. In terms of projections, this goes out to what years?

Ms. THOMSON. Twenty to twenty-five.

Mr. MINETA. Mayor Spering, in your statement, you said that the reauthorization should provide program incentives to stimulate further thinking about new opportunities for solving our transportation problems. Program incentives usually mean a bigger federal share—more money from the federal sources or whatever sources. Yet, on the other hand, Supervisor Thomson says that we should have consistent matching ratio requirements that sometimes push for 75/25 to 80/20 to 90/10—that push for program incentives goes against the grain of the consistent matching ratio. Right now, with

let's say interstate being 90/10; other programs being 75/25, a lot of people say, "Well, they are chasing Federal dollars. Let's do this because we will get 90/10 money whereas if we do this, we only get 80/20."

So how do we sort of square the two?

Mr. SPERING. I think that is where the system emphasis comes in on a regional basis. If you look at the I-80 corridor study, land use and air quality were very key ingredients in that study. The flexible funding. We have to have the ability to do proper planning. There needs to be monies to purchase rights of way in a rural county like Sonoma. We need to be able to do preventative congestion planning. I feel very strongly that the local agencies need to carry their load. But there needs to be a federal commitment to help subsidize that on the local level. I think there needs to be—we always talk about self help counties, but there are self help communities. Those communities need to be singled out. I represent a very small city that we put a bond issue on the ballot and it passed. For a small community, we came up with matching funds. I think those are the types of incentives that need to be written in.

Mr. MINETA. Now, this has not happened in the case of Suisun City or in the case of Yolo County or Sonoma County. But frankly, about three weeks ago, Chairman Anderson and I were up until about 11:00 one night, going through a number of requests made by our colleagues in the House of Representatives asking for demonstration projects. Any of them from $200,000 feasibility studies for something to happen in a local community somewhere to a $40 million highway project somewhere. I looked at those things and I am wondering why are we funding a feasibility study for Resume Speed, Iowa when their member of Congress is coming to us and saying, "Hey, I really need this for the City of Resume Speed for this feasibility study."

I wonder why do we really have to fund that out of federal funds? If it is that important, maybe the City of Resume Speed or the County of Waterloo or the state of Iowa ought to be funding that.

Can you give us any help as to how we should do this? Should we just say no to these if the locality is not willing to come up with it themselves?

I mean you folks have done that on a self help basis. On the other hand, I think there are 58,000 towns and communities in this great United States of America and if we were to sit there and say yes to Resume Speed, it is possible we could have 57,999 others that Ken and Paul and the Chairman and I could sit there until 11:00 at night pouring over those requests saying, "Yes, we do," or, "No, we don't fund these things."

Mr. SPERING. Mr. Mineta, I think you are touching on one of the real problems that we face in this region. I think in the Bay Area region, we have been very responsible at raising local funds. Our citizens are willing to make that commitment. I feel that that commitment should be made nationally; that if people are asking for these funds; for us to get the biggest bang for the dollar, I think it is important that there are matching funds and that the local people make that commitment. But too many of the communities can't make it on their own. There needs to be that Federal commit-

ment. It has to be moneys that we can count on; we can plan on. I think that if people know that we can deliver those projects, they are willing to put their money on the table also. I think that it is only right that matching funds should be part of this reauthorization and some element of it. It is very important. It is an incentive, so we maximize the shortage of funds.

Helen.

Ms. THOMSON. I would not like to be up until 11:00 with your projects and the applications that you have.

Mr. MINETA. Well, for the Chairman, that was an early night.

Ms. THOMSON. That was early. I am sure there are many that are deserving, particularly in the eyes of your colleagues who proposed them to you. I would suggest that there might be a way to set a criteria by which there are some more deserving than others. Maybe the matching idea is one. Perhaps the greater public good is another. Of course, that is always seen in the light of who is making the proposal. But I would see that there needs to be more of a dedication to resolving the overall need for transportation that are system related, that are project worthy; and that perhaps, there would be more of a local match. Maybe the higher the match for one that is less deserving. I just don't know that, but that is something that you are going to have to wrestle with.

Mr. MINETA. Chairman Anderson.

Mr. ANDERSON. I was going to say off the record, sometimes, you might associate some situation with a guy named Mineta. You mentioned the time that night when you came to my office. I had been working there all day. You came there late that night. We worked close to midnight. Then we have to clean things up. I suppose I didn't get home until 2:00 in the morning. Last night, I think I got in a little after 1:00, but I had to get up at 5:00 this morning to catch a plane to get here today for Mineta's committee hearing. That gave me less than four hours sleep. So if you notice that I have been kind of a little groggy here at times, you know why it is. Maybe it is Mineta more than anybody. He doesn't understand that some of us have to try to sleep a little longer than others.

Mr. MINETA. Is now the time to ask for a raise, Mr. Chairman?

Mr. ANDERSON. No. I don't want a raise; no.

Mr. MINETA. Mayor Spering.

Mr. SPERING. Mr. Chairman, I would like in the context of the system's emphasis—and that is where the urban and suburban area is. It is a network. If you have somebody that has a project that they would like the Federal Government to fund or help with through that region, it has to be part of the total system if they don't have the funds or they can't raise it locally. But I think that when you start talking about projects that just benefit a very parochial approach, I think that is when we have to question how we utilize those monies. But I think that—and that is why I wanted to just say that the system's emphasis is very critical to the suburban and urban areas.

Mr. MINETA. I think that our problem is that the local mayor, the local chair, the board of supervisors goes to their Member of Congress. That Member of Congress comes to us, says, "We need this."

"Well, is it in the state five-year STIP, State Transportation Improvement Program?"

"No."

"Is it something that Resume Speed is willing to fund?"

"Well, no. They are really hard-pressed. All we have got are catfish farms in our area. They don't have much money to fund."

Am I starting to give away some specifics on projects? I think that was the cat in Yazoo City, Mississippi. In any event, there are some cases.

Or you say yes to Congresswoman Thomas, but no to Congressman Spering.

Mr. SPERING. Yes, it is. We understand.

Mr. MINETA. Well, let me thank both of you for your part in both the MTC and as part of your work on SACOG in putting this together. Without a doubt, Congressman Vic Fazio is a very key member of the Appropriations Committee.

As I mentioned at the Sonoma County Economic Development Corporation last Friday, he is looked to not only in general on leadership things, but when it comes to transportation, we really do look to him.

So again, I thank you for your being here and for your being so fortunate as to have a very effective member of the Congress.

Mr. SPERING. Thank you.

Mr. MINETA. Thank you very, very much.

At this time, I would like to call on a panel made up of Mr. Terry O. Cooper, Director of Transportation for the City of Fresno; and Mr. Richard Welton, Director of the County Department of Public Works.

San Jose and Fresno have a lot in common given the fact that the city manager here now is Les White who was formerly in Fresno and our Director of Aviation now in the City of Jose as a former Fresnan. It is great to have the contributions that you have already made to the City of Jose and we look forward to the contribution being made by this panel.

So Mr. Cooper, I will have you go ahead.

TESTIMONY OF TERRY O. COOPER, DIRECTOR OF TRANSPORTATION FOR THE CITY OF FRESNO; RICHARD WELTON, DIRECTOR OF PUBLIC WORKS; AND JEFFREY WEBSTER, GENERAL MANAGER OF FRESNO COUNTY RURAL TRANSPORTATION AUTHORITY

Mr. COOPER. Thank you, Mr. Chairman. Indeed, we do feel at home when we come to San Jose and sometimes wonder if it will be our own home pretty soon.

With me this afternoon, Mr. Chairman, is Mr. Richard Welton who is our Director of Public Works and Mr. Jeffrey Webster who is the General Manager of the Fresno County Rural Transportation Authority.

As you know, in the testimony that we are submitting as part of the record, that I am the Director of Transportation for the City of Fresno and the Fresno Area Express and also recently took over for Ralph Tonsetta at the Airports Director of Transit and Aviation.

I appreciate the opportunity to testify before the subcommittee today on the federal reauthorization program. I would also like to speak on behalf of the principles of the American Public Transit Association which we are seeking to have included in the upcoming reauthorization of the Surface Transportation Program. I am also currently APTA's Vice President of Government Affairs.

The principles adopted by APTA's membership are particularly relevant to the difficulties in the City of Fresno, the San Joaquin Valley and throughout the state of California. Small and medium sized communities and systems through the nation are facing an ever growing demand for additional transportation services far beyond their capacity to handle them. We are all keenly aware of the needs of the large metropolitan areas which you have heard so well today; they sometimes seem to us insurmountable in the challenges that they face. But there is a common element which exists at all levels and that is the need for continued and increased Federal transportation programs.

The reauthorization process coincides with the crisis in the American transportation systems nationwide. The demand for additional capacity is growing relentlessly at the same time the requirements to deal with the negative impacts of traffic congestion, lost productivity, air pollution and other environmental problems are growing at an equally incredible rate.

In Fresno, Fresno County and the entire San Joaquin Valley, we have one of the worst air pollution problems in the state, if not the nation as carbon monoxide emissions from on-road vehicles currently constitute 65.1 percent of our local and regional smog problems. How government and private interest at every level respond to these problems will make the difference between success and failure in fostering our continued economic growth, cleaning up our air and ensuring the high quality of life for all of our citizens over the next decade and into the 21st Century.

In 1986, the City of Fresno and Fresno County along with Alameda County, modeling a local Santa Clara County proposition; enacted a local, transportation specific sales tax to address our growing transportation needs. We are one of some 14 California counties which have enacted specific transportation sales taxes recently.

As has been referenced here often, you are also well aware of the state of California's recent propositions 108, 111 and 116 which show that Californians understand the importance of transportation and the priority of paying for transportation versus not paying.

We urge the Federal Government to recognize the particular importance which has been demonstrated here that people are willing to pay specific taxes for specific reasons and benefits thereof. To further recognize the Federal Government's role which has invested billions of tax dollars into major transportation systems over the last 30 years cannot logically be reduced and in fact must be increased to meet our demands and requirements for additional services in the future.

Growth estimates for the Fresno Clovis Metropolitan Area over the next 25 years or by the year 2015 are projected to increase by more than 64 percent from its current level of some 435,000 to more than 714,000 people. The ability to deal with the anticipated

growth is further complicated by the mandated requirements for accessibility and alternative fuel operations which will soon be enacted. We support both of these ideas and concepts and will work diligently to try to make them effective. But specifically assuming an annual operating budget for our local bus system of some $15.3 million, the needs for compliance and requirements over the next five years can be outlined as follows:

Just to replace our current 90 vehicle system, which are currently 13 to 15 years old, will cost at today's rate some $10.7 million.

Service demands, which are not being met right now, for additional evening service, greater frequencies, more expressed type could constitute some $19.3 million additional cost.

The compliance requirements, as I mentioned, will increase our annual budget, just for fuels more than double by $1 million a year or some $4 million or $5 million over the next five years.

Full compliance with the ADA bill will also add to our costs; specifically, we are not sure as to how much at the current time. But significantly, it will add to those costs also.

To meet the demands at a time when existing transit facilities are in desperate need of upgrading which has been caused primarily by reductions of federal assistance over the last ten years of more than 50 percent, is simply impossible to do.

On behalf of the City of Fresno, small and large transit systems throughout the country and the American Public Transit Association as a whole, we urge the committee to support a national goal of increased transit availability and ridership which will be necessary to fund to through increased federal assistance as described very specifically as follows:

The Federal Government's investment in public transit should be increased to at least $11 billion annually; $6.5 for essential reinvestment to maintain the current level of services; and an additional $4.5 billion for capacity expansion to meet the demands of the future.

To provide reliable, predictable funding, it will be necessary to enact a 7 cents per gallon increase in the federal fuel tax earmarked for transit.

The Federal Government should provide transit systems with additional aid to pay for compliance with federally mandated clean air and accessibility requirements.

Metropolitan areas should have greater flexibility, as you have already heard, in the use of Federal transportation funds to meet more specific local transportation needs.

The definition of transit should be broadened to include a wide range of high occupancy vehicles and shared ride services. It has to be multi-modal.

The federal government should eliminate tax policies that discourage transit use and private investment in transit facilities.

In conclusion, by incorporating these principles into the Surface Transportation Reauthorization legislation, your committee can reassert the proper Federal responsibilities by ensuring that transportation policies achieve national goals while maintaining an appropriate area, state and local control over planning and implementation. Many local and state governments throughout the country have already absorbed a large portion of the Federal reduction

in transportation investments but may be stretched to the limit on their ability to meet the future needs.

Again, Mr. Chairman, I would like to thank you for the opportunity to testify before the committee today. I would like to now pass it on to Mr. Welton to express some of the multi-modal aspects on the highway side.

[The written statement of Mr. Cooper appears on p. 2564.]

Mr. MINETA. Mr. Welton, your statement will be made a part of the record. So if you would go ahead and proceed in your own fashion.

Mr. WELTON. Thank you very much, Mr. Chairman. I appreciate the opportunity to be heard before your committee. I am also speaking on behalf of the County Association of Engineers in the State of California. We have discussed our paper with some members of your committee at a previous meeting in Washington. We appreciate that and appreciate your putting that into the record.

I would just like to stress that the fiscal requirements to simply maintain and rehabilitate California's city and county road facilities is staggering. Counties are responsible for over 70,000 miles of roads in California. A recent California Senate Transportation Committee study documented that funding deficiencies for just maintaining, rehabilitating and reconstructing county roads alone stood at $6.9 billion.

The recent transportation measure adopted by California will allocate from about $1.5 billion to the counties over a ten-year period. That leaves about a $5.4 billion shortfall. This means that that amount will contribute to health and safety problems for our tax payers, as well as contribute to a decline of the economy. The voters in several California counties have imposed local sales tax measures and other counties will be considering measures in the near future. Even with the revenues generated by these measures, they will still fall short of meeting the needs without the continued financial commitment of our Federal partner. In fact, these measures, as in the case of our county—in Fresno County—rely on the continued support to carry a complete transportation system. Our transportation measure was developed around the reliance on both state and Federal funds continuing at their current level.

Our Association has reviewed various documents and policy statements made by other Associations and other organizations and we find it very comfortable when you look at the policies and the concepts that are embodied in that because we all seem to be saying much the same thing.

I would like to just summarize some of those concepts that we have discussed. I would like to caution, however, that we know that as you formulate the actual Surface Transportation Act, the reauthorization of that Act; that when that language then begins to formulate, we have concerns how then the numbers come out when we are supporting these concepts.

So first of all, you have heard from almost everyone to support adequate levels of funding. That includes the spending down of the Trust Fund which we would like to commend your committee and your efforts in that area; particularly Chairman Anderson and his discussions about keeping that off budget. We think that is a significant help to locals.

As Terry Cooper mentioned, one of our important ingredients in our measure was assuring the constituents that that money was going to be spent for that purpose.

Under maintenance and rehabilitation, we all seem to be consistent. Protect the existing investment by assigning a high funding priority to the maintenance and rehabilitation of the existing national transportation system. That includes in the counties' views—by the way, I should mention that all 58 counties in California have participated in this study and are a part of this organization. But we all see, such as the FAS system, that you have designated and has been in existence for close to some 40 years now, is the back bone of much of the rural system in our counties. We feel that continued support of that is going to be key to our being able to keep that system up.

The next major point is to expedite project delivery. Many of the engineers in California have some fairly specific ideas on that. You have heard some folks talk about that today. But we think by establishing performance standards to reduce overly restrictive design standards is one; certify local agencies to direct pass-through of the funds; and certify the state environmental review process in lieu of the Environmental Protection Act process. We think those are some very specific things that could be addressed.

The next major point would be to support a local block grant funding concept, similar to what we are talking about in Project Delivery. To maintain existing Federal participation, allocate funds based on categorical programs—as I mentioned, FAS could be FAU, the bridge program, highway safety. Allow these decisions to be made by local decisions.

The next major point would be urban congestion and rural access. Many of the other folks have talked about that today. Emphasis should be given to those solutions to solve the urban/suburban congestion and also then for access to the national system highways in the rural areas in a cost effective manner.

Finally, support the user fees. Ensure that transportation uses bear the maximum practical and appropriate share of the costs of services and facilities that they use. As an example, your fuel tax and truck weight fees.

In conclusion, I would like to thank the committee on behalf of the County Engineers Association of California. We are looking forward to working with and for your providing us the opportunity to speak from a local perspective for the ones who end up designing and building the facilities that support the national transportation system.

Thank you.

[The prepared statement with attachments of Mr. Welton appears on p. 2712.]

Mr. MINETA. Thank you very much, Mr. Welton.

Chairman Anderson.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. Cooper, if the definition of transit is broadened to incorporate HOV lanes, how would the city and County of Fresno apply this concept to your transit planning and operations?

Mr. COOPER. Well, the way we look at it from a local perspective, Mr. Chairman, has been one that has shown—without hesitation,

we like to consider ourselves the model of inter-modal cooperation. When we developed our local transportation sales tax agreement, Richard and I worked diligently with our local MPO and identified the fact that there are other ways to meet the needs of transportation in communities such as ours. We know that we have to work together to provide the facilities that will simply get more than one person in the car. There is a share of everything to be worked out together. We understand the importance a good road systems play toward achieving that and providing our planning efforts and focus on HOV lanes as a method to expedite that movement, as well as high occupancy vehicles such as buses. We need to have the facilities for us to achieve our own organizational goals also.

Mr. ANDERSON. Mr. Welton, are the City and County of Fresno considering the construction of a light rail system; and if so, will you anticipate providing state or local funds to over-match this transit capital project as Secretary of Transportation Skinner has proposed?

Mr. WELTON. There have been studies made. At the current time, there is not a proposal for a city/county type of a project for that, but it is under consideration again. I think that Mr. Cooper could probably talk from the city's perspective because they have been most interested in that.

Mr. COOPER. Mr. Chairman, I would say that we would like very much to be on a project listing for future light rail. As we look at the growth of Fresno, as I mentioned, some 64 percent over the next 25 years, we feel that the demand will be there for such an installation.

Will we be able to over-match it?

Since we have a 20-year tax, also, the probability would not be there under the current system. If we were to renew or reauthorize our local half cent sales tax, the priorities of how those dollars are spent on the modes may changes also. It is currently 75 percent highway oriented. Those modes may change and say that if it is extended for another 20 years, yes, we may indeed focus upon mass transportation alternatives. Even the congestion management plan may dictate such a requirement. But certainly, if the opportunity was there, the over-match effort would be made.

Mr. MINETA. Thank you, Mr. Chairman.

Thank you. Mr. Webster, I'm sorry. I should have asked you if you had a statement to make or comments. Please feel free to do so.

Mr. WEBSTER. My name is Jeffrey Webster. I am General Manager of the Fresno County Rural Transportation Agency.

I wish to speak you today on behalf of the small, urban rural non-profit contractor and transit operators not only here in California, but throughout the Nation; both as Chairman of the California Association for Coordinated Transportation and State Delegate to the Community Transit Association of America.

We are concerned about adequate funding for such programs as Section 18, Section 16(b)(2), RTAP and the like. Also including Section 9(a)(1) funds for some small, urbanized areas. We recognized that there is a funding crisis to replace our capital equipment. Currently, the funding nationwide indicates that we can replace about a third of our fleet annually.

We are concerned about operating impacts on our budgets; things such as the drug rule; the fact that those particular regulations entail no additional funding to assist us as small rural operators in meeting those particular requirements.

We are concerned about the impacts in meeting the Clean Air Act and being located in the San Joaquin Valley, as Mr. Cooper has indicated, we will be responsible for responding to some very critical methods in resolving how we operate in our County to assist the Air Quality goals and objectives.

We are concerned about our costs in relationship to the Americans with Disabilities Act and how those impacts will relate to our available funding. During the past 5 years, we have noted a 25-percent decline in the available funds for the Section 18 program and approximately a 30-percent decline in the Section 9(a)(1) funds. We have noticed a small decline in 16(b)(2) funding. We are hoping that as the committee proposes legislation, there will be adequate consideration for increased funding. So when we are talking about sharing block grant programs, there will be adequate funds for all of us to compete against.

Thank you.

Mr. MINETA. Thank you very much, Mr. Webster. Remind me, how are you structured? Are you a private non-profit?

Mr. WEBSTER. We are a joint powers entity made up of County and 13 incorporated cities. We provide service outside the Fresno metropolitan area, 29 vehicles, 17 subsystem locations, one to three vehicles per urban/rural community with service to and from Fresno, primarily as back-up to common carrier service in our county.

Mr. MINETA. Does that include para-transit?

Mr. WEBSTER. Yes, it does. We also coordinate with our local Economic Opportunities Commission to provide what is called a consolidated transportation services agency operations in our County. That was enacted by the California legislature back in 1979 to ensure that there was adequate coordination with all social service transportation to ensure elimination of duplication.

Mr. MINETA. Mr. Cooper, your local tax over-ride is for what period of years?

Mr. COOPER. Twenty years.

Mr. MINETA. It's a 20-year program?

Mr. COOPER. Yes, sir.

Mr. MINETA. Most of the programs that I have heard of are usually ten years; are they not?

Mr. COOPER. Yes. Actually, when I reference in my testimony that we modeled the Santa Clara proposition, that was one of the models that we learned from. We felt that because we had such a multitude of project's in the rural area and in the out-county as far as road repairs, as well as the urban area for major new highway construction, we just did not feel that ten years would be sufficient to do that; went for a 20-year proposition which will generate some $900 million over that 20-year period.

Mr. MINETA. In your statement, you are suggesting that there ought to be a 7 cent per gallon increase in the Federal fuel tax?

Mr. COOPER. Correct.

Mr. MINETA. Obviously, I didn't realize yours was a 20-year tax, so it is going to be a little different. I was going to suggest if you are going to be sunsetting in ten years and you are going to be coming up for a tax in a couple years—let's say, Santa Clara is facing that where they are going to have to go for a tax increase in the next couple of years. Without asking for an additional 7 cents, we just passed an increase here with Prop 111 as to whether or not we could even stand the gaff of going for a 7 cent increase at the Federal level, given the fact that there is $11 billion sitting idle in the Highway Trust Fund.

So I will pass on that question for you right now.

Mr. Welton, in one of the suggestions here, you talk about the emphasis should be given to solutions to solve urban/suburban congestion and for access to the national system of highways in the rural areas in a cost effective manner.

I would like to ask what do you mean by "access to the national system of highways in the rural areas in a cost effective manner"?

Mr. WEBSTER. We currently—the system that we now have in place, just about anybody in the United States can drive from their home to Washington, DC. So we look at it as a total system. Our FAS system is probably one of the most vital ones that we see in the rural areas of our California counties.

We have made some suggestions about productivity; setting standards of performance, rather than being more specific about the environmental review process. That is what we mean by a cost effective manner. We think that with some attention in the new Act, that you could make it work better for us. That the time requirements could be reduced in the processing of projects and so forth.

Mr. MINETA. Let me dispel any high hopes that you might have about cost effective meaning any attempt to combine state environmental review processes with the Federal. I don't anticipate that we will be doing anything between merging, let's say SEQA and NEPA. Those are going to have to be two separate tracks of their own. I, for one—unless I hear from the Chairman or somebody else—will not be working towards doing anything along trying to sandwich state environmental quality process or the elimination of NEPA or whichever way it is to go. That is too much of a political and substantive issue to take on, frankly. I am not up to it, unless the Chairman says we ought to do it. I don't see us taking on NEPA and SEQA at the same time.

Mr. WEBSTER. Let me suggest what we were hopeful is is that they would consider that as at least equal to or greater. You have heard some testimony here today——

Mr. MINETA. Well, we have had testimony on that. But in your view, you say to certify state and environmental review processes in lieu of the Environment Protection Act process. That "in lieu of" just means scratching it.

Mr. WEBSTER. That would mean if our requirements were greater than NEPA. It is much the same as the Air Quality Standards. We are going to find ourselves going through two paperwork processes to certify projects. They will both essentially do the same thing, but it will require a stack of paper to complete a project which we feel is duplicative.

Mr. MINETA. That is one, I guess, we will have to really wrestle with. Concurrence, I can understand. In lieu of would be very, very difficult.

Mr. WEBSTER. I appreciate that.

Mr. MINETA. I think that is as many questions as I have.

Let me ask the staff.

Well, again, thank you very, very much for helping us because again, it is important that we hear from the operators.

At this time, I would like to call on the Honorable Bill Pine, Commissioner, Grays Harbor County Commission, from the Washington State Coastal Highway Coalition; and the Honorable Don Forbes, State Highway Engineer of the Oregon Department of Transportation.

Mr. Pine and Mr. Forbes, we have your statements. They will be made part of the record.

Mr. Pine, if you would go ahead, sir?

TESTIMONY OF BILL PINE, COMMISSIONER, GRAYS HARBOR COUNTY COMMISSION, AND THE WASHINGTON STATE COASTAL HIGHWAY COALITION

Mr. PINE. Thank you, Mr. Chairman and members of the committee for this opportunity to testify today. My name is Bill Pine. I am a County Commissioner from Grays Harbor County in Washington and I represent the Costal Highway Coalition in Washington state. That is a five-county area. If you are familiar with a map of the Olympic Peninsula, you come across Morgan and come into Pacific County, head up the coast and there are five counties on the coast of where Highway 101 goes through.

The key point of my testimony are as follows:

We believe that any planning and improvements to the 101 corridor should be done in terms of the Pacific Coast, not just Washington State.

Our region is one of the key timber areas in the northwest, which you have probably heard about recently, and we recognize the need to diversify. The changes to the economy in coast Washington must be prepared to meet and better facilitate the increasing tourist and industrial of Highway 101 corridor.

Highway 101 in our area is most often a twisting, two-lane road with few opportunities to pass, limited pull-outs and no rest stops.

Our coastal area include the Olympic National Park which is the fifth most visited park in the U.S., the Strait of Juan De Fuca, the Hood Canal, along with protected bays and marshes, sand beaches and rocky coastlines.

In my county alone, we have 100 square miles of protected estuaries and seven state parks.

Washington is committed to an improved Highway 101 transportation corridor. A concept plan for Washington's 101 corridor is currently being developed.

Washington state, in their next six-years for the highway plan has budgeted $150 million for Highway 101 in our area. The plan will be a comprehensive look at the highway as a whole and develop a strategy and approach for future planning and improvements.

We agree with Oregon that the Federal Government has a role to play. In order to advance a multi-stage effort, Federal leadership is needed in defining, designating, coordinating and planning scenic highway corridors that address geographic region, rather than being fragmented by political lines.

We join Oregon in recommending that the committee review the National Scenic Byway study with this role in mind.

Thank you. I would be pleased to answer any questions the committee wishes to ask.

[The prepared statement of Mr. Pine appears on p. 2642.]

Mr. MINETA. Mr. Forbes.

TESTIMONY OF DON FORBES, STATE HIGHWAY ENGINEER OF THE OREGON DEPARTMENT OF TRANSPORTATION

Mr. FORBES. Thank you, Mr. Chairman.

For the record, I am Don Forbes, the head of the State Highway Division for Oregon.

You have my written testimony, and I wish to summarize by asking that as you contemplate the next Surface Transportation Act, you consider three requests:

First, that you identify interstate preservation as a primary goal for the next Act. Those of us who are asked to manage highways, generally have to manage broad and often competing areas of need. One is the need to protect the existing investment. That is, preserve our systems.

The second is to expand capacity to meet increased traffic demand.

Clearly, demand growth and the need for modernization, particularly in our urban areas, is an overriding concern and yet, it does not make good economic sense to underinvest in the current system to the point in which it becomes part of the problem.

So we ask that you assert interstate preservation as a primary goal of the next act.

The second request is that as you apportion funding for interstate preservation you re-establish lane miles as a primary determinant of need on the interstate system.

The current Act was amended in 1981 to increase the representation of "vehicle miles traveled" from 25 percent to 45 percent of the formula. That made good sense at the time because much of the system was relatively new. Sections of the interstate with high traffic usage were likely to deteriorate more rapidly than the rest of the system. Today, however, we are at a point nationally where most of our interstates are approaching their design life; whether because of accelerated wear or because of age. It is time to again look at lane miles as a primary determinant of need.

Finally, I request that as you review the national scenic byway study, you remember a strong Federal role is necessary in defining, designating, coordinating and planning multi-state, scenic highway corridors.

Thank you.

[The prepared statement of Mr. Forbes appears on p. 2583.]

Mr. MINETA. Thank you very much.

Chairman Anderson?

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. Pine, the Coastal Highway Coalition supports the efforts of the tri-state Highway 101 council to improve Highway 101 as a single project.

What is the estimated cost to improve the Highway 101 corridor within the states of Washington, Oregon and California?

Mr. PINE. I asked that same question to people from Washington State Transportation two days ago. They didn't have a current estimate on that.

Mr. FORBES. Mr. Anderson, if it helps, the estimate in Oregon is somewhere between $300 million and $500 million.

Mr. ANDERSON. I do have a kind of a problem on your area, particularly Mr. Pine. I am from southern California. Do you know where Sedrowool is?

Mr. PINE. Yes, I do.

Mr. MINETA. Well, I have a son who is on the City Council there. I have a hunch that may be why one of the Congressmen from Washington came to me a short time back and told me that they have a problem over there where they need some highway development, particularly in the northern part of Washington. He gave me the cards and names of six Congressmen in that area who were involved and he said agreed with them. There was a suggestion that I come up there and hold hearings and take a look at it. I haven't got that far, yet; but I just want you to know that there is some interest up there in your state to get better highway activity.

Mr. PINE. Thank you. I would like to add just in our county alone, I could use the Spotted Owl, but that has received quite a bit of publicity. As we see our area declining as far as logging, we have to help the people help themselves. Highway 101 really is a two-lane road with very few places to pass. It needs improvement. Again, I know the state is planning to spend $150 million, but we do need the help of the Federal Government to help with the planning—to provide better opportunities for tourism and also for commercial improvements in the area.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. MINETA. There is an effort to create a National Scenic Highways Program. I take it that many are interested in it, including Highway 101 as part of that National Scenic Highway System. We are also considering the establishment of a new category in view of the fact that the interstate system that was started in 1955 on the 1955 legislation. We will have completed by the end of 1991, the 41,000 miles of the interstate highway system.

So under this new reauthorization, the post-interstate program, we will probably have something called this Highways of National Significance.

I am not sure that we have really come to any kind of a definition as to what that should be, but at least in the past, we have been trying to reduce the number of categories of highways, forest roads or farm to market roads, things of that nature. I am just wondering, given the fact that we are trying to reduce the number and we are in the process of now substituting the Highways of Na-

tional Significance for the Interstate Highway System, whether or not the creation of a National Scenic Highway system is running counter to our effort to want to reduce categories.

Mr. FORBES. It could well do that. It depends on how you form the Act. But certainly, the fewer categories, the more predictability and the easier it is for us to plan. I would always encourage the fewer number of categories in which we could operate.

Coincidentally—it may be of some interest for you to know—that Oregon has created an intrastate system that we call "Access Oregon Highways" which is analogous to the nation's interstate system. That is, we are funding non-interstate highways within Oregon that contribute most to tourism and commerce by either linking a port and border or urban area. That is our own state's system of significance.

Mr. MINETA. Mr. Forbes, in your statement, you were talking about declining pavement quality and the whole issue of design life. What do you attribute some of the problems that I seem to be hearing from other areas about the roads not holding up to design life? Is that a problem of design specification; construction materials; construction itself; or maintenance after completion of the project? What do you think?

Mr. FORBES. Mr. Chairman, it could be any of those. I think the primary factor within our state is simply that we underestimated the volume of traffic that our roads would carry, particularly heavy truck traffic. Particularly with heavier loads and higher truck pressures, pavements are stressed beyond what our designers would normally anticipate.

In some of the other states that use salt heavily in winters, you have that environmental factor which greatly increases degradation.

Mr. MINETA. Let me thank you. You have in your states very, very fine representatives. Congresswoman Unsoeld in your area, Mr. Pine, is just a very effective spokesperson. But both in Congressman and Congressman Aucoin, they are very effective, powerful members of the Appropriations committee. We are just mere of an authorizing committee. Sometimes, we have to fight against the power of the appropriations committee. But under the leadership of Chairman Anderson, we do very well.

Mr. ANDERSON. And don't forget the name Tom Foley.

Mr. MINETA. Tom Foley. Let's see, he is the Speaker; isn't he?

Mr. ANDERSON. Yes.

Mr. MINETA. Oh, yes. The Speaker. He does have a little to say—I shouldn't say little. He has a lot to say about what happens.

You do have very effective representation there. They are constantly on us about their needs in Oregon and Washington. So you are very well represented in the Congress through the members of the Appropriations Committee.

I want to thank you very, very much for being here.

Mr. FORBES. Thank you, sir.

Mr. MINETA. Mr. Forbes, before you get away, let me ask you about lane miles. You mentioned lane miles.

That is an ongoing problem that I think vexes us. Lane miles versus vehicle miles travelled. Is there an easy way out on that?

Mr. FORBES. I am not sure that there is, Mr. Chairman. From an engineering standpoint, if you had a new highway with reasonable expectation that you use quality materials and quality construction, you know that that highway will deteriorate quicker with the high volume of traffic, particularly heavy traffic, such as trucks. However, there reaches a point when any of those materials begin to reach their design life irrespective of the amount of traffic on the road. I believe that is where you are today with much of your interstate system. That is, irrespective of the amount of traffic that is on it, it is simply at the end of its life. So it would seem that if you were to put a greater emphasis now on lane miles as opposed to vehicle miles travelled, you begin to reflect that need of the overall system.

Mr. MINETA. Are you using anything in Oregon other than salt on your roads for in the winter time?

Mr. FORBES. Mr. Chairman, we are not using salt on our roads at all in Oregon. We never have had. We use some limited de-icing—mildly corrosive de-icing materials on our major bridges in the Portland area. Otherwise, we simply sand our roads and people expect to use chains over the mountain passes.

Mr. MINETA. Very well. Thank you very much.

At this time, I would like to call forward a panel made up of Katherine H. Strehl, Manager of Community Relations, Lockheed Missile and Space Group; Arielle Leonard, Director of Transportation and Land Use, Santa Clara Manufacturing Group; Angelo Siracusa, President, Bay Area Council.

I am pleased to have this very distinguished panel before us.

Katherine, if you would go ahead and start?

TESTIMONY OF KATHERINE H. STREHL, MANAGER OF COMMUNITY RELATIONS, LOCKHEED MISSILE AND SPACE GROUP

Ms. STREHL. Mr. Chairman and members of the committee, I want to thank you for the opportunity to provide testimony to you on this very important topic.

I am Katherine Strehl, Manager of Government and Community Relations for Lockheed Missiles and Space Company.

I believe you have heard all of the numbers before about California's most recent investment in transportation. We have a $20 billion package of measures that have been approved by the voters in June. Additionally, in this county, we spend about $200 million in local revenues for transportation improvements. In spite of these investments and the infusion of new money, it still is not enough. With California's population increasing every year by some 700,000 new residents, our transportation infrastructure simply cannot keep pace with anticipated growth.

For a company like Lockheed Missiles and Space Company, this is a significant problem. We have roughly 23,000 employees in Santa Clara County. I think that qualifies us to be the largest industrial employer in northern California. Our employees commute from everywhere. We have some employees anywhere from San Benito and Monterey Counties to north Sacramento and San Joaquin. Faced with the prospect of no affordable housing, in close

proximity to our facility, more and more of our employees are travelling to the Central Valley.

We have about 260 employees that commute in everyday from Sacramento and San Joaquin Counties. They face one way commutes of up to three hours, 90 miles to 120 miles. That is one way.

It is fair to say that transportation is a critical issue for this and other companies in Santa Clara County. We are increasingly having difficulty recruiting and retaining qualified labor and to remain competitive in the national and international marketplace.

Importantly, the transportation is now linked with air quality and environmental quality. Under the mandates of the California Clean Air Act, this region—the Bay Area—will have to reduce auto emissions by about 35 percent. To achieve this, many businesses will be asked or required to implement some kind of a ridesharing program. Lockheed has had such a program in place since the early 70's and in spite of an infusion of both dollars, as well as personnel, our ridesharing rate stands at 25 percent, considerably below the 35 percent that will be required by the law.

We are hopeful in the Bay Area to be able to avoid the regulatory approach that has been adopted in the South Coast to meet our air quality standards. But to do so, we need all the help we can get. That is where the post-interstate national program can be of assistance to us.

I will just briefly run through what we see as some opportunities.

One is to continue and increase Federal funding. Without a Federal investment in California's transportation infrastructure, it is not clear that we are going to be able to achieve our congestion reduction or air quality goals.

Second, adopt Federal funding guidelines which will allow for regional planning and implementation of transportation priorities. No two states have identical transportation funding needs. Similarly, no two regions in this state or anywhere in the nation have the same profile. We would suggest that Federal funding should not dictate regional priorities.

Three, establish a national program which provides maximum funding flexibility. Regions should be encouraged to take a systems approach and to spend Federal dollars according to the area's needs regardless of mode or ownership.

Four, enact Federal policies which promote and reward intra- and inter-regional cooperations. Commuters do not recognize jurisdictional boundaries when travelling on a roadway, whether it is interstate, state highway or a local arterial. Similarly, in addition to coordination in terms of road improvements, we need to encourage cooperation between transit agencies in all aspects of their operations.

Fifth, implement national policies which will provide incentives to reduce congestion and vehicular emissions. I think it is going to take cooperation and participation of both the public and private sectors of all employers and individuals alike. There are some things, I think that can be done at the Federal level. Tax credits for employers who invest in commute alternative programs; upping the amount that employees can exclude from their income tax calculations for transit subsidies; look at and begin to address some of

the liability issues that employers face when sponsoring commute programs.

I would now like to shift gears and give an example of one program that is of particular importance to us and where we need federal funding. That is the Tasman Corridor Study. Light rail in this corridor will connect with the Guadalupe light rail and ultimately with BART in the East Bay. It will provide access to housing in the south San Jose as well as in the East Bay and Contra Costa and Alameda Counties. It is something that, without Federal funds, we won't be able to get done.

I would have to confess that Lockheed has some self-interest here. It will affect and directly serve many of our 23,000 employees.

Again, I would like to thank you for the opportunity to comment, and we look forward to continuing in your future deliberations.

[Statement of Ms. Strehl appears on p. 2660.]

Mr. MINETA. Thank you very much.

Ms. Leonard.

TESTIMONY OF ARIELLE LEONARD, DIRECTOR OF TRANSPORTATION AND LAND USE, SANTA CLARA MANUFACTURING GROUP

Ms. LEONARD. My name is Arielle Leonard. I am the Director of Transportation and Land Use for the Santa Clara County Manufacturing Group.

The Manufacturing Group is a business association. We have over 100 corporate members which address public policy issues that affect the business climate as well as the quality of life in the Santa Clara Valley.

I would like to emphasize to you that the Manufacturing Group has always considered transportation a priority issue. We have been active in a number of regional and local transportation planning processes. We have either initiated or participated in a number of local projects, including rail extensions and our half cent sales tax and the recently enacted Proposition 111.

I am here today in order to emphasize to you that a modern, efficient transportation system in the Silicon Valley is crucial to the continued vitality of our high-tech industry. The decisions that we make here today concerning Federal dollars for transportation projects will not only impact the mobility and air quality and life style of the region, but the economy as well.

The effects of traffic congestion on the economy are very real and have been felt by virtually every major corporation in this area. Employees who are now commuting unprecedent distances in order to get to work are sharing the roads with unprecedented numbers of other commuters. If a prognosis of an additional 300,000 jobs into Santa Clara County within the next ten to 15 years holds up, things will be considerably worse.

The situation obviously robs workers, not to mention their employers of productive time. It also takes its toll on the workers' mental and physical health, rendering them less capable of doing their jobs.

Traffic congestion and lack of mobility have made the critical problem of recruiting talented professionals to this area extremely difficult, if not impossible.

I don't expect that any of this is new news to the committee. I simply wish to add the urgent voice of industry to the chorus of concern expressed by our local government representatives and transportation agencies here today, that we arrive at a realistic, sensible way to channel post-interstate dollars into local and regional transportation programs.

As we look to the reauthorization of the post-interstate program, several points seem to make sense from an industry standpoint.

The first is that the role of the Federal Government in transportation should not be diminished any further than it already has. While obviously, Californians, and Santa Clarans in particular, are not adverse to reaching into their own pockets in order to improve our regional transportation we are still very much in need of Federal dollars if we are to keep up with the degree of population growth that we anticipate here in the county over the next 20 years.

When it comes to directing the expenditure of federal money, we agree with some of the key points previously made to this committee by Larry Dahms, the Executive Director of the Metropolitan Transportation Commission. Our first priority must, of course, be to maintain the enormous investment we have already made in our interstate system. But beyond that, we need to revise our vision somewhat in order to address our transportation needs effectively.

As Larry Dahms pointed out, the interstate system does the job of providing access from one metropolitan area to another, but it is getting around within the region that is our real problem. We agree with MTC that we need to take a systems approach based on the particular circumstances of a given area. Federal funding should be flexible enough to accommodate local needs for transit, highways, HOV lanes and transportation systems management programs.

Funding criteria should be related not simply to mobility but to conformance with regionally acceptable clean air and land use standards.

The unique combination of factors that have made Silicon Valley the high-tech capital of the world is frankly being threatened with traffic strangulation. Industry requires and requests federal action to ensure adequate state, regional and local transportation in the post-interstate era.

Thank you.

[Statement of Ms. Leonard appears on p. 2597.]

Mr. MINETA. Thank you very much, Ms. Leonard.

Mr. Siracusa, good to see you.

TESTIMONY OF ANGELO SIRACUSA, PRESIDENT, BAY AREA COUNCIL

Mr. SIRACUSA. Thank you, Mr. Chairman and Mr. Anderson. Thank you for allowing us to testify today on behalf of the business community.

I am sorry that I did know that I was going to be here today; therefore, I don't have a written testimony. I probably cannot add a great deal to what has been said.

I am also a member of the Bay Conservation Development Commission and BCDC representative on the MTC.

I would personally like to endorse the comments that have been made by the MTC representatives and which were just made here.

I would like to instead of focusing on those, just talk a little bit more generally about the business interest in transportation, air quality, land use, mobility issues; and hope that they will hit a responsive chord.

I think it is fair to say that in California—and I think probably throughout the nation—that there is a strong, not just a perfunctory interest, by the business community in the continued funding for transportation at the Federal, state and local level. For as long as I can recall, there has been very strong business leadership to pass a gas tax increase in California. Now, of course, it is culminating in the passage of Proposition 111.

In the Bay Area, the business community was very influential in the bridge toll increase and all of the five sales tax measures. It is, I think, unusual for the business community to boast about promoting sales tax or gas tax or other forms of tax increases, but I think what it demonstrates is the very strong commitment to transportation and the knowledge that a healthy transportation system has a direct and pervasive effect on the health of the economy and the quality of life of any region. Therefore, it should not be surprising that we would support tax increases.

Over and above that, we are now, of course, confronted with some very, very difficult air quality regulations here and in the Los Angeles Basin. The Bay Area Council with the Bay Area Economic Forum just finished publishing a report titled, "Market Based Incentives to Achieve Air Quality and Mobility." The whole intention behind that is that we are trying to reduce the automobile emissions.

We take a look at the regulatory approach. We see that there will be some dramatic changes in lifestyle. We would like to believe that those changes could be effected in other ways. That is, to create financial incentives or disincentives for people to behave differently; for people to stop driving to work alone. Those are themselves rather onerous when we are talking about a rather large gas tax increase or bridge toll increase or a smog fee or whatever else it is. We know that those things get quite onerous and very politically unpopular, but as we take a look at that versus the regulatory approach if, in fact, people in public policy do want to achieve air quality improvements, we believe that a market based system is a valuable one.

A market based system is a system of leverage and I would ask the Federal Government to engage in three different kinds of leverage:

The one that we have been talking about and that is to lever Federal money to improve both the state and local matches for transportation improvements.

Secondly, to lever your resources, both money and other, to accomplish what I talked about. That is, to deter single occupant commuting. There is no doubt that we could spend an awful lot less money if we can use the system better and using the system better

means promoting a system where people will choose not to drive to work alone.

Lastly, something I think may be overlooked and that is the leverage of changing the patterns of land use. A lot of people believe that the old highway system is the culprit in creating the kind of sprawl that we have. In the Bay Area, we are severely concerned about sprawl. People in search of housing affordability have had to move further and further away from job centers. That pattern of growth has made use more dependent upon the use of the automobile. It makes it much more difficult for public transit systems to work efficiently for the kind of patronage and financing to work efficiently. Therefore, we would like you to use the leverage to make us behave differently with respect to the way we use the land—getting jobs and housing closer together, getting appropriate density near transit stations; because transit in and of itself is not the answer if you cannot develop a reasonable system of patronage. Therefore, my appeal to you—as naive as it may be—is for you to use your influence and your leverage and your money to make us behave differently in many different ways that we haven't done up to this point.

Thank you very much.

Mr. MINETA. Very well. Thank you very much, Mr. Siracusa.

Chairman Anderson?

Mr. ANDERSON. Thank you, Mr. Chairman.

Ms. Strehl, does your Association support increasing the degree of private sector funding of highways through the use of tolls? If so, do you think that the Surface Transportation Assistance Act should be amended to allow the use of federal aid highway funds on toll roads?

Ms. STREHL. That is a tough question. I am not sure I can answer it. I know as a company, that it is something that we have not looked at. So in terms of using federal aid urban on toll roads, I am not sure I can address that. I can say that our company has looked at the proposals that have been advanced by the Bay Area Economic Forum.

We believe that some system of incentives and disincentives are certainly one way of influencing people's behavior. That tolls are appropriate in terms of relieving traffic congestion. I can answer one part of the question: In some instances, we would support toll roads; but in terms of the use of Federal funds on those roads, I am not sure I am qualified to answer that.

Mr. ANDERSON. About 35 or 40 years ago, I used to be Chairman of the Toll Bridge Authority in California. We built many of the bridges here in this area and also those in the southern part of the state. We found particularly that there is very little criticism. As a matter of fact, a lot of people like the idea. Even after we collected money in tolls to completely pay for the bridges, we kept them in because it was a reasonably good source of collecting money.

I know like in my district where we had the toll bridge in San Pedro, St. Thomas Bridge; it paid for itself many years ago. There was suggestion of taking the tolls off, and people said, "No. It is the easiest way to collect." So that money goes to Sacramento every year and many of the same things do in the Bay Area. So we felt

that kind of a—not in opposition to it—a very easy way to raise money.

Now both the Bay Area Council and the Santa Clara Manufacturing Groups have a long history of supporting transportation improvements in this region.

Could you detail for the committee some of the business community's specific efforts to support development of highway and transit projects in the San Francisco, Santa Clara and San Jose regions?

Ms. STREHL. I can tell you about some of them because Lockheed is a member of both the Santa Clara Manufacturing Group and the Bay Area Council Group.

I can talk about some of the funding proposals. For instance, Manufacturing Group was very much involved in the passage of the half cent sales tax measure that was enacted in 1984 by Santa Clara County voters. Recently, both the Manufacturing Group and the Bay Area Council played an instrumental role in terms of promoting Proposition 111 which passed in June.

Angelo's organization, the Bay Area Council has long involvement with BART and trying to increase Federal funding for BART.

We have worked with the Transit Agency in terms of trying to promote some support for the light rail, both the Guadalupe Light Rail and also the Tasman Corridor Study in terms of building consensus around that project and bringing Federal and state dollars into that program.

In Santa Clara, we have been very much involved as a company and also through the Manufacturing Group in terms of supporting commute alternatives and transportation demand management; trying to encourage more employers provide ride sharing programs for their employees.

I don't know if that is sufficient. Perhaps I should let Angelo and Arielle add on to that.

Mr. ANDERSON. If they want to say something, it is fine. I mentioned you because I identified you a little more with Lockheed and I was thinking of the company's viewpoints.

Ms. Leonard.

Ms. LEONARD. Just a quick addition. The Manufacturing Group has been very active in the area of transportation demand management. Historically, it used to take a very formal role in that the Manufacturing Group organized its member companies into basically sub-groups around the County in an effort to try and coordinate ridesharing activities and ride matching activities and what have you.

We also are very active in our endorsement, if you will, to our employees of high occupancy vehicles lanes and the utilitarian purpose they have for everybody; not just the people who use them, but for the community as a whole.

So I guess the PR value of both the Manufacturing Group itself and the member companies tend to go a long way in Santa Clara County.

Mr. SIRACUSA. I would just add one more thing. This was before my time, so I won't be boasting. I don't think we would have BART today were it not for the Bay Area Council's effort in the campaign with some of the preliminary work. It was always our dream and it

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still is our dream that BART rim San Francisco Bay. We would like to believe now that maybe with the San Mateo County agreements with the East Bay that the start of that is there and we will have BART extending to the vicinity of the airport and ultimately down into San Jose and up to Freemont.

The Peninsula Corridor, I think, is a unique one where you have got job centers at both ends of the corridor. I think that makes it especially conducive to the kind of fixed rail system that a BART system is. So the history of our involvement in BART is noteworthy and we are very strongly committed to the extensions of BART down the Peninsula and then to appropriate locations in the East and up the I-80 corridor ultimately.

That, I think, is going to be where we would put our emphasis on fixed rail extensions.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. MINETA. Mr. Siracusa, you and I have had some discussion about the expansion of BART. Some of that is funding problems; some of it is just intra-Bay Area political issues.

Are those issues that the Feds should get into or should we just let the locals try and iron those issues?

Mr. SIRACUSA. I think we ought to iron them out. When we talk about flexibility in the reauthorization, I would think that that flexibility ought to carry into the local political debates. The debates range from growth to no-growth; going through our communities versus other communities; fixed rail versus light rail; or rail versus transportation.

I suspect that we are not unique in those debates. We might be a little more parochial than a lot of other regions, but I think that we are going through the same battles. I am inclined to believe that ultimately the people of the Bay Area will speak very strongly on behalf of those kinds of transit extensions.

The transit seems always to help carry votes for gas tax increases or toll increases, so I think conceptually, people are strongly committed to transit. Hopefully, the "not in my backyard" syndrome where maybe rail systems might close to existing neighborhood—hopefully, they won't get in the way.

But in answer to your question, I think those are political battles that we need to fight within our own borders.

Mr. MINETA. You were talking about your three levers, one of them being changing land use patterns. Let's say if the density of our land use pattern is seven to nine dwelling units to the acre, but that is not enough to make mass transit really pay for itself. Maybe it would be 22-25 dwelling units to the acre.

But I bet, having sat here a number of years ago and trying to deal with land use applications at the city council level of 22-25 dwelling units to the acre, I bet this room would be filled two times over with people protesting that kind of density in a locality. Yet, to make transit work, we know we have to increase land use density.

Mr. SIRACUSA. Well, you are touching on——

Mr. MINETA. You are not saying that we at the Federal level ought to be dictating what those land use patterns should be at the local level, are you?

Mr. SIRACUSA. I remember in the late 50's when we were first pushing on trying to get BART passed in the Bay Area, we invited the mayor of Toronto to come down and he showed us a wonderful, panoramic picture of the Toronto landscape. You saw these clusters of high rise buildings; and you knew that every time there was a high rise building, there was a subway station under that. I would be inclined to believe that while we don't need high rises; that if we would only be able to have 20-30 units per acre in and around rail stations—not for the community as a whole—and be able to therefore, have the rest of those communities 7-9 units per acre, we could do a much better job of promoting patronage. Maybe not the kind of densities that New York or San Francisco has, but certainly better than what we have got right now. The current development patterns are four units per acre. That is not conducive to any kind of public transportation use.

Mr. MINETA. That is an interesting point. If it is increased by local governments around those stations—let me ask the panel. Should there be some value recaptured back, so that we can pour it back into the transit system?

I mean, after all, if we could increase the land use value because of the density being 18-20 dwelling units to the acre, that is an increase in the value of that land; or the surrounding commercial entities that move in—should there be some value recaptured so that we could then pour it back into further transit kind of operation?

Mr. SIRACUSA. I would say absolutely. I think there is nothing wrong with either air rights or excess condemnation. There is a windfall by virtue of that facility being there. There is no reason why the agency creating the windfall shouldn't derive some benefit from it. Joint ventures with private developers—I am sure that many developers would be very happy to engage in those and give some of the marginal benefit to the agency. I think that makes very good public policy sense.

Mr. MINETA. Interstate defense highway systems, as we know it, will be completed in 1991—roughly 43 miles of highways that we will have completed.

What we have done, I think is to build a very good system from let's say City A to City B; City B to City C. But once we get to City A or once we get to City B or once we get to City C, forget it. It's terrible. Forget it.

Now, maybe that was the intended purpose of the interstate defense highway system; to be able to move you in a interregional basis. But that the local movement of traffic was left to the locality to do, but they did not respond and consequently we have a federal aid to urban system, we have a primary road system, a secondary road system.

Even though you talk about the retaining the commitment from the federal funds, should we be restricting what those federal funds might go to in order to put more of the program responsibility on the local agencies in order to do that. Local movement of traffic, or maybe increase the amount of flexibility for highway funding to be able to be used in the transit area.

Any reaction?

Mr. SIRACUSA. I tend to be very parochial at the regional level and, therefore, I would like you to give us the money and let we, at

the region, decide how it should be spent. But there is implied in that that somebody at the regional level must mandate something at the local level because otherwise the difference between the bay area and Toronto, is not that the market would not have liked to have had some of that density, it was that each local government said it is not in our own community's best interest to have that kind of density.

That is the sort of thing that has created, I think, this for all and created the resistance to certain types of infrastructure improvements, and, therefore, somebody at regional, or state, or federal level should create a system of incentives that would change the behavior of local government on this.

Mr. MINETA. But you would be comfortable as an MPC commissioner in making those kinds of——

Mr. SIRACUSA. Absolutely. Of course, I have the luxury of not having to run for public office, but, yes, I would be very happy to.

Ms. LEONARD. Right. I would simply add Mr. Mineta, I believe that we are talking about using federal dollars here as an incentive for a regional picture that ultimately makes sense and a local picture that ultimately makes sense in the context of the region, in order to provide the incentives for cities to make the kind of land use decisions that are conducive to transit usage.

Ms. STREHL. I am not sure I have anything to add. I concur with both what Angel and Arielle have said.

I would also say that the interstate now probably functions more not from city to city so much as it does from region to region. And some parts of this region are blessed with more interstate than others.

If you go out to Contra Costa County, there is a lot of interstate and they have had a lot of funding—federal dollars. And in this county we have had less federal funding, in part as a result of the interstate.

In terms of our economic vitality, it requires a blend of both federal, and state, and local funding. I think it would put us in great jeopardy—I am not sure that we could achieve what we need to do in terms of congestion management as well as air quality—without a federal role in terms of funding and allowing us the flexibility to determine how those dollars are spent to meet those goals.

Mr. MINETA. I am not sure what Lockheed's program involves. I would imagine at the federal level, we will have some kind of a tax bill this year. I would quote that part of your program will be to increase the $15 that is available to the employees right now in terms of commuter passes. At the sum the increased—I do not know. Hopefully maybe to 45, $60. In terms of what that commuter can be written, you know, how much——

Ms. STREHL. You are talking about the gross income tax exclusion?

Mr. MINETA. There is a bill in Congress now I believe, yes. Congressman Matsui or Chuck—has a bill. And I believe his is for $60. I am not sure what Santa Clara County's monthly commuter pass is, but in any event, I would hope that Lockheed's program would include pushing that as part of the program.

Ms. STREHL. Well, we certainly support that bill, if that is what you——

Mr. MINETA. You do support that bill?

Ms. STREHL. Yes, we do.

Mr. MINETA. Okay, fine. Let me ask, very quickly, about the—is there a lawsuit involving the clean air act here in the bay area and what is the status of that right now?

Mr. SIRACUSA. The citizens for a better environment in the Sierra Club have brought suit against the Metropolitan Transportation Commission and the Air Quality District on the basis that the freeways authorized by MTC have deteriorated air quality of both federal and state standards, and, therefore, some different criteria for determining air quality effects of transportation projects are to be determined.

That suit has been the—Judge Felton Henderson has ruled for the plaintiffs on it. There is, I think, a next step and I honestly do not know where we are with respect to that. MTC believes that it has developed a planning process to deal with that and we hope to have something very soon.

Mr. MINETA. And, let's see, Ms. Leonard, let me ask—earlier I had asked about when the—let's see, who was here from—Mr. Evanhoe was here from the Golden Triangle Task Force. He mentioned that Santa Clara was not a member of the task force, but I assume that you have member companies that are in that area of the city of Santa Clara that a part of that Golden Triangle Task Force. And what are the companies that are in that Golden Triangle Task Force area, but since Santa Clara is not a part of it; what are they doing in complying with some of the—to help alleviate the traffic congestion in the Golden Triangle Task Force area?

Ms. LEONARD. The city of Santa Clara, although it is not a member of the Golden Triangle, does have a transportation demand management program and it is city-wide. It is, however, intended to be a voluntary effort on the part of businesses and employers. And, essentially, it requires an annual report, or requests an annual report, on the status of ridesharing at each company to be submitted to the city once a year and there are no other mandatory requirements in terms of a rideshare program per se.

However, I have been encouraged in recent weeks by the number of phone calls I have received from the employers in the city of Santa Clara I think they see the writing on the wall. I think they have read in the newspapers not only is there our local Golden Triangle effort going on, but at MTC, with the establishment of regional transportation control measures, there has been quite a bit of discussion as to what the role of employers is going to be in addressing the transportation problems. And, so, I have had a number of large employers call me and say, okay, the time has come, what do we do?

So I am very encouraged by that, although there is no particular requirement as yet, in that city.

Mr. MINETA. Now is that as a result of a passage of the clean air act here in California and the 35 percent requirement in the next seven years?

Ms. LEONARD. That is the reason why we have been discussing the establishment of regional transportation control measures.

Mr. MINETA. So that even the voluntary efforts of the city of Santa Clara become moot, maybe——

Ms. LEONARD. They may be, that is correct.

Mr. MINETA. Well, again, thank you very, very much for the presentation of all three of you. You have been leaders, your associations have been leaders, your company is a leader. I just want to thank you very much for being here. Thank you very much.

I now would like to call on Dr. Craig Philip, Vice President, Intermodal Division, Southern Pacific Transportation Companies.

Before Ms. Leonard gets away, could I ask who is the chairman of Santa Clara County Manufacturing Group now that Bob Kohler is gone?

Ms. LEONARD. He is still the chairman until the end of this year.

Mr. MINETA. But has he not moved down through—because I could talk to his boss Jerry Guismar, and I thought Jerry had indicated that Bob was down was down south.

Ms. LEONARD. Yes. He has been relocated by his company to southern California. However, he is serving out this term which ends, I believe, in October.

Mr. MINETA. Thank you, very much.

Dr. Philip, sorry to interrupt here. Your full statement will be made a part of the record. Go ahead and proceed.

TESTIMONY OF CRAIG PHILIP, VICE PRESIDENT OF THE INTERMODAL DIVISION AT SOUTHERN PACIFIC RAIL ROAD, ACCOMPANIED BY LEE WAYNE, EXECUTIVE DIRECTOR OF AAR INTERMODAL POLICY DIVISION

Mr. PHILIP. Thank you, Chairman Mineta, Chairman Anderson. Thank you for the opportunity to speak before you this afternoon.

My name is Craig Philip, I am Vice President of the Intermodal Division at Southern Pacific Rail Road. The SP system includes 15,000 miles and 23,000 employees in 15 states. But we are the largest railroad in California with more than 6,000 miles of track and nearly 10,000 of our employees.

I am accompanied this afternoon by Lee Wayne, Executive Director of the AAR's Intermodal Policy Division. I will briefly summarize my written testimony and be happy to answer any of your questions.

I am here this afternoon to express Southern Pacific's deep concern with the possibility that the 1991 highway bill will authorize the operation of longer, heavier trucks. So called "longer combination vehicles," or "LCV's." Among the LCV combinations being sought by the trucking industry are triple 28 foot combinations and twin 48's.

For a railroad like the Southern Pacific, the LCV threat is, if anything, even more ominous for the railroad industry as a whole. Unlike some other carriers, Southern Pacific does not carry a large amount of bulk traffic such as coal or grain, which is not suitable for trucks to haul.

We provide the long haul service for containers and trailers that would otherwise be carried on our highway system. Unfair competition from longer and heavier trucks would take this traffic off the Southern Pacific and put it on the public highways. The consequences for the California transportation system in our view would be disastrous.

Not only would the state lose an important part of its rail service, but truck traffic would soar, and already severe highway congestion would become worse. Imagine the impact if the several hundred thousand containers that we handle each year to and from California ports were moved suddenly and permanently from the railroads on to California's freeway system.

Safety, pollution, and energy consumption are but three of the reasons that traffic should not be diverted from rail to truck. Railroads are more than three times safer than current combination trucks on a fatalities per ton mile basis. Diverting freight from rail to truck inevitably increases accidents on the highway system.

For example, in California, where two 28 foot double trailer operations are more wide spread than in the rest of the country, trailer doubles are involved in 83 percent more fatalities per mile than our single trailers. A fatality rate of 9.6 deaths per hundred million miles. In fact, 86 percent of the public believes that longer trucks would be less safe than current combinations according to a recent opinion poll on public attitudes toward higher truck sizes and weights conducted by Frederick Schneider's, Incorporation, for the Association of American Railroads.

LCV's also raise serious environmental question in addition to their effects on safety. Increased reliance on environmentally superior rail transportation could alleviate the growing environmental problems generated by rapidly rising levels of truck traffic and congestion. For example, railroads produce far less air pollution per ton mile of freight moved, and the relatively self contained nature of rail facilities tends to lessen other pollution problems as well. And compared to trucks, railroads are nearly three times more fuel efficient.

Finally, U.S. competitiveness in international markets will be affected by widespread use of LCV's. The fastest growing segment of business for U.S. rail-carriers today, and especially for Southern Pacific, involves the movements of containers between interior points in the United States, and ports on the west coast. Especially here in northern California and in southern California.

These containers are carrying the import goods, especially from countries in the far east. But even more important, they are carrying the export products of our manufacturers here and throughout the United States that are sent over seas. Last year Southern Pacific handled more than three quarters of a million, more than 750,000 such containers handled in international freight to and from the U.S.

Long Combination Vehicles can have a significant and negative affect on our ability to handle this traffic economically and to continue making the investments in our infrastructure which are necessary to accommodate the long term growth of this market. For example, Southern Pacific in partnership with the ports of Long Beach and Los Angeles, has invested more than 150 million dollars in a single terminal in southern California that is specifically designed to handle this traffic. And plans for a similar facility are underway, here, in northern California.

All of this growth, which has had particular benefits for the state of California, has been accomplished without adding burden to an already overburdened highway system. Endorsing longer combina-

tion vehicles turns away from this efficient and pro-competitive history.

So, in summary, highway congestion and its related safety problems have a readily available and low cost solution. A policy of retaining present federal truck size and weight limits, will continue to encourage long distance freight to move on an under utilized, privately owned railroad system. And, more efficiently and effectively, use an already saturated public highway network.

Thank you, very much.

[The prepared statement of Mr. Philip appears on p. 2618.]

Mr. MINETA. Thank you, very much, Dr. Philip.

Dr. Philip, are you supportive of a national prohibition of longer combination vehicles in all areas, including states where they are currently allowed; or just to prevent additional use of LCV's in states where they are currently not permitted?

Mr. PHILIP. I think our primary thrust is on the addition and encroachment of additional uses of longer combination vehicles. Obviously, the arguments that I have made with respect to the desirability of not having them would apply equally to their use currently, as well as to their perspective use where they are not allowed today.

Mr. MINETA. We have been told that fatal truck accidents have declined by some 40 percent in the 1980's. What is your opinion of the view we have heard from some that allowing more capacity per truck might further reduce truck traffic, and, thus reduce fatal truck accidents overall?

Mr. PHILIP. Well, I think there are two facets to my answer. The first is that the rail system has also achieved remarkable improvements in its own safety. And I think our safety record speaks for itself. We are the safest transportation system in the United States. While it may be true that you could reduce in the short run the number of units traveling under a combination vehicle system, the evidence does suggest that longer combination vehicles are involved in more accidents on a per unit basis. And it is also, we believe, to divert traffic that is currently moving over rail to the highway. So the effect and the reason that the trucking industry may be so interested in longer combination vehicles, will be to actually add to the numerical number of trucks operating over the highway system, not a reduction.

Mr. MINETA. Now you are advocating that the fuel taxes should be restored to their real 1984 values. And I am wondering if we do that, whether or not some would advocate then the—let's say, as long as you are going to require me to pay more in gasoline taxes, then I ought to be able to get some productivity gains out of this and wouldn't that, then, force us into something like the LCV's?

Mr. PHILIP. Actually, rather than saying that we advocate a restoration to the 1984 levels; I did use that in my testimony to illustrate what has happened to fuel tax levels historically, especially in the last decade. We have basically in the Association of American Railroads has advocated not changing the fuel tax structure on trucks and we would also be willing to endorse that.

Mr. MINETA. One of the problems vexing us, I think, is this whole issue of design specifications on the highway, design light, and whether or not the highways are breaking up before the de-

signed life is attained. Part of that is maybe construction, but part of it is overweight trucks on the road. Part of that is also the fact that containers coming off of ships, then be putting on rail beds and then being transferred on the road to some rail head, that we really do not know what the weight of those containers are. There is no one doing that. Who should we look to in terms of—as to who ought to be responsible on making sure that those weights on those containers are not in excess of the state highway loads?

If we say to the shipper, who may be a merchant in Bangkok, they says, hey, do not look at me. We say to American President Line, and they say, hey, hold it, do not blame us. What about Roadway, Viking, any trucking company. Who do we look to? Everyone says, hey, look to the other person. They have all washed their hands of it. And, yet, these containers are very heavy, maybe, because people are renting, leasing containers. And whether they put feathers in there or they put steel ingots, you know, eventually, somewhere, it is going to be on the road. And we have no idea how much those things weigh and somehow we got to get a handle on it.

I am wondering if you could help us out on that?

Mr. PHILIP. Well, you talked about vexing problems that the committee faces. It is certainly a vexing one for us, and I know for your committee as well.

The Southern Pacific was recently an advocate of the proceeding before the Federal Maritime Commission, that you may be aware of, where there was a request were made by the American Trucking Association and many other ocean carriers with respect to the overweight issue. And the Federal Maritime Commission elected not to act on the issue, suggesting, instead, that it was more appropriately handled by the—by other domestic agencies in the United States directly.

It is not a problem that we have an easy answer to. It has become more difficult as we have had more shippers from Bangkok, and Singapore, and elsewhere who are sending freight to our country. We certainly feel that the shipper has to be brought into the loop and made accountable for the product that he is putting into the container. One of the specific proposals before the Maritime Commission was to change the way tariffs are structured on the ocean side, so that boxes would no longer be sold on a per unit basis, but would instead—freight would be sold on a per weight basis. So there would no longer be an incentive from the shipper's point of view to load more cargo into an individual container. We certainly endorse that as one solution, and perhaps we will find another one now that the Federal Maritime Commission has elected not to act on this issue.

Mr. MINETA. Thank you. Let me ask, Chairman Anderson?

Mr. ANDERSON. Sure. Thank you, Mr. Chairman.

What studies do you rely on to show that longer combination vehicles are unsafe?

Mr. PHILIP. Well, the studies that we have relied on are comparative studies that look at accident rates and statistics in different states by the type of vehicle. I would like to ask Mr. Lane, from the Association of American Railroads, if he would like to comment because he is more familiar with those than I am.

Mr. LANE. Mr. Anderson, one of the studies on which we rely is a new one, which has just come out. I do not think that anyone on the committee has yet had the opportunity to see it, but I would be glad to share it with the committee, and present it to you for your perusal. It is one that was just finished in the last week or so.

Mr. ANDERSON. It has been rightly acknowledged, even in testimony here today, that many studies on the safety of longer combination vehicles are flawed for a variety of reasons. And would you support a congressionally authorized, broad based, sound study of the relationship between LCV's and safety, by a credible research organization in the next highway re-authorization bill?

Mr. PHILIP. Absolutely.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. PHILIP. Very good.

Mr. MINETA. I have no further questions. Counsel, if you have no further questions, Dr. Philip, Mr. Lane——

Mr. PHILIP. Mr. Chairman, thank you.

Mr. MINETA [continuing]. Thank you, very, very, much.

Now I would like to call on Dr. Val Selivanov, Associate Director of Trauma, San Jose Medical Center, and member of the Crash board of directors.

Doctor, your statement will be made a part of the record, and so if you would proceed in your own fashion, sir.

TESTIMONY OF VAL SELIVANOV, ASSOCIATE DIRECTOR OF TRAUMA, SAN JOSE MEDICAL CENTER, AND MEMBER OF THE CRASH BOARD OF DIRECTORS

Dr. SELIVANOV. Thank you. Congressman Mineta, members of Congress, ladies and gentlemen; I thank you for this opportunity and privilege to address you on these issues.

I am a physician and surgeon whose major interest professionally has been the care of injured victims. I am a so called "trauma surgeon." For the last three years I have been the associate director at San Jose Medical Center, one of three trauma centers here in Santa Clara County.

Recently, I have had an opportunity to return to academic surgery and I have been appointed the acting director of trauma at Stanford University.

As you deliberate on these complex national, and, possibly, even global issues; I would like to share with you a perhaps limited perspective of a practicing trauma surgeon to help you decide on the safety issue of some of the issues you are dealing with.

In Santa Clara County, in 1988, there were 538 injuries due to large truck collisions and accidents. There are 14 deaths recorded. Those 538 injuries, I would like to share a little perspective on what they are like.

In solo truck rollovers, or truck alone accidents, the driver is usually, miraculously, not injured at all if he is wearing seat belts, and the injury occurred in fortuitous circumstances with the acci-

dents, or, he is outright crushed and dead at the scene. I begin to be involved with them in the in-between stages.

In truck-auto accidents, there are usually multiple victims. There are certain types of problems that a physician in a health care system faces. First, there is the problem of extrication. Many of the victims are pinned and one cannot easily bring them to the ambulance in order to bring them to the trauma center. During the time that they are pinned, vital tissues are being crushed: muscles, chest walls, pelvic girdles. There is a higher percentage of severe injuries when these injuries do occur in these types of accidents.

When I say a extrication problem, people can actually bleed to death while the paramedics are trying to extricate them. Or, bleed so sufficiently, that even though they have become survivors, they have survived after a prolonged, expensive hospital course of months. And a rehabilitative course of months at home and outpatient.

There is another issue, and that is the intrusion. When a massive object strikes a less massive objection, things collapse and cave-in. Two to three foot intrusions are not uncommon in auto-truck collisions. If you would, for a moment, identify with what that would be like in the passenger space of your own automobile. And I will take it one step further, and without meaning to be gory, or macabre, the intrusion occurs into the chest wall, or into the abdominal or into the cranium. If it is in the cranium, from my point of view, there is very little problems, those victims are dead at the scene.

A three to four inch intrusion of something, some force, through a chest wall, leads to a crushed chest syndrome. Even if the patient survives the first day or two, they are almost guaranteed a month to two months on a ventilator, a breathing machine in an intensive care unit. And often times they succumb to the complications of infection, renal failure; a number of modus exoduses from the health care system and the planet.

After doing this type of work for a number of years, and hoping that we are becoming more proficient and better at it by having better systems design, such as the one we have in Santa Clara County, which, by the way, is not available in all counties in this state and certainly not available in all places of the United States. By learning more, by doing basic research, we are able to salvage a few more patients each year, or, so we think. But after a few years of involvement in this work, it becomes quite clear to me, that there is an upstream problem. I am pulling bodies out of the river and perhaps my reach is getting better, but at a certain point of time one has to step back and say, who is throwing the bodies in upstream.

Injury prevention becomes a major focus of a trauma surgeon's activity after he has been involved for a number of years. In this light, I am here to speak to you about my fears of erosion of safety benefits of our interstate highways. One of the potential areas in which the safety benefits of our excellent highways occur, is with the long combination vehicles. You are asking if there is evidence to show that they are better, safer, or equal to what we currently have; I, myself, have asked that question. It is not an easy question to ask, the answers are not easy. There are tombs of papers. Mostly conflicting, some are out and out poorly designed. I would like to

quote on paper what I found convincing for myself. This is an elegantly designed paper by Stein and Jones, and it was published in the American Journal of Public Health in May of 1988.

The key data is summarized in this graph. This study compared collisions of truck trailer, the standard semi-truck, one trailer and a tractor pulling it; to single unit trucks without a trailer, and to the multiples. What this study has that many of the others or, in fact, I do not think any of the others have; is it is controlled for the type of road that the collision or accident occurred on. And that is crucial. One can talk about trucks turning over until doomsday. The truck is not in it alone, the truck is on a certain type of highway and if you had a truck of a certain design on an excellent highway, its rate of turnover will be less than if that truck is on a poorly designed highway.

This study attempted to compare multiples turning over on interstates, and multiples turning over on non-interstate, less safe, roads. In this study there were multiple trucks turning over when you control for the type of road two to three times more than single trucks, the so called standard tractor-trailer. To add a little sense of science to it, the authors of the study also did some statistical analysis. Is this just a random trend, after all, there were only 600 some collisions that were studied, only a 1,000 some other control trucks that were looked at that traveled the same roads. It turns out that they used a good, statistical analysis and this study is statistically significant.

The two bars at the top are statistically more involved in accidents than the middle one, which is the truck trailer, and, obviously, more than a single unit. This type of study has convinced me that doubles, which is all that this study addressed; are two to three times at risk for turnover and collision and being involved in accidents than the standard tractor-trailer rig.

There is not, to my knowledge, any large study with enough trucks and enough collisions or accidents on triples. However, I think the extrapolation is clear. Also, to help me, I have talked with a few drivers, and even though that is anecdotal, they fear that the triples are a little harder to manage and a little less safe.

I do not need the extra work in the trauma centers. The other issue is when an accident occurs—and accidents will occur, even under the best designed circumstances such as this accident which occurred near Portland. There will be multiple victims. For me, the analogy is as if it is not just one gun shot wound, but someone was shot with an automatic and there is multiple victims with multiple wounds. The severity of any individual is greater, and there are more victims.

In this accident, there was one fatality at the scene. From my point of view, that is easy, we cannot help that victim. But there were seven other injured. If all seven were to descend upon any one trauma center in the state of California, that trauma center would be swamped. In a well designed county system, or regional system, and maybe two trauma centers would receive these victims, for that day, that trauma center would probably be closed to all other traffic.

The costs in paid and economic loss of even one accident are severe. As a member of CRASH, my interest are in preventing in-

juries and deaths on our highways. I do not have hard science and proof. This is not astronomy or physics, but I think there is enough evidence to suggest that the multiple trailers will erode some of the safety benefits we are trying to have in our interstate system.

Thank you.

[The prepared statement of Dr. Selivanov appears on p. 2646.]

Mr. MINETA. Very well. Chairman Anderson?

Mr. ANDERSON. There has been some thought that with the commercial driver license, having now been imposed, that with a tougher requirement to the commercial driver license on those who would be driving triples, or doubles, 48's; that this may be a way to control whether or not better drivers would be driving these larger, longer combination vehicles.

Do you have any thoughts on whether that would even work?

Dr. SELIVANOV. Well, I think that that is a question that is in the nature of a hypothesis. And, unfortunately, I think I would be afraid to conduct the experiment. The record of maintenance and the ability to enforce maintenance is not sterling as of now.

In Santa Clara County, the California Highway Patrol cited 75 percent of the trucks they randomly pulled over, in a recent study, and 30 percent of those trucks were forced off the road because of various maintenance problems. I do not think it is just the drivers, and you give the most excellent driver a difficult job to do, there will be problems. In a sense, it is sort of like surgery.

There are complications that occur in everyone's surgical practice. We try to limit them, but if we are given a steady diet of horrendous type cases, our complication rate will increase no matter how good a surgeon you are.

And I think the same situation will apply to the drivers, that even the best drivers, if they are asked to drive a vehicle that may be a little less safe, will have a harder time with it. And as the number of these vehicles increase, I think, even with excellent drivers, you are going to see an increase in accidents.

Mr. MINETA. Let me ask you a question I asked earlier of the Vice President of the Intermodal Division of Southern Pacific Transportation Company, and that is: are you, as an organization, is CRASH advocating for a national prohibition of longer combination vehicles in all areas, including states where they are currently allowed; or just to prevent use of LCV's in states where they are currently not permitted?

Dr. SELIVANOV. Well, as a member of the board, I have not polled my board members. But as an individual trauma surgeon, I think if it is safe in one place and not safe in another, why not have all the citizens have the benefits of the safety and, for myself, I would like to see these vehicles studied and not allowed.

Mr. MINETA. Dr. Philip, I have a number of questions which Congressman Packard would like to have answered for the record and so these will be submitted to you in writing and so if you could respond, for the record, in writing, I would appreciate that very much.

Mr. Chairman, any further questions? If not, thank you very, very much, Doctor, for the presentation.

Dr. SELIVANOV. Thank you.

Mr. MINETA. I would now like to call forward Gerald D. Gibney, Vice President, ICF, Kaiser Engineers.

TESTIMONY OF GERALD D. GIBNEY, VICE PRESIDENT, ICF, KAISER ENGINEERS

Mr. GIBNEY. Mr. Chairman, members of the committee, ladies and gentlemen; my name is Gerald Gibney, I am Vice President and Regional Manager of Transportation for ICF Kaiser Engineers. I am based in Oakland, I am also a Director of the Consulting Engineers Association of California, and a member of the American Consulting Engineers Council 7-10 Committee on Transportation at the national level.

Others, with more eloquence, have testified on issues which affect the entire spectrum of engineering such as employee commuting, air quality, and business travel. We all agree this nation's infrastructure is decaying and we are attempting to determine what we can do about it.

But most testifiers have mentioned the passage of prop 108, and 111. The people voted for those increases because the leadership of this state, public and private; was united in recognizing the need and in devising a plan. The engineering community was a strong supporter of the propositions and made material contributions of time, money, and other resources.

On the national level, we intend to work with the leadership of APDA, ARPA, and the Consulting Engineers Council to affect the national transportation plan. We are opposed to the sequestering of gas tax funds. It is even more short-sighted in our view to speak of using the gas tax to reduce the deficit. An increase in the gas tax is necessary for the purposes for which it has traditionally been used: investing in the transportation system. The investment is needed now, because if we delay, the future costs will be even greater.

Mr. Chairman, you and your colleagues, and the staff of the Committee on Public Works and Transportation have worked hard with the California Department of Transportation to devise California's recommendations for the post interstate program. You are acquiring testimony from a wide spectrum of local government and industry through these hearings.

The business community is confident that the state congressional delegation will listen and will make itself heard on the hill. We urge the Congress to stand firm in this critical time of defining the future of surface transportation, all modes, for the nation.

As a representative of the private engineering community, I would like to address three issues of particular concern to us. First, the private sector engineering design is our reason for being in business. The private sector is a reservoir of engineering talent that is innovative and cost effective. California has increased it's use of consulting engineers in recent years, and increased contracting out, has brought new resources to capital project delivery. The fast response capability of the private sector was particularly evident in the aftermath of the Loma Preita earthquake, when our capabilities were quickly brought to bear.

Mr. Kempton spoke earlier, about the ability of the private engineering community to produce quickly in cooperation with—and two—standards.

Second, we applaud Congressional efforts and your personal efforts, Mr. Chairman, to improve business conditions and promote fairness in the provision of engineering services. Qualifications Base Selections, QBS, in accordance with the Brooksville, is vital to the best interest of both the public and private sector. The marginal cost of procuring quality engineering services, as opposed to unqualified services and low ball bids, is minuscule, in comparison to the benefits which accrue and the cost of the disasters which are avoided.

Third, we support the privatization of transportation facilities and systems where it makes sense. Privatization is not a panacea, but it is a viable means of unleashing resources which are badly needed in this country. Entrepreneurial innovation, using private capital, to augment the public system, to improve safety and capacity, makes sense for America.

Thank you for the opportunity to be heard. I take pride in my profession, the private sector is capable, responsive and of great value in a design of transportation facilities and systems.

I sincerely appreciate your attention. Thank you.

[The prepared statement of Mr. Gibney appears on p. 2588.]

Mr. MINETA. Thank you very much, Mr. Gibney.

Chairman Anderson?

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. Gibney, doesn't qualifications-based elections inevitably involve subjective judgments, and what criteria are used to ensure objectivity that the best engineering services are procured?

Mr. GIBNEY. In the development of the Caltrans selection process, the concern about subjectivity of the use of judgment by the committees was of concern to some members of the legislature and to Caltrans. We worked with Caltrans to devise measurement of experience and qualifications, appropriateness of the experience to the project at hand. We did not entirely remove judgment, nor, do we think you ever can.

Mr. ANDERSON. Well isn't qualifications base selection biased against the smaller, new firm that may be able to come in legitimately with a low bid.

Mr. GIBNEY. Newness and smallness do not necessarily reflect negatively on qualifications, and the opportunity to come in with a lower bid is an invitation to create a very serious situation.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. MINETA. Thank you, Mr. Chairman.

Mr. Gibney, ICF Kaiser Engineers is strictly an engineering company, do you do any construction work?

Mr. GIBNEY. We do engineering and construction management, Mr. Mineta. We, for example, are program managers for the I-595 project in Florida. We do not construct, but we manage construction.

Mr. MINETA. You have not been involved in any turnkey kind of operations?

Mr. GIBNEY. We have been involved in turnkey operations for the Department of Energy and the Department of Defense, but not for transportation. However, those areas are outside my expertise.

Mr. MINETA. Have you worked on any toll roads?

Mr. GIBNEY. We are working on the design of toll roads. We have looked at the opportunity that is represented by the AB-689 program. An unfortunate death in our partner's firm caused us to withdraw from that program.

Mr. MINETA. Now, the one that you had been involved in terms of the toll road, that was where?

Mr. GIBNEY. In Orange County where toll roads are under design. That program is considering changing to a combined design construct approach. We are assessing whether we can play a role in that program.

Mr. MINETA. As I understand it, in San Diego County, is there not a—some toll road under consideration there, with Bechtel, I believe it is?

Mr. GIBNEY. In San Diego County, there are a number of opportunities that are being explored as part of the—what I call the AB-689 program. State Assemblyman Baker has an approved bill for four demonstration projects for privatization. I believe you may be thinking of one of those. There is no other in San Diego County that I know of.

Mr. MINETA. The four projects are two in Orange County, one in San Diego, and do you know where the fourth one is?

Mr. GIBNEY. Perhaps I am confusing the committee. There are three toll roads in Orange County that were mandated or approved by the legislature. In addition to the Orange County toll roads, there is the opportunity for four demonstration projects to be entirely funded by the private sector that would parallel state routes.

At least one of those projects has to be in southern California and at least one in northern California. They are not yet specifically defined.

Mr. MINETA. Have you heard of whether or not the Corps of Engineers is trying to get into any of these projects?

Mr. GIBNEY. The Corps of Engineers has been involved in transportation around the country. They were responsible for the management of construction of the west Seattle bridge in Washington. I am not aware of any efforts by the corps to become involved in transportation in California.

Mr. MINETA. And I take it ACEC's position would be to be in opposition to that approach?

Mr. GIBNEY. I believe that ACEC would be in opposition to that approach primarily because government organizations have an unfair advantage in competing with the private sector, and I do not believe there is a need for the corps to become involved in that area.

Mr. MINETA. Very well. Well, thank you, very, very much Mr. Gibney for being here to testify before the subcommittee. I appreciate your help very much.

Mr. GIBNEY. Thank you.

Mr. MINETA. Now, I would like to call on Ronald Pelzel, the Executive Vice President of Viking Crane. I have a blue and white truck sitting on my desk.

Mr. PELZEL. It is still there. Great.

Mr. MINETA. It is still there; it has not driven off the end of the table. I have been trying to figure out, Ron, what the wing span of that truck is. But Stach, the person at the company, has not told me what the wing span is.

Mr. PELZEL. I think Randy could help you with those calculations.

Mr. MINETA. Right. Your statement is going to be made before the record, so if you would go ahead and proceed.

Mr. PELZEL. Thank you.

TESTIMONY OF RONALD PELZEL, THE EXECUTIVE VICE PRESIDENT OF VIKING FREIGHT, ACCOMPANIED BY TIM LYNCH, ROADWAY SERVICES, INC., AND MEMBER, ATA TASK FORCE ON INCIDENT MANAGEMENT PROGRAMS

Mr. PELZEL. Thank you for the opportunity to testify today. Randy Vaughn, our President, did want to be here today, but unfortunately he had a conflicting business commitment that he could not change.

Randy was the Chairman of the ATA Task Force on Incident Management Programs. And with me today, is Tim Lynch, who also served on that Task Force.

I would like to talk about Viking for just a moment to give you some background. Viking Freight is a ICC certificated motor carrier. We handle general commodity freight, primarily, in business we are an LTL carrier, Less Than Truck Load. We operate 1,400 power units, and 4,600 trailers, and we employ about 4,000 people. Our primary operations are in the western United States, and, last year, we traveled over 58 million miles on the highways in the west United States.

I am here today to present to the committee our perspective on re-authorization of our nation's highway program. While our concerns cover virtually all aspects of the highway program, I will limit my comments to just three areas.

First, the need to continue a strong Federal role in our highway system.

Second, the need to maintain the integrity of the highway trust fund, and the taxes supporting that fund.

Finally, the need to address the problem of urban congestion through greater federal, state, and local cooperation on incident management programs.

I do not think anyone today seriously questions the important role that transportation and, specifically, highway transportation; plays in maintaining our nation's economic well being.

In the introductory statement accompanying his national transportation policy initiative, DOT Secretary, Sam Skinner, stated, and I quote: "No industry in the nation is more important to U.S. economic growth and international competitiveness than transportation."

While we might expect such words from a transportation secretary, further evidence was offered from a source not normally associated with highways and transportation. Mr. David Asher, a senior economist, at the Federal Reserve Bank of Chicago, put it

very succinctly when he stated recently, and I quote: "I have found there is indeed a strong and robust link between the level of infrastructure investment and the nation's ability to increase its level of productivity."

Mr. Chairman, the manufacturing, distribution, and transportation patterns of this country; make it imperative that we continue a highway program that is nation in scope and increases overall capacity. Though it may be a difficult message to convey, the citizens in California has as much at stake in out of state highways as he does on interstate highway 5.

It is our strong belief that the same motivation that went into the development and now completion of the interstate highway program must continue into the post interstate program. Our concern for maintaining a strong federal role in highway transportation is closely aligned with out second concern: maintaining the integrity of the highway trust fund and its supporting taxes.

There are certainly those who can give you a much better analysis of authorizations, obligations, ceilings, outlays, and all the other budgetary mumbo-jumbo. From our vantage point, it seems that if OMB spent as much time actually spending the money as it does trying to come up with Lou Goldberg type explanations of how there really is not surplus in the trust fund; our highways would be in much better shape. It will come as no surprise to the committee that our primary concern with the trust fund is the impending debate over raising fuel taxes, and whether those taxes should go to deficit reduction rather than the dedicated highway fund.

I can think of nothing more damaging to our highway program than allowing fuel taxes to be used for purposes other than highway related programs. One of the major arguments made in support of using the federal fuel tax for deficit reduction is the fact the tax is low; particularly relative to the levels of other industrialized nations.

Mr. Chairman, I have a hard time envisioning Japan or Germany willingly eliminating a major competitive advantage, which is precisely what we will be doing with transportation costs under such a tax increase.

It is also important to remember, that the fuel tax rate is not limited to the federal levy, but, also, includes state and, in some areas, local taxes as well. Here in the west, we are subject to state fuel tax levies as high as 22 cents per gallon. In California, voters just approved an increase of 11 cents phased in over a five year period to be used only for transportation purposes. This pattern is being followed throughout the country as approximately two-thirds of the states, and increased fuel taxes in the past three years.

I would be remiss if I did not acknowledge the efforts of this committee to resist any and all efforts to divert fuel tax increases to general funds. We will help in any way we can assist you in this battle ahead.

I would like to turn to an initiative that we would encourage the federal government to take on in cooperation with state and even local governments. That is, the development of incident management programs. "Incidence" is a term that includes accidents, and numerous other highway events like stalls, flats, spills, debris on the road, and even highway maintenance work. The American

Trucking Associations, through its trucking research institute; recently completed a year long study on the problems associated with urban congestion, and how the management or non-management of highway incidents have substantial impacts. According to FHWA estimate for 1987, incident congestion cost the nation 1.3 billion vehicle hours of delay at a loss of nearly 10 billion dollars.

A dozen large cities, Los Angeles, and San Francisco, are near the top of the list; account for over 80 percent of the freeway congestion costs. Why are we concerned over congestion and the proper management of freeway incidents? First, and foremost, these problems have a direct impact on service to our customers. Productivity, and, ultimately, our profitability. As a regional carrier, offering next day service for shippers, with just in time production runs; the margin error due to delays is very small.

Our second concern relates to the unique relationship we have with the public sharing the road. The public's perception that truck incidents are responsible for the growing level of congestion has resulted in demands for truck route restrictions, time of day restrictions, and outright bans on major urban arteries. The iron here is that many, if not all, of these proposals would result in more truck traffic, greater congestion problems, and higher costs.

The TRI study reviewed the problem of congestion and incident management programs, and made the following observations: the major impediment to the development of incident management programs, is the lack of a clear mandate. Major metropolitan areas and their traffic problems extend far beyond the city limit. For some, like New York City, or Washington, DC, the problem extends even beyond state lines.

Efforts to develop comprehensive incident management programs, having hamstrung by an inability to coordinate numerous and sometimes conflicting agencies. A small sample of affected agencies would include state police and highway authorities, local police and fire departments, private tow truck operators, hazardous materials specialists, vehicle insurers, environmental agencies, and public health officials. The cost of incident congestion, therefore, benefits, to be gained by reducing the incident delay are not well understood. This obviously undermines efforts to encourage cooperation and the development of incident management programs.

Having identified the problem, the TRI study then looked at specific incident management programs in five major metropolitan areas, and developed these findings: Incident management programs are cost effective. It is estimated that Chicago returns about $17 in benefits for each dollar invested in the program. There are real world models for developing and implementing effective comprehensive incident management programs. Chicago, Los Angeles, Fort Worth, Minneapolis, and New York all have programs that can serve as useful models for other cities.

Incident management programs are developing new tools and techniques for incident management. The development of electronic traffic controls and programs for the dissemination of traffic information show great promise for incident management efforts.

Finally, the study developed a series of recommendations for federal, state, local, and even motor carrier initiatives. At the federal level, the study recommended the following: Enacting legislation

supporting incident management as a national transportation priority. Funding to the states for the development or expansion of comprehensive incident management programs. Directing FHWA to focus research, demonstration, and training efforts on incident management. And develop methodologies for the uniform measurement in reporting of reoccurring incidents and the congestion impacts of these incidents.

Mr. Chairman, that concludes my statement. Thank you very much.

[The prepared statement of Mr. Pelzel appears on p. 2610.]

Mr. MINETA. Thank you very much

Chairman Anderson?

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. Pelzel, you talk a lot about incident management programs. Could you explain the different ways in which some states attempt to control and respond to incidents in order to keep traffic flowing, and are some methods more effective than others?

Mr. PELZEL. Tim, could you answer that question, please?

Mr. LYNCH. Yes. Mr. Chairman, under the task force study, we looked at five cities and their programs as sort of models. Let me just highlight what three of them did, and each one of them sort of highlights a separate problem and solution.

In Los Angeles, their program designates one agency, the California Highway Patrol, as sort of the coordinating agency for any type of highway incident. So when there is an incident, it is that agency that is responsible for coordinating everyone else.

New York has a program called Transcom, that attempts to disseminate highway congestion information to help motor carriers and others reroute traffic away from incidents that may occur.

Finally, Chicago has something called a Minuteman Program, where they literally send people out onto the highways during the peak rush hour periods. I think they are up to about 60 now, that just literally travel the highway and when there is an incident, they can be dispatched there quickly, make an assessment of what needs to be done, and help to alleviate the problems as quickly as possible.

Mr. ANDERSON. Well, should the next highway re-authorization bill allow for some trust fund dollars to be spent for these types of activities, and, if so, does the federal highway administration need to set up criteria for the development of good incident management programs?

Mr. LYNCH. Mr. Chairman, you have heard an awful lot of people today with an awful lot of very legitimate concerns and requests for assistance under the federal highway program. I am not sure how many dollars are in there to do all of those things.

I think what we would perhaps be in a position to advocate, is that federal highway attempt to highlight the problem of incident management, and let states and localities know that there are, in fact, programs out there that work, and that can be done, and to assist those state and municipalities in developing their own programs.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. MINETA. Let me ask, last Sunday we went to the Department of California Department of Transportation's Traffic Control Oper-

ation Center in Los Angeles; and down there, they have all—this would be the L.A. basin? With all the interstate highway systems with traffic monitoring tapes for—or wires in the ground. And they have got remote control video cameras. I have forgotten how many. But there are 360 degrees they could zoom in and right in on incidents. They have got the tow trucks operating so they can dispatch a tow truck.

One of the big things that delays traffic in an incident, is trying to get a vehicle, truck, whatever; off the road, keep that traffic going. A lot of this was under the leadership of Chairman Anderson in getting those provisions into the Service Transportation Assistance Act of 1987.

It seems to me that there are going to be areas in which we are not going to be able to add additional lanes of—and what we have got to do is to be able to increase the flow of traffic.

And I would like to ask, with regard to your testimony where you say incident congestion costs the nation $1.3 billion vehicle hours of delay at a loss of nearly $10 billion; any idea as to what percentage of those, in either dollars or hours, are attributable to truck accidents, turnovers, things of this nature?

Mr. LYNCH. I would have to go back and look at the study. If it got into that level of detail. I vaguely recall that there was some breakdown.

Mr. MINETA. And do you know, Mr. Lynch, whether or not, let's say, if we have tow trucks patrolling, I would imagine none of those tow trucks would have the ability to tow trucks off the road. We would have to specially dispatch this kind of a truck, I would imagine.

Mr. LYNCH. I would think that.

Mr. MINETA. But you find that the incident management programs in most of these programs that you had seen are very effective in terms of increasing the flow of traffic?

Mr. LYNCH. I think the New York example, which is somewhat in its infancy, has probably done as good a job as possible to attempt to reroute traffic away from an incident.

Obviously, in the trucking industry, we have a tremendous responsibility to do all that we can to make sure that the incident does not happen in the first place, in better equipment, better training of the drivers, and so forth. And we are very cognizant of that and we are doing, I think, a very commendable job in that area. But I think, obviously, once an incident occurs, and if it is a particularly egregious incident or a nasty one, rather, that is going to be tough to deal with no matter what.

But there clearly are an awful lot of things that fall in the category of less than. I am sure we have all been inconvenienced by a truck that spills something out the back end. If that can be cleaned up quickly, it does not require a tow truck to be brought out and remove the vehicle.

So it is those kinds of things. I mean, there are certain threshold areas that we are just not going to be able to get to.

Mr. MINETA. The Chicago program seems to have a very high cost-benefit ratio. What is it that they are doing there?

Mr. LYNCH. They are putting a lot of money into the program, I guess, is probably the best way to answer that question.

Mr. MINETA. But if they are putting a lot of money in, they are still getting $17 back. So that is a very favorable cost benefit ratio.

Mr. LYNCH. I suspect, like most analysis, it depends on the dollar cost you put on people's time. And, for that particular analysis, done by Chicago—I am not suggesting they put a higher value on their time than any place else, but that is generally how those analysis are done to arrive at that.

Mr. MINETA. If, for our purposes, could you get a copy of the Chicago incident managing program?

Mr. LYNCH. Certainly.

Mr. MINETA. For us, I would appreciate that very much.

Mr. LYNCH. As well as the entire study, if you would like.

Mr. MINETA. Very well. I look forward to receiving that.

[The Report: "Incident Management", and the executive summary of that report, prepared for the Trucking Research Institute, ATA Foundation, Inc., were received and retained in the Subcommittee File.]

Mr. MINETA. I also have a number of questions that Congressman Packard would like to have you respond to for the record, and so if you could take those questions and respond for the record, I would appreciate it.

Any further questions? If not, thank you, Mr. Pelzel, and Mr. Lynch.

[The questions submitted by Mr. Packard, and responses received from Mr. Pelzel, executive vice president, Viking Freight System, Inc., follow:]

Viking inc
FREIGHT SYSTEM

Executive Offices
Suite 100

411 E. Plumeria Dr. San Jose, CA 95134
(408) 922 7200

September 5, 1990

The Hon. Ron Packard
Subcommittee on Surface
Transportation
United States House
of Representatives
Washington, DC 20515

Dear Rep. Packard:

Enclosed are my responses to the questions you posed to me at the Subcommittee hearing in San Jose. I hope they are responsive to your concerns.

Sincerely,

Ronald G. Pelzel
Executive Vice President

Q. Several witnesses here today have stated their opposition to longer combination vehicles. To what extent does your company use double and triple combination vehicles and what has been your safety experience with them?

A. Viking Freight operates in eight western states. Our fleet consists of 4,503 28-foot "pup" trailers. In calendar year 1989, we operated 40,117,404 linehaul miles, of which 4,560,126 miles (9.5%) were in triple combinations and 35,557,278 miles were in doubles.

In this time period we experienced .22 accidents per million miles in triples and .76 accidents per million miles in doubles. Viking has been operating triple trailers in selected western states for seven years. Over that period of time the safety performance of triples has consistently been better than doubles, and also better than the national average for other vehicle combinations.

For the past three years our safety performance has demonstrated an average rate of .35 accidents per million miles utilizing triples as compared to .57 per million miles with doubles.

Viking readily acknowledges that the superior safety record of triples is related to the controlled environment in which they operate. We do not suggest their use in anything but such an environment where states' maintain strict standards for driver training, equipment specifications and highway-related control measures.

Q. Do these longer combination vehicles ever operate off an Interstate or major turnpike type highway? Would you ever operate LCV's on local city streets?

A. Triple trailers operate under strict permit controls. These controls generally limit their operation to Interstate highways or other major highways built to Interstate standards and which have traffic and engineering characteristics suitable for the equipment. In certain controlled access circumstances, the vehicles are permitted to travel off the Interstates for coupling or decoupling or approved terminal access.

It has never been the intent of Viking Freight, nor to our knowledge, that of the trucking industry to seek approval to operate triple trailer combinations in central urban areas or on local city streets which local or state highway officials had determined could not safely accommodate the vehicle.

It should be understood that triple trailers provide a means to safely and efficiently move freight over the road in terminal to terminal service. Consequently, there is no intent to operate the equipment in other than over-the-road operations.

Q. Do you believe an increased use of LCV's would result in a reduction in overall truck traffic? If so, would there be a reduction in fatal truck accidents overall due to the decrease in vehicle miles travelled?

A. Although Viking has not done any internal research on this question, we have seen outside data which strongly suggests a linkage between increased use of LCV's and a reduction in overall truck traffic.

For example, one motor carrier with an extensive history of triples operations found that three sets of triples carry as much freight as six 45-foot semitrailers. In its recently released report on the productivity and consumer benefits of LCV's, the Trucking Research Institute reported that total vehicle miles travelled - a major factor in projecting safety impacts - would decrease by 6.1 billion under a limited national network of LCV operations. Triple trailers alone would account for a 4.5 billion reduction. These figures are based upon the substitution of LCV's for conventional equipment.

With respect to the second question, again Viking has not undertaken any internal analysis. However, it is generally held that a reduction in accidents would result from a reduction in vehicle miles travelled. In its recently released report entitled, "Truck Weight Limits," the Transportation Research Board (TRB) found that truck weight policy changes that increased the number of vehicles required to carry the same payload would increase accidents and adversely affect traffic operations. According to TRB, "(c)hanges in truck weight regulations can affect highway safety and traffic congestion by (i)ncreasing or decreasing the amount of truck traffic, which in turn affects the number of accidents and highway congestion . . . "

It should be recognized that any projections on the volume of truck traffic impacted by greater use of LCV's must take into account assumptions about the nation's future economic performance. In short, there is every reason to believe the utilization of triple trailers in controlled and limited operations should lead to fewer truck trips and fewer accidents.

Q. In your opinion, how credible are most of the various existing studies regarding safety of longer combination vehicles? Is there a need for a broad-based study of the issue by a respected and non-biased research organization?

A. The question of how credible are the various existing studies on LCV safety really comes down to this: the often cited Cal Trans study was conducted under poor conditions with no controls present. Other, more scientific studies such as the one conducted by the Western Highway Institute, combined with real world experience

clearly demonstrate the feasibility of LCV's.

The general criticism of using real world operating results runs along the following lines: triples operate with the best equipment, with the most experienced drivers, over the highest quality roads in a controlled environment. Can we trust this skewed - albeit positive - operating safety data for application to all roads at all times?

The answer, of course, is we can't. But that is not what the trucking industry has sought. Triple trailers only operate under a state-controlled permit system. Studies which purport to evaluate triple trailer safety in anything other than a controlled environment are essentially putting a square peg in a round hole.

An example might help to explain. Can a large 747 jumbo jet safely land at a small rural airport? Probably not. Because of that, would anyone seriously argue that the 747 is less safe than a piper cub? Certainly not. This simply means that the equipment - either a 747 or a triple trailer - can be operated most safely in its normal, controlled environment.

All available accident statistics from states which currently permit triple trailers indicate they have been operating as safely as, if not more safely than, conventional equipment. Independent studies and individual motor carrier data overwhelmingly confirm this fact.

The New Mexico State Highway and Transportation Department conducted a state by state review of triple trailer operations. This a sampling of responses contained in their report.

South Dakota: "South Dakota's experience with the safety of the triple trailers in the first 21 months of the program is impressive."

Colorado: "There is not a single accident on record as having involved triple trailers."

Idaho: "Idaho has experienced a reduction in accidents through use of triple trailers."

Montana: "There has not been one public complaint about the triple trailers."

Utah: "What is interesting is the relative safety, under regulation, of triple trailer combinations."

The issue of LCV study credibility undoubtedly is raised because of two specific analyses: the Stein & Jones study (Washington) done for the Insurance Institute for Highway Safety and the so-called Cal Trans study. I would like to address both.

The Stein & Jones analysis has generated a great deal of interest for essentially two reasons. First, the study found that doubles had an accident involvement rate 2.5 to 3.0 times greater than tractor-semitrailers, a finding that is singularly unique among doubles research and totally contrary to individual motor carrier data. Second, the study employed a methodology that attempted to isolate all factors except the vehicle and the road: matched point for point case control.

With respect to the accident involvement rate, TRB reviewed the actual traffic count data from Washington DOT. These traffic counts showed that the exposure estimates of Stein & Jones were greatly in error, having undercounted the number of doubles in the traffic stream, "thereby inflating the involvement rates of doubles relative to tractor-semitrailers." When the exposure is corrected for the DOT counts, the "overinvolvement" of doubles disappears.

With respect to the methodology, there are problems here as well. The study selected a crash site and then analyzed the number of vehicles (singles versus doubles) that travelled past the crash site. From a statistical point of view, the selection of a crash site as the point of analysis immediately brings into question the randomness of the selection process.

The under/over count of the truck population and the method of site selection raise serious doubts about the findings of the Stein & Jones analysis.

Viking Freight is in a unique position to comment on the shortcomings of the Cal Trans study: our driver and our equipment were used for the triples demonstration. We think there were serious problems with the methodology employed in the Cal Trans analysis and certainly disagree with the portrayal of triples operating characteristics in the edited Cal Trans tape currently making the rounds.

Our driver and the triples unit were accompanied almost full time by the project manager's vehicle, a police escort, film crew (forward and rear), Cal Trans vehicles, media vehicles and a low-flying helicopter.

Most of the directions given to our driver came from the director of the film crew except where Viking officials intervened for the sake of safety. This in no way could be considered a "normal" - let alone controlled - operating environment. The "sway" of the third trailer as shown in the tape may be due to the driver's concern about film vehicles following too closely. An extraordinary amount of his attention was diverted to his rear view mirrors causing frequent correction. Such sway is certainly not the norm in other triples operations where the vehicle and driver are not subject to the distraction of a convoy of observation vehicles.

If the Committee is seriously concerned about this issue, we would welcome and encourage filming by "a respected and non-biased research organization" of actual triple trailer operations in a normal operating environment.

Once again, as the carrier involved in the Cal Trans tape, we do not believe it is an accurate portrayal of triples operations.

Finally, any studies (current or future) on LCV safety must account for exposure levels (i.e., vehicle miles travelled). This in our opinion is the only valid method to developing statistics on accident involvement rates. Studies which do not take this key factor into account will result in an "apples versus oranges" problem.

Mr. MINETA. I would now like to call forth Mr. Chuck Mack, the President of Teamster's Joint Counsel Number 7, of the San Francisco Bay area.

Mr. Mack, your statements will be made a part of the record, and you may proceed in your own fashion. It is good to see you. The last time, we had dinner at the Freemont Hotel, and you were honored by the Labor Counsel. It is good to see you.

TESTIMONY OF CHUCK MACK, PRESIDENT OF TEAMSTER'S JOINT COUNSEL NUMBER 7, SAN FRANCISCO BAY AREA

Mr. MACK. Thank you very much, Mr. Chairman—I should say "chairmen." And let me express our appreciation on the opportunity to appear before your committee to outline some of our views on this omnibus highway legislation.

We would also like to commend the chair on their good sense in having these hearings in different parts of the country, especially here in the bay area. It makes it convenient for us to participate.

The concerns that we have are pretty well outlined in the testimony. I am representing the International Union. The testimony, I think, spells out a multitude of concerns that we have. And I would like to emphasize some of those concerns, Mr. Chairman.

First of all, size and weights of the vehicles. In 1982, when the Surface Transportation Assistance Act was passed, the Congress constructed a very careful balance between different interests and reached an agreement to generally increase the size, weights, and lengths of vehicles.

The Teamster's Union supported that legislation, looking for some uniformity in standards across the country. We feel, however, that enough is enough. At the risk of joining the railroads, Southern Pacific, who we have a number of problems with; Southern Pacific, I guess, cannot always be wrong, however.

We would like to urge the committee to not include in the legislation any provisions that would allow triples, Rocky Mountain doubles, twin 40's, to be operating on the highways in the country, and, or, the highways in California. We are not asking the Congress to rollback legislation that individual states may have adopted that would permit the operation of those vehicles; but we do not believe that they should be extended.

To put on the highways of California, with the congestion we have, the number of vehicles, and the traffic patterns; combination vehicles could run 105 feet, or more, in length; we think would be irresponsible in light of the truck safety problems and the congestion that we are confronted with.

The industry record on safety, especially in the non- union sector, we view as the considerable problem. And there is just no justification, at this time, for any increase in the size of vehicles. I am sure the committee is aware, but information that we have, show, one, that less money is being spent on truck maintenance. Equipment, generally speaking, is getting older. More and more vehicles are being taken out of service, and more, and more, legislation has been passed at both the state level and the congressional level that regulates driver behavior.

Ironically enough, as we have moved away from a deregulation in the economic, or rate side; we move toward additional regulation in driver safety. And the congress has passed, I think, it is four or five pieces of major legislation in the past 10 years to deal with the safety effects of deregulation.

And statistically, as you pointed out, Mr. Chairman, the information would indicate, in some cases, that fatal accidents are down. On the other side, we can point to evidence that shows accidents are up. And you are going to get that conflicting statistic. We think that the congress and the legislation that has been passed, is a pretty good barometer of what public attitude is and what people in the public perceive as happening on the highways.

Longer Combination Vehicles, at this time, would be unwarranted. We think they would be detrimental to safety interests. In forming the conclusion, with regards to safety, we spend and rely—we rely, considerably on the opinions of our members who are operating those vehicles on the nation's highways.

As you know, in Arizona, Nevada, and Oregon, they allow triple trailer operations. So we have drivers from our own locals that operate those vehicles when they go into adjacent states. And they report back that the vehicles are more unsafe than doubles, and, especially, more unsafe than single trailer vehicles.

We also want to express our opposition to any further deregulation of the trucking industry. In the past decade, bankruptcies in trucking have increased by approximately 300 percent. We have seen significant job loss, especially in the union job sector, as nonunion companies have moved in and gained more, and more, market share. We have seen an increasing safety problem that we made reference to just a moment ago. And, ironically enough, less competition if you want to look at numbers.

Market share, especially in the LTL trucking sector, is becoming more and more a situation where three or four companies can have a control over that market share. We do not believe that additional deregulation at the federal level is warranted. We do not believe that the legislation should contain any involvement in interstate truck regulation. We think that should be left to the states.

It would appear, at least from our perspective, that the only beneficiaries to deregulation over the past 10 years, have been large shippers. Big business.

A recent study of Brookings Institution, who we also have found in disagreement with more than agreement; reached at least a couple of conclusions that we agree with. Deregulation has meant a redistribution of income. And it has taken it from LTL trucking companies in particular, and the labor force within the industry. And the redistribution has gone to large shippers.

Now, Brookings concluded through some mathematical formula, that these large shippers are passing those savings along to consumers. And we dispute that. We have not seen one shred of evidence. I am talking about tangible, empirical evidence to indicate that the public and consumers have benefited by any rate reductions that trucking companies have extended to large shippers.

In terms of tax increases, and the taxation—continued taxation within the industry; we would assume that there is going to be, obviously, continued taxation. We would urge some caution in in-

creases in that taxation, at least the Congress needs to take into consideration, the economic health of the trucking industry in making those decisions. The industry has been, for the most part, besieged by deregulation, and to now add additional tax burdens if those are—or if it is not capable to pass those along, is going to significantly impede the industry's ability to compete with other methods and other modes of transportation. And, possibly, put them at a competitive disadvantage.

Shipper responsibility. And, Mr. Chairman, you made mention of this just a few moments ago with regards to containers and overloaded containers, or overloaded intermodal vehicles. A couple of years ago, the California Teamster's Public Affairs Counsel, at the urging of Teamster's Local 70, the local union that I am fortunate enough to represent; asked that legislation be introduced into the assembly that would fix the responsibility, or at least it would get to the question of, were there, in fact, overloaded containers, and overloaded pigs, piggyback trailers, that are moving in interstate transportation.

And so we ask that all trailers, all containers, in rail yards and, also, in shipping terminals be weighed on their way out. And, also, be weighed on their way in. Now you can imagine there was a jurisdictional question with regards to this issue. All of the modes of transportation immediately said this belongs to the congress of the United States, and the state legislature should have nothing to do with it. And if you are worried about that, you will be happy to know the legislation did not pass.

On the other side of it though, we got to that issue of who is responsible and there was a lot of finger pointing. The railroads took the position it was the shipper. The shipper took the position it was the railroads. Shipping lines took the position it was the truck drivers that came in to pick up the containers, and as a result of the finger pointing and the jurisdictional questions that were raised, legislation was not passed out of the California legislature.

And, we, to some degree—some progress has been made in this area; but to some degree we are still wrestling with that question. We believe that shippers, in particular, have a responsibility when it comes to overloads. If they are loading a container, or they are loading a piggyback trailer, they are the ones that are putting the freight on. They are the ones that then have the responsibility to pick it up or have the responsibility to have it weighed. A driver who comes in to pick up that container, does not have scales available and accessible.

In some cases that is not true; some cases it is true. But where our drivers have asked shipping or asked railroads to scale containers or pigs, the railroads and container operations have refused to allow the scaling. Generally because it is acknowledged that the overloads are there. This is an area of horror stories where people are paid off to haul overloads and to scale them, to avoid scales. That situation needs to be dealt with. We think that the shipper has a responsibility in that area.

Then, Mr. Chairman, it concludes my remarks to supplement the testimony that we have offered the committee.

Thank you, very much.

[The prepared statement of Mr. Mack appears on p. 2600.]

Mr. MINETA. Thank you very much, Mr. Mack.

Chairman Anderson?

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. Mack, in your testimony you mentioned your concerns. You think of your concerns with the unacceptable level of enforcement in the trucking industry.

Are the Teamsters in support of additional programs, or expansion of existing programs, such as Mixcef, or enforcement authority by the state and federal governments?

Mr. MACK. Mr. Anderson, we have been strongly in support of the legislation that has gone through both the Congress, and, in California, state legislature; that would provide for additional enforcement. The biggest problem that we see and that impacts the public in this state and across the country, has been the movement away from union carriers and to non-union competition.

Our contracts provide language where drivers have the opportunity to refuse to operate the vehicles that are unsafe. They also can refuse to pull overloads and they cannot be suspended or disciplined in any way for that. On the other side of the industry, the nonunion segment, where there is not that contractual projection, if there is no legal protection, there is no protection.

And even with legal protection, there are numerous loopholes because while a driver may legally be able to refuse to operate an unsafe vehicle and have legal protection, there are many other reasons that that person can be disciplined some time in the future. And so people feel very vulnerable and very exposed.

We are in favor of enforcement. We add one caveat to that, and that goes with regards to random drug testing. We are not in support of random drug testing. I think as you know, Mr. Anderson, the Teamsters Union has pioneered in drug testing. We had drug testing in our collective bargaining agreements prior to the legislation being enacted by the Congress. But we are very adamantly opposed to random drug testing and we think the experience with our members and the experience so far in testing does not warrant the invasion of what we believe the constitutional rights of our members to be for a problem that exists to the limited extent that it appears to exist.

Mr. MINETA. Mr. Mack, you know you have here, again, the IBP calls for the inclusion of shippers in the overall responsibility.

I just wonder how we do that. The shipper, as I said earlier to the representative from Southern Pacific, is in Bangkok. Or if the carrier is American President Lines, or if the trucking company that takes it from the port to some railhead? Or is it the consignee in Detroit, Michigan? Who do we really throttle on this issue of weight in the container?

There was also the other suggestion that maybe we have to change the law that says that people do not rent these containers by the unit, they rent them by the weight that is in them. Maybe that is a way around it. So far it is very elusive for us and we do not have to have a study to show that probably the vast majority of the export containers, I guess, export as well as import containers are overweight.

How do we get a handle on that?

Mr. MACK. It is a difficult problem. We tried to, in some ways, avoid this question of the finger pointing. And the weighing—now this would have to be concerned more with imports than exports. But in the weighing, if every container in is weighed—and I am told by our drivers, and I am told also by others in the Long Shore Union on the waterfront, that they can pretty well tell what the weights are when they come in.

But if it would not be readily apparent of what the weight was, what was overloading; if it weighed on the way in and it is overloaded could it not be released. Then that turns back to the creativity and ingenuity of the shipping companies, the shippers, and those that have the freight to determine who is going to be responsible for reworking in essence the load. Because that is what would have to be done.

You would have to break the load at the waterfront before you let it on the street, whether it be the highway or it be streets taking it down to the railroad yard for discharge to trains to move across country.

We felt that it should not get out. It should not be allowed out of the yard, and let the shipping company and the shipper argue about who has got that responsibility. At that point, the driver and the trucking company are not yet involved in that process so you do not have to worry about their finger pointing at anybody else. And that is something that would have to, of course, be worked out in charges. If somebody overloads, it comes into the country, there is going to be a cost to work that container and that cost has got to be passed along. I would say if the shipper overloads, to the shipper.

In this country, pretty easy to fix. If the shipper overloads it, and it is tagged, or it is an overload, that shipper should have the responsibility and you do not have that problem of going out for some foreign business, you have got somebody in this country that you can go after.

Mr. MINETA. I was given a note that export containers actually weigh more than import containers coming into the country.

Mr. MACK. The latest information, that study that was recently done about the overload of containers; shows that to be true and that was one of the surprising findings of the study. We had assumed, I think everybody, that we were seeing the overloads pour into this country because they were not aware of our standards. But it even looks worse than that. Our own companies in this country are absolutely overloading with knowledge. Willfully overloading.

Mr. MINETA. And evidently that is the newspapers going out of the country, paper material, not just newspapers.

The interesting point about—you do not feel LCV's with the anti-lock breaks would be even a safe move to take?

Mr. MACK. No, we do not think that at this point that they would be safe and that they are advisable.

Mr. MINETA. And just one very quick point, and that is on access. The access rule just came out about three weeks ago and, frankly, from our perspective, we have not heard that much consternation about the access rule since it has come out. And you say, in here, that we should expect to hear about this in a short while, but so

far, we have not heard that much about it. And I think that has even been a surprise to us, that we have not heard that much more about it. So maybe with your testimony we will probably start hearing some more.

Well, Chuck, or, Mr. Mack; let me thank you, again, for your testimony. You know, we deal with Tim Sculley and Dave Sweeney back in D.C., and so we are kept well informed, but I want to thank you, in person, for your leadership and what you are doing here in the San Francisco Bay Council.

Mr. MACK. Thank you, Mr. Chairman.

Mr. MINETA. Thank you, very, very much.

Mr. MACK. Thank you, Mr. Anderson.

Mr. MINETA. Now I would like to call forward Mr. Steve Nieman, Vice President of Strategic Marketing and Planning, American President Lines. Mr. Nieman, your statement will be made a part of the record and—relax and go ahead and proceed in your own fashion.

TESTIMONY OF STEPHEN C. NIEMAN, VICE PRESIDENT OF STRATEGIC MARKETING AND PLANNING, AMERICAN PRESIDENT LINES

Mr. NIEMAN. Thank you, Mr. Chairman. Welcome, Chairman Anderson, and welcome Chairman Mineta, we are happy to see you.

There are great advantages and responsibilities in going last. First, I need to thank Mr. House for accommodating my personal schedule in that I could not arrive until the last moment. Secondly, I will be extremely brief and open myself up to your questions.

Our statement really says, please take full cognizance of three things. Please take full cognizance of the fact that it is markets, not just carriers or modes that are at issue in any surface re-authorization.

Secondly, we are in an international world, not a national world, not a state world. International consequences have to be weighed by your committee, and have to be accounted for in this legislation.

And thirdly, it is no longer a modal specific world. It is an intermodal world, and entities such as yours with modal specific responsibilities must take on the additional responsibility for looking across your mode to the intermodal consequences of your decisions.

Let me just recap by saying that an integrated, intermodal, freight transportation system has significant advantages for the American economy and ought to be encouraged. These advantages include:

A) Identifying and utilizing the most productive features of maritime, inland water, rail, and truck modes.

B) Providing a competitive point-to-point distribution system for both domestic and international trade. That is a world-wide bench mark for efficiency.

C) Boosting U.S. industrial competitiveness in world markets by creating systems that can economically support America's increasing export and import efforts.

D) Providing environmentally acceptable transportation services that relieve highway congestion, lessen safety risks, and reduce air

pollution by using the most appropriate and efficient modes in places and to the extent that they are advantageous.

E) Reducing the burdens on U.S. bridge structures and highway pavements by utilizing rail transportation for the majority of the miles.

And, finally, solving large scale transportation challenges through private industry solutions.

So in the interest of brevity, the late hour, and my responsibility as your last witness, I will conclude at that point.

I would just like to add the personal note that I have spent my working career in the transportation industry specifically the trucking and rail industry. I put my first load in the intermodal system in 1963; and put my first load on the highway in 1958.

I think that the company I represent today and our interest and our position as an intermodal transportation company represents some of the best balance in the industry in terms of what can be competitive in the market place; what is appropriate from an international policy standpoint; and what is necessary from the standpoint of looking across the advantages and the liabilities of individual modes.

Thank you. Any questions?

[The prepared statement of Mr. Nieman appears on p. 2606.]

Mr. MINETA. Thank you, very much, Mr. Nieman.

Chairman Anderson?

Mr. ANDERSON. Thank you, Mr. Chairman.

How could I not ask him a question when he has so much in my district down there. I have the APL, and Long Beach, and L.A. ports.

What specific recommendations do you have for structuring the federal surface transportation program to promote intermodalism?

Mr. NIEMAN. Two or three. And you will see it embodied in the statement that we have here, but the first one is, the cognizance, the recognition, the outward statement that we are trying to encourage a competitive international transportation system. We do not think that is recognized today. That is a very general statement, but it is a starting point.

The second thing is recognition of the fact that each movement has its unique economic characteristics, and to violate that balance by changing it in the course of this legislation is a high risk proposition. We put approximately 700,000 loads a year into the U.S. rail system. Each of those loads has a prior and a subsequent move by highway. It is not our goal to take those 700,000 loads and take them off the rail system and put them onto the highway. But we fear that some tilting of the economics in the legislation that is pending may cause that to occur.

To the contrary, we think that there is great advantage to the economy, great advantage to safety and pollution considerations by encouraging long haul loads that are presently on the highway into an intermodal system through competitive, free enterprise activity.

Mr. ANDERSON. We received testimony in Long Beach, and some of your people are involved; about the Alameda Corridor Project. Now what specific project are needed in the Bay area to ensure adequate access of truck and rail transportation to port facilities?

Mr. NIEMAN. Well, specifically in the Bay Area, the Port of Oakland is the one that, in our judgment, needs the help. The most obvious situation in fact, frankly, is a little bit different but I think you are familiar with it; and that is the need for dredging the harbor to a depth that is suitable for accommodating the new generation vessels. Today, we depart light, and that is not competitive.

Mr. ANDERSON. But what is the depth of the harbor there?

Mr. NIEMAN. Now you are going to get more technical. But, currently, it is approximately 32 to 36 feet. There is a proposal to get it to 38 feet and I believe there is a need to get it to 48 feet. I may be off by a few here, but you get the gist of the problem.

Mr. ANDERSON. I want to tell you one way you can do that.

Mr. NIEMAN. Please.

Mr. ANDERSON. When I was elected to Congress, the Port of Los Angeles had 15 feet. I was so shocked with it, and they talked to me, I went and I got it deepened, it is a little over 50 feet now. But the thing that is good about it, it is called the Glenn Anderson Deep Ship Channel. There have been two channels in the country named after Congressmen, Sam Houston, in Houston, Texas, and Glenn Anderson, Los Angeles. A third one, Mineta Channel, or something——

[Laughter.]

Mr. NIEMAN. Have no fear, I will pass it on, I see the point.

Mr. ANDERSON. And about my last question, do you have—do you acknowledge that we have an overweight container problem, and, if so, how best can we address it?

Mr. NIEMAN. We absolutely acknowledge it. Despite some people who are somewhat critical of the so-called Journal of Commerce PIERS survey that I know you are familiar with; our practical experience is, yes, there is a problem. We think it can be addressed in a number of ways.

First of all, it has to be carved down into manageable pieces. The export situation is materially different than the import situation. This has been alluded to in the flavor of your questions here this afternoon and other people's responses.

Secondly, we believe a consensus is forming, and we believe we saw it in some of the testimony before your oversight committee, last week I believe it was; that the shipper ultimately has to be held accountable for it because it is a matter of competitiveness among ports, modes, truckers, carriers of any mode. And that has to be neutralized.

The ability to control the shipper is significantly better on the export than it is on the import as is inferred. On the import situation, we believe that there is an opportunity to peruse our records to determine habitual offenders and, thus, not impede the activity at our port terminal but, rather, be able to through targeted efforts go back to those offenders on an import basis by virtue of the information we could supply.

Mr. ANDERSON. Thank you, Mr. Nieman.

Mr. MINETA. Mr. Nieman, let me ask, do you operate your own stack train?

Mr. NIEMAN. Our answer to that would be yes. But let's be real certain that we say that correctly. We own and manage the cars and the containers that go into the U.S. Rail system. We purchase

from those railroads the locomotive power and the crew that mans those trains. And, very often, for flexibility and economic reasons, we encourage and, in fact, allow our units to be mixed with the units of other intermodal operators so as to get maximum rail efficiency. So when you say do we operate our own stack trains, our PR might give you that impression, but we need to be much more precise as we talk about it.

Mr. MINETA. If I am another intermodal carrier, I got containers to ship to somewhere, do I talk to APL, or do I talk to Southern Pacific?

Mr. NIEMAN. You have your choice of talking to either. We do that presently for up to eight other steamship lines, and the Southern Pacific will also talk to you about offering that service and then when your cargo or your container physically moves, it is elective with the underlying railroad, SP or otherwise to combine your container with our containers and cars to make up a train.

Mr. MINETA. Well, in the case of southern California, where, let's say, Santa Fe's railhead is 12 miles, 17 miles, away from the port. Who is moving the traffic from the port to the railhead where the stack train is put together?

Mr. NIEMAN. It depends on the nature of the underlying commerce. I think you are referring to the general situation of import or export commerce coming through the port and going immediately to the railhead, so called international-intermodal business, where it is land-bridge business from Bangkok to Boston. The party responsible for that piece of the transaction is one of two parties.

First, most intermodal operators, most steamship lines, hold themselves out to provide that as part of their underlying service in a through move Bangkok to Boston. But many shippers elect, for whatever other reasons, and there are many good reasons; to unbundle that transaction into two separate transactions. The transaction for the steamship line ending when the container is grounded at the port, and beginning, for a second transportation company, from the port across the highway to the railhead and, hence, on to Boston. In this situation, international commerce, it could be either of two parties responsible.

On domestic commerce, going to or from that port, it is usually an operating convenience for the intermodal carrier because he is trying to reposition his international box back from that port facility.

Mr. MINETA. And once that train gets to, let's say, Boston, but the shipment or container is going to go to 123 Main Street, who——

Mr. NIEMAN. Same situation. It could be either of two generic parties. Either the underlying long haul Bangkok to Boston carrier, who is holding himself out to supply the all in bundled service to the shipper or the receiver; or, secondly it could be another party that has been requested by the shipper because the shipper has elected to un-bundle the transaction and that other party could be the party that is responsible from, say, Los Angeles to Boston.

Or, in fact, there is even a third circumstances, sort of a subset of the second circumstance. That it is conceivable in the last leg from the rail ramp in Boston to 123 Main Street could be by yet a otherwise unaffiliated cartage company that has been retained by

that shipper or that shipper's agent. So there are many parties that could be responsible for that last piece.

Mr. MINETA. As I understand that Schneider Trucking, Mr. Jones—do you know—or, Mr. Lynch? Schneider, and then what is the other outfit out of Arkansas? J.B. Hunt.

When they contract, do they contract with an APL, or with the railroad to do that segment?

Mr. NIEMAN. Well, I do not mean to be humorous about it, but neither J.B. Hunt, nor Schneider National cares to do business with us for their own proprietary reasons. So you have got two bad examples.

Mr. MINETA. Oh, okay.

Mr. NIEMAN. But in the spirit of your question——

Mr. MINETA. Well, I thought when I was at one of the meetings, they were using both Hunt and Schneider as an example of that intermodal operation.

Mr. NIEMAN. Yes. And really there are two cases, the long haul irregular route truck load carrier, such as Hunt and Schneider, as generalization do not use the intermodal system except for their relatively new joint effort between Santa Fe and Hunt, called Quantum. Schneider has tended not to use the intermodal system for their own proprietary reasons. When carriers such as those do elect to tender a trailer to an intermodal carrier, they almost invariably do that directly with that intermodal carrier, be it us, or the Union Pacific, or Conrail, or whoever it is. And that is because that is the way we have set up our marketing to those enterprises. It is strictly a elective situation with the intermodal carriers as to how they care to solicit that business.

The second situation you might be alluding to (and let me elaborate because I think it will help) is when the LTL motor-carrier, such as CF, or Roadway, or Viking tender a load into the intermodal system. This is a much more prevalent practice amongst LTL carriers than it is amongst truckload carriers. Those LTL carriers, again, come into the system through whatever is the marketing channel we hold out to them. And as a generalization, either it is a direct marketing effort or through a third party shipper agent. It is elective with the LTL carriers how he accesses the intermodal capacity.

Mr. MINETA. In any of those scenarios, do you see a need for LCV's, or what we have heard about today, the triples and the double 48's?

Mr. NIEMAN. In those scenarios, no. The question of productivity of LCV's comes up in a different context. There are selected corridors of operation in the country where we do not presently use rail underlying transportation because it is not economic to us.

The possibility of using LCV's in those corridors does exist. We do not happen to do it today. In situations where we presently use the rail mode, diversion to LCV is not our goal and not our interest. They may have some productivity aspects to them that are attractive to us, but basically we feel that on today's economics it is advantageous to use the double stacked stack train system for long lengths of haul.

Mr. MINETA. And if we do not go to longer combination vehicles, should we be lifting the 80,000 comb limitation?

Mr. NIEMAN. In our judgment there is some merit in lifting the 80,000 pound rule for two reasons.

The first one is very selfish. As I am sure you are aware, the light weight of a container plus a chassis is just inherently higher than the light weight of a highway trailer. So, from a shipper's perspective, he cannot load as much into a chassis and container as he can into a highway trailer. It is difficult for him to have the same shipment, allotment, or shipment size when the mode has a tare weight characteristic.

The second reason you might consider lifting that weight limit is because of an entirely different characteristic. And that is, there are a number of commodities in the United States that are disadvantaged at the margin at the 80,000 level. A number of shippers who manufacture very specific commodities who would be advantaged if there were some way to raise that 80,000 pound level to maximize the loading characteristics of either a highway trailer or a container chassis equipment.

Mr. MINETA. All right. I have no further questions, council, if not, Steve, let me thank you—for being with us and let me just ask one very quick question, and that is, what is the status of your new construction up in Oakland? Is that——

Mr. NIEMAN. It is on schedule, thank you. We expect to occupy it beginning the 15th of November.

Mr. MINETA. Was it affected by the earthquake at all?

Mr. NIEMAN. Well, the engineer tells us that it proved the efficacy of his design and that he was delighted for the earthquake in order to show that we have a safe building. And the answer to your question is only by about three or four days.

Mr. MINETA. Great. Thank you, very, very much, Mr. Nieman.

Mr. NIEMAN. Thanks.

Mr. MINETA. There being no further business before the committee, we stand adjourned. I would like to thank everybody for your patience.

[Whereupon, at 5:45 p.m., the subcommittee was adjourned.]

PREPARED STATEMENTS OF WITNESSES

TESTIMONY

OF

COUNCILMEMBER JIM BEALL, CITY OF SAN JOSE
CHAIR, TRANSPORTATION AND PUBLIC WORKS COMMITTEE
OF THE LEAGUE OF CALIFORNIA CITIES

VICE CHAIR, TRANSPORTATION AND COMMUNICATIONS COMMITTEE
OF THE NATIONAL LEAGUE OF CITIES

HOUSE PUBLIC WORKS COMMITTEE
SUBCOMMITTEE ON SURFACE TRANSPORTATION

CONGRESSMAN NORM MINETA, CHAIR

FIELD HEARING, SAN JOSE, CALIFORNIA
JULY 5, 1990

801 North First Street, Room 600
San Jose, CA 95110
408/277-5275

GOOD MORNING MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE. WELCOME TO SAN JOSE. I FIRST WANT TO COMMEND THE CHAIRMAN FOR SCHEDULING THIS HEARING EXPLORING THE CURRENT STATE OF TRANSPORTATION SERVICES IN NORTHERN CALIFORNIA. I AM PLEASED TO HAVE THE OPPORTUNITY TO SPEAK TO YOU TODAY REPRESENTING NOT ONLY SAN JOSE, BUT ALSO THE LEAGUE OF CALIFORNIA CITIES WHERE I CURRENTLY HOLD THE CHAIRMANSHIP OF THE LEAGUE'S COMMITTEE ON TRANSPORTATION AND PUBLIC WORKS, AND THE NATIONAL LEAGUE OF CITIES TRANSPORTATION AND COMMUNICATIONS COMMITTEE, OF WHICH I AM VICE CHAIR.

I SPEAK TO YOU THIS MORNING WITH GREAT OPTIMISM. ON JUNE 5, THE VOTERS OF CALIFORNIA MADE MANY OF US WITH A KEEN INTEREST IN THE FUTURE OF TRANSPORTATION VERY HAPPY. AS YOU KNOW, THE VOTERS APPROVED PROPOSITIONS 111 AND 108 WHICH INCLUDE: 1) AN ALL-IMPORTANT INCREASE OF 9 CENTS IN THE STATE'S GASOLINE TAX FOR TRANSPORTATION PURPOSES; AND 2) $1 BILLION IN STATE GENERAL OBLIGATION BONDS FOR TRANSIT AND RAIL PROJECTS - THE FIRST OF THREE SCHEDULED BOND MEASURES FOR THIS PURPOSE. ADDING TO OUR HAPPINESS, ANOTHER BALLOT MEASURE QUALIFIED THROUGH THE INITIATIVE PROCESS AND WAS PASSED BY THE VOTERS, COMMITTING ANOTHER $1.99 BILLION PRIMARILY FOR RAIL PROJECTS. THIS IS A GREAT FIRST STEP TO TACKLE SOME OF THE TREMENDOUS TRANSPORTATION PROBLEMS WE FACE IN CALIFORNIA TODAY.

TO FURTHER SKETCH IN THE TRANSPORTATION PICTURE FOR NORTHERN CALIFORNIA, MANY LOCAL GOVERNMENTS HAVE TAKEN IMPORTANT STEPS IN

RECENT YEARS TO PASS, WITH VOTER APPROVAL, INCREASES IN LOCAL SALES TAXES WITH THE REVENUES DEDICATED TO KEY TRANSPORTATION NEEDS. SANTA CLARA COUNTY, WHERE YOU ARE TODAY, HAS PASSED SUCH A MEASURE TO IMPROVE THREE KEY CORRIDORS IN OUR COUNTY. SINCE THE PASSAGE OF THE SANTA CLARA COUNTY SALES TAX, MANY OTHER BAY AREA COUNTIES AS WELL AS SACRAMENTO HAVE FOLLOWED WITH SIMILAR MEASURES. MANY OTHER NORTHERN CALIFORNIA COUNTIES ARE PLANNING ON SIMILAR BALLOT MEASURES.

IN ADDITION TO THE ABOVE EFFORTS, AN IMPORTANT COMPONENT OF TRANSPORTATION FINANCE THAT IS OFTEN FORGOTTEN IS THE EFFORT OF LOCAL GOVERNMENTS CONTRIBUTING LOCAL DISCRETIONARY FUNDS TO TRANSPORTATION PROJECTS. OUT OF THE TOTAL AMOUNT OF CITY EXPENDITURES ON TRANSPORTATION, SOMEWHERE BETWEEN 40 AND 50 PERCENT COMES FROM LOCALLY RAISED "DISCRETIONARY" FUNDS. THIS DEMONSTRATES A REAL COMMITMENT TO TRANSPORTATION, ESPECIALLY IN LIGHT OF THE STATE'S IMPOSSIBLE TAX STRUCTURE AND THE LACK OF AUTHORITY OF LOCAL GOVERNMENTS SINCE PROPOSITION 13.

IN SPITE OF OUR OPTIMISM AFTER JUNE 5, STUDENTS OF TRANSPORTATION FINANCE IN CALIFORNIA REALIZE THAT THE RESOURCES IN THE FORESEEABLE FUTURE WILL NOT BE ENOUGH TO PROVIDE AN ACCEPTABLE LEVEL OF TRANSPORTATION SERVICE IN THIS STATE AND NORTHERN CALIFORNIA. IN ORDER TO MAKE THE SCARCE RESOURCES GO FURTHER, WE HAVE TO EXERCISE BETTER JUDGMENT ABOUT OUR TRANSPORTATION FACILITIES. THIS IS ESPECIALLY TRUE IN OUR CONGESTED URBAN AREAS. THE VARIOUS LEVELS OF GOVERNMENT WHICH

SHAPE TRANSPORTATION POLICY CAN NO LONGER MAKE DECISIONS IN AN ISOLATED MANNER. THE FULL IMPACT OF EACH DECISION, NOT ONLY FOR THE JURISDICTION MAKING THE DECISION, BUT NEIGHBORING JURISDICTIONS MUST BE CONSIDERED.

A CORNERSTONE OF THE TRANSPORTATION PACKAGE PASSED BY THE VOTERS ON JUNE 5 WAS A REQUIREMENT THAT THE LOCAL GOVERNMENTS, COUNTIES AND CITIES, IN EACH URBAN COUNTY MUST ADOPT A CONGESTION MANAGEMENT PLAN DESIGNED TO REDUCE TRAFFIC CONGESTION AND SPECIFICALLY LINK URBAN DEVELOPMENT DECISIONS TO THE TRANSPORTATION SYSTEM. CONGESTION MANAGEMENT PLANS WHICH ARE CONSISTENT WITH REGIONAL AND STATEWIDE TRANSPORTATION PLANS WILL HAVE A COMPETITIVE ADVANTAGE FOR THE FUNDS MADE AVAILABLE BY THE JUNE 5 VOTE; AND, LOCAL AGENCIES WILL BE ABLE TO WITHHOLD LOCAL GAS TAX SUBVENTIONS TO NEIGHBORING JURISDICTIONS IF THEY DO NOT COMPLY WITH THE CONGESTION MANAGEMENT PLAN. THIS IS A COMPLETELY NEW WAY OF "DOING TRANSPORTATION BUSINESS" IN CALIFORNIA, NECESSITATED BY THE TREMENDOUS GAP BETWEEN THE STATE'S TRANSPORTATION NEEDS AND ITS RESOURCES.

IN ADDITION TO THE IMPROVED PLANNING REQUIREMENTS IN THE CONGESTION MANAGEMENT PLAN, LEADERS AT ALL LEVELS OF GOVERNMENT ARE SERIOUSLY DEBATING ALTERNATIVE GOVERNING STRUCTURES TO DEAL WITH THE UNPRECEDENTED GROWTH BEING EXPERIENCED IN CALIFORNIA. SEVERAL KEY LEGISLATIVE PROPOSALS ARE CURRENTLY UNDER CONSIDERATION IN SACRAMENTO. ADDITIONALLY, BOTH GUBERNATORIAL CANDIDATES HAVE INDICATED SUPPORT FOR ESTABLISHING NEW

INSTITUTIONS OR REARRANGING OLD INSTITUTIONS IN AN ATTEMPT TO GET A BETTER HANDLE ON URBAN DEVELOPMENT IN THIS STATE. CENTRAL TO ANY OF THESE INSTITUTIONAL CHANGES WILL BE OUR STATE AND LOCAL TRANSPORTATION SYSTEM. IN THE NEXT 10 YEARS, WE EXPECT TO SEE SIGNIFICANT CHANGE IN CALIFORNIA AS IT RELATES TO OUR TRANSPORTATION DECISION-MAKING STRUCTURE.

THE NEXT CRITICAL STEP FOR TRANSPORTATION IN CALIFORNIA IS CONGRESS' DELIBERATIONS TO DEVELOP A POST-INTERSTATE TRANSPORTATION POLICY. THE POLICY MUST FIT CLOSELY WITH THE DEVELOPMENTS I HAVE ALREADY OUTLINED HERE TODAY. THE POLICY MUST PROVIDE NEEDED REVENUE, BUT ALSO PERMIT THE FLEXIBILITY TO SPEND THE MONEY WISELY IN ACCORDANCE WITH STATE AND LOCAL TRANSPORTATION PRIORITIES. CALIFORNIA HAS TAKEN CRITICAL STEPS TO PUT ITS TRANSPORTATION PROGRAM IN ORDER. CONGRESS AND THE PRESIDENT MUST NOW ACT IN SUCH A MANNER AS TO COMPLEMENT THIS ACTION. TO ACCOMPLISH THIS GOAL, I OFFER THE FOLLOWING RECOMMENDATIONS FOR THE FEDERAL POST-INTERSTATE POLICY:

1. COMMITMENTS MUST BE MADE TO COMPLETE THE CURRENT INTERSTATE PROGRAM.
2. FUNDING LEVELS SHOULD BE SET TO PROPERLY MAINTAIN AND REHABILITATE THE EXISTING FEDERAL SYSTEM. THE POST-INTERSTATE PROGRAM PRIORITIES SHOULD BE SHIFTED TO RESOLVE THE URBAN/SUBURBAN CONGESTION PROBLEM.
3. EACH STATE MUST BE GUARANTEED A RETURN ON ITS FEDERAL TAXES IN AN AMOUNT PROPORTIONAL TO ITS CONTRIBUTION.
4. FLEXIBILITY HAS TO BE BUILT INTO THE SYSTEM TO PERMIT THE

EXPENDITURE OF THE MONEY IN ACCORDANCE WITH HIGH PRIORITY NEEDS IDENTIFIED THROUGH THE LOCAL PLANNING PROCESS, REGARDLESS OF MODE OF TRANSPORTATION OR OWNERSHIP OF THE SYSTEM, i.e., THE URBAN/SUBURBAN/RURAL SOLUTION.

5. THE CURRENT FAU/FAS PROGRAMS MUST BE MAINTAINED INITIALLY AT THE CURRENT LEVEL AND THEN INCREASED TO REFLECT INCREASED COST IN PROVIDING THE SERVICE.
6. THE TRANSPORTATION TRUST FUND SHOULD BE ESTABLISHED INDEPENDENT FROM THE GENERAL FEDERAL BUDGET AND SHOULD NOT BE INCLUDED IN THE DEFICIT CALCULATION.
7. THE FEDERAL GAS TAX SHOULD NOT BE INCREASED FOR DEFICIT REDUCTION PURPOSES.
8. THE NEW FEDERAL TRANSPORTATION POLICY SHOULD PERMIT STATE AND LOCAL GOVERNMENTS TO AMORTIZE BILLBOARDS ON FEDERAL HIGHWAYS; AND ENHANCE HIGHWAY SAFETY THROUGH IMPROVED TRUCKING REGULATION.

WE HOPE THESE REMARKS WILL BE HELPFUL IN YOUR DELIBERATIONS. AGAIN, THANK YOU FOR THIS OPPORTUNITY. THE LOCAL GOVERNMENT OFFICIALS OF NORTHERN CALIFORNIA ARE READY TO ASSIST YOU IN ANY WAY WE CAN TO DEVELOP MEANINGFUL FEDERAL TRANSPORTATION POLICY TO LEAD US IN THE NEXT CENTURY.

TESTIMONY BEFORE THE HOUSE SUBCOMMITTEE ON SURFACE TRANSPORTATION

THE HONORABLE NORMAN MINETA, CHAIRMAN

JULY 5, 1990

ROBERT K. BEST

DIRECTOR

CALIFORNIA DEPARTMENT OF TRANSPORTATION

Mr. Chairman and Members of the Subcommittee, I am pleased to be here today and want to thank you for the opportunity to speak before you.

Today, the federal government is on the verge of completing the 35-year-old interstate construction program. This event has raised important questions about the future of the national program and the sorting-out of respective federal, state, regional, and local responsibilities. The nation expectantly waits for a new and responsive program that will carry us successfully into the 21st century. We in California are pleased to be part of the refocusing of national commitment.

As you may be aware, California has, for the past two years, been working with and seeking the advice of various groups and individuals across the nation to develop a wide range of recommendations for an improved federal transportation program. We have been assisted by numerous state transportation officials,

local governmental representatives, informational groups, and the federal government. We have received advice, suggestions, and challenges from the United States Department of Transportation, members of Congress, and the staffs of the House and Senate Transportation Committees.

All have played an important part in shaping California's recommendations to Congress. Those recommendations are outlined in our report "Addressing Modern Transportation Challenges" which I would like to make part of the record.

Our report contains a wide range of proposals that we would urge the Committee to consider in developing the nation's new transportation policies. Among the more than 65 recommendations are: a call for a gradual spend-down of the multi-billion dollar federal highway trust fund, including the mass transportation account and aviation trust funds; a more focused federal role; greater state/local flexibility in spending federal transportation dollars, and increased private sector participation in solving the nation's transportation problems.

The interstate program has been one of the most successful public works efforts ever undertaken. It has been an effective system to move people and goods across our country. As we have moved toward its completion, our country has undergone profound changes and the interstate is now being asked to serve the dual role of

moving cross-country commerce and a burgeoning stream of local commuters. Indeed, the interstate system in most major urban areas now carries far more traffic than it does interregional and interstate traffic.

In many of our cities, the interstate system is being reduced to near total ineffectiveness because of our over dependence on its capacity. We must look beyond the interstate and the dated transportation paradigms it has created.

We in California are proposing a new surface transportation policy responsive to the needs of today's economy and tomorrow's opportunities. The California proposal has the following six major goals:

- Preserve the existing national infrastructure investment;

- Refocus national policies to respond to urban congestion, rural access, intermodal connections, and air quality;

- Redirect our efforts toward moving people, information, and goods rather than vehicles;

- Give priority to projects -- regardless of mode -- that offer the best solution to each region's transportation problems;

- Create new partnerships and respective responsibilities that will allow the nation to remain competitive in a global economy; and,

- Provide accountability to Congress for achieving national objectives set by Congress.

Under the California proposal, federal restrictions on how transportation funds can be spent by the states would be eased, allowing more state and local discretion in addressing specific transportation problems.

For example, we face a situation where categorical money can be spent only for specific purposes, such as widening a lane on a freeway, when extending a mass transportation system would serve more people, reduce congestion, and help improve air quality. We need to be empowered to make the solutions fit the problems.

Among the things the California proposal does not call for is an increase in the federal gasoline tax. There is sufficient money flowing into and unspent in the three transportation trust funds to meet at least our short-term -- four to five years -- needs. We believe that we can attain considerably higher efficiencies in the use of available funds if we are authorized to use them in a more responsible way.

California believes that our recommended structural changes in the overall federal, state, and local transportation partnership -- including program consolidation, financial arrangements, and federal oversight -- are critical to an efficient and responsive future transportation system regardless of the level of resources provided federally.

The opportunity to reshape our nation's transportation policies must not default to the assumptions, institutional relationships, and policies that shaped the program created nearly three-and-a-half decades ago.

Thank you.

ADDRESSING MODERN TRANSPORTATION CHALLENGES

CALIFORNIA'S RECOMMENDATIONS FOR A POST-INTERSTATE NATIONAL SURFACE TRANSPORTATION PROGRAM

JUNE 1990

ACKNOWLEDGMENT

In the preparation of this document, California has received assistance and advice from a variety of important sources from throughout the country. We have been assisted by numerous state transportation officials, local governmental representatives, informational groups and the Federal government.

We have received advice, suggestions, and challenges from the United States Department of Transportation, members of Congress, and the staffs of the House and Senate Transportation Committees.

Some contributors have drafted parts of this report; others have raised important issues that we have struggled to address; and others have provided much needed criticism. While an exhaustive list of contributors would be difficult to prepare, we would like to thank in particular:

Crescent Coalition states; the Bread Basket Coalition states; the United State Department of Transportation, in particular, Administrator Thomas Larson and Associate Administrator Steve Lockwood; Congressmen Glenn Anderson and Norm Mineta and the staffs of the Committee on Public Works and Transportation, in particular Paul Schlesinger, Kenneth House, Jack Schenendorf, Roger Slagle, and Caryll Rinehart; the staff of the Senate Environment and Public Works Committee, in particular, Nadine Hamilton, Michael Weiss, and Jean Lauver; and Taylor Bowlden, Director of Legislation for Senator Symms.

All have played an important part in shaping this document and all deserve our thanks.

Finally, a special thank you to Robert James for his help in editing this report.

Executive Summary

The Surface Transportation and Uniform Relocation Assistance Act of 1987 expires in Federal Fiscal Year (FFY) 1991. The debate triggered by the upcoming expiration of the legislation and the prospect of completing the Interstate System, presents a major generational opportunity to frame a new surface transportation policy responsive to the needs of today's economy and tomorrow's opportunities.

The rich potential of this opportunity will be irrevocably lost if the debate and policies that emerge default to the assumptions, institutional relationships, and programs that shaped the policies of three decades ago. The nation's economy, demographics, institutions, political agenda, international relations, infrastructure, and its transportation problems have fundamentally changed since the creation of the Interstate System and urban mass transportation programs.

It is within this changed environment that we must fashion the objectives and programs of a new national surface transportation program. A new program must be designed to:

- preserve our existing national infrastructure investment;
- refocus national policies to respond to urban congestion, rural access, intermodal connectivity, and air quality;
- give priority to projects (regardless of mode) that offer the best solution to each region's transportation problems.
- new partnerships and respective responsibilities that will assist the nation to remain competitive in a global economy; and,
- provide accountability to Congress for achieving national objectives.

California believes that the following recommended structural changes in the overall federal, state, and local transportation partnership — including program consolidation, financial arrangements, and federal oversight — are critical to an efficient and responsive use of whatever level of resources that may be provided.

It is the clear intent of California that the proposed structural changes should not be considered to be contingent upon expanded federal funding.

Following are California's recommendations for a new national transportation program:[1]

Program Structure

Federal Highway Program — Highway System of National Significance

- The Highway System of National Significance (HSNS) Program as authorized by Congress, would aim to preserve our nation's investment in its interstate transportation system; aid interstate commerce and national defense; and expand our domestic and international commerce and trade. The HSNS would be a state designated highway network based on Congressionally established national transportation goals and objectives.
- Each state Department of Transportation in cooperation with the United States Department of Transportation (US DOT), would designate its HSNS based on Congressionally identified criteria that reflect the national goals and objectives for the HSNS.
- Congress would set the broad goals and objectives for the HSNS. The US DOT would establish specific measures to be used by states to assess the performance of the HSNS in meeting these goals and objectives. Every two years US DOT would issue a systems performance report for review by Congress.

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[1] *California's detailed recommendations for a new national transportation program have been developed as a package; each recommendation is interconnected with and builds upon other recommendations. Because this is a complex issue the reader is encouraged to consult the full report and appendices for a more detailed explanation of the recommendations.*

FEDERAL AID SURFACE TRANSPORTATION – HIGHWAYS

- The Federal Aid Surface Transportation – Highways (FAST-Highways) Program would relax the customary categorical program designations. (It is an extension of the Combined Road Plan Program concept created by Congress in 1987.) The FAST-Highways Program would provide a framework for states to pursue broad national goals and objectives set by Congress yet recognize the state and local focus of the FAST-Highways system and its bridges and their support of the HSNS.
- The FAST-Highways Program would allow states and local jurisdictions the flexibility to choose from a broad range of transportation solutions to respond to their unique set of transportation concerns.
- Each state in cooperation with their regional and local agencies, would be required to establish FAST-Highways Program guidelines. These guidelines provide a program framework that ensures accountability as well as the flexibility to pursue solutions which bring the most efficient increase in mobility and effectively address regional and local land use, air quality, and economic development issues.
- The FAST-Highways Program is not a block grant program but, like the HSNS, is an evolutionary step that replaces a series of largely unrelated categories with a uniting program that continues to be directed by Congressionally specified goals, objectives and outcomes.

HIGHWAY PROGRAM FUNDING

- Our goal is to provide each state with the opportunity to use its total resources (federal, state, local and other), in ways that will respond effectively to its specific circumstances and objectives.
- To advance this end, Congress should specify the split of total federal funding between the HSNS and FAST-Highways Programs to be 50% /50% and that each state be allowed to transfer up to 20 % of its total federal highway apportionment from one program to the other.
- Funding for the HSNS program should be apportioned to states by a formula using factors that are decoupled from direct ties to the designation of the national highway system itself. California recommends that total public road mileage, diesel fuel consumption and VMT be the factors used in the apportionment formula for the HSNS Program.
- Funding for the FAST-Highways Program should be apportioned to the states based on their proportionate contributions to the federal highway trust fund.
- The matching ratio for both the HSNS and FAST-Highways Programs should be 85% Federal and 15% State/Local/Other. It is critical that Congress establish the same matching ratio for both highway programs, so that an incentive to chase cheaper federal dollars at the expense of the best transportation solution will not be created.
- As it has been done historically, the new transportation act should continue to include various assurances to provide equitable funding levels for all states.

MASS TRANSPORTATION PROGRAM — PROGRAM STRUCTURE

- As a first step towards bringing the transit and highway programs together, California believes that the transit component of the national transportation program should have a structure similar to that recommended for the highway programs.
- Existing federal transit programs should be consolidated into two programs: the Transit System of National Significance (TSNS) and the Federal Aid Surface Transportation-Transit (FAST-Transit) Programs.
- The TSNS Program would be a discretionary program aimed at addressing issues of na-

tional significance. The program would be complementary to the HSNS in meeting Congressionally identified goals and objectives.

- In order for transit projects to be eligible for the TSNS program, they would have to be within a designated HSNS Corridor and meet Congressionally identified eligibility criteria.
- The FAST-Transit Program, which would work in conjunction with the FAST-Highways Program, would be a formula apportioned program aimed at pursuing national goals and objectives set by Congress.
- The FAST-Transit Program would consolidate and streamline the various existing federal transit programs into one program. Eligible project types under a consolidated program would include: capital investment needed to replace and rehabilitate current equipment and facilities; capital investment necessary to retain current market share; new starts and extensions; and transit operating support.[2]

MASS TRANSIT PROGRAM FUNDING

- The reliability and predictability of federal funding must be improved through increased reliance on formula apportionment and on dedicated funding at the federal level while still recognizing past commitments.
- On a national basis, the Mass Transit Account funds would be split 15% for the TSNS Program and 85% for the FAST-Transit Program. States should have the opportunity to permit regional agencies to shift between or combine their FAST-Highways and FAST-Transit Programs funding in accordance with an adopted Corridor Plan or Regional Transportation Plan.
- Funds for the FAST-Transit Program, would be apportioned to the states based upon their proportionate contributions to the federal Mass Transit Account.
- The matching ratios for the HSNS, FAST-Highways and FAST-Transit Programs would be set at 85 percent Federal and 15% state/local/other with an optional overmatch.

- The suggested federal contribution for the TSNS discretionary program would be in the range of 25% to 50% of the project costs which would require 75% to 50% of the project costs to be borne by those most benefitted by the project.

PRIVATIZATION

- Privatization can help bridge the widening gap between transportation infrastructure investment and funding. California believes there are several areas where the benefit of private investment can be tapped including: bridges, roadside rest areas, the HSNS program, and Intercity Rail.
- Congress should create a discretionary bridge program, that is a revolving fund and funded at a maximum level of 2 percent of the total highway allocation. As a precondition, a jurisdiction applying for funds must certify that a good faith effort was made to promote private investment and operation of the facility. Because the larger, higher volume bridges would be more attractive to private funds, the smaller, low traffic bridges could

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[2] *In urbanized areas above 200,000 population, there should be a limit on the amount of the area's apportionment that could be used for operating assistance.*

potentially have greater access to this limited revolving fund program.

- Many states are finding it increasingly difficult to construct and maintain sufficient roadside rest areas along their major roadways. States should be authorized to permit private for profit enterprise to locate at roadside rests in return for lease income (to be used to construct additional roadside rests) and full maintenance of the rest areas' free public services.
- Retrofit toll facilities on HSNS facilities could help to ensure the preservation of the HSNS under the ever increasing demands for limited federal and state funds. Congress should authorize the states to place retrofit toll facilities on those segments of the HSNS that are beyond their design life, provided that all net revenues be used for rehabilitation, resurfacing, and restoration projects on the tolled facility.
- California recommends that Congress review and change the existing tax structure where necessary to encourage increased private investment in passenger and freight rail systems.
- Additional benefit could be realized if states were permitted access to rail corridors (under franchise or concession agreements) which may be subject to the exclusive rights of AMTRAK, when that state has an economically viable alternative to AMTRAK service in that corridor and the viability of AMTRAK's national railway network is not threatened.
- A number of significant tax related barriers at the national level discourage or limit the private sector's interest in risking capital on public infrastructure. Congress is called upon to eliminate these inhibiting statutory provisions.

SPECIAL INTEREST PROJECTS

- Special interest projects appear to be the result of two Congressionally recognized deficiencies in the existing highway program structure. Special interest projects tend to address gaps in national policy (e.g., port access) or the inability of local district projects to compete favorably with other

statewide priorities. Basic changes such as those recommended for the Highway Program Structure will ensure that these gaps in national policy do not continue to occur.

- However, when a need for a special interest project is identified, it should meet certain funding and programmatic criteria. Those are: the special interest project is a high priority within the statewide transportation program of projects; it is clearly among the highest priorities within the local jurisdictions; and the state/local agencies are willing to share in the cost of the project.

PLANNING

- At the national level, Congress must set the example for coordinated, cooperative planning and ensure that all policies and planning requirements through the various federal departments and agencies are mutually reinforcing.
- The existing federal "3C" planning process should be strengthened and employ a subregion/corridor approach.
- Congress should continue to fund multimodal planning at the state and regional level that is directed by overall strategic national policy direction. Federal planning funds should be available for use without regard to modal definition.

RESEARCH AND DEVELOPMENT

- Congress should authorize the US DOT to establish a national transportation technology research and development agenda to be coordinated by a nationally recognized blue ribbon panel, targeting promising experimental technology and supporting special interest projects which accelerate technology transfer.
- Challenge grant funding should be made available for research and development programs to be conducted by states, private consortia or educational institutions consistent with the national agenda.
- To increase participation by private consortia in the national transportation research and development agenda, changes in tax and antitrust laws will need to be explored.

AIR QUALITY

- Congress should ensure that all national transportation, air quality and energy policy is implemented through mutually reinforcing regulations and requirements. An

advisory panel of state and local transportation agencies should be formed to develop detailed recommendations for transportation related air quality program implementation.

INTERMODALISM

• The new national transportation program must shift the emphasis from single mode competitive systems to intermodal, cooperative and interdependent systems. Congress can aid this shift in emphasis by specifying that a given percentage of transit funds for highways, transit, and aviation be available at the discretion of the state and local entities for joint funding (with the private sector, where appropriate) of intermodal passenger and freight transportation facilities.

PROGRAM EFFICIENCIES

• California recognizes the essential role played by the US DOT and believes that it should remain responsible for ensuring the effective use of federal transportation resources. However, many of the controls and procedures developed under existing program regulations should be modified to reduce program and administrative costs in the new program.

TRANSPORTATION SAFETY

• The current federal highway safety programs should be consolidated into a single driver-performance grant program. This would reduce the need for separate program authorizations, minimize program application requirements and red tape, and increase program flexibility.

- National traffic safety goals and objectives would be established by the Congress. The US DOT would establish, in cooperation with states, local jurisdictions and private sector interests, performance thresholds for each state.
- Each state would be required to report to the US DOT regarding their state system's safety performance versus its performance threshold.

Federal Funding

- The Highway Trust Fund should be made permanent and obligation limits should be gradually eliminated by $1.5 billion per year.
- Decisive action is required by Congress to reduce the extent to which tax evasion is "stealing" from the Highway Trust Fund.
- Congress, in mandating the use of alternative fuels in air quality non-attainment areas, should discontinue the special fuels tax exemption or shift subsidies to the general fund.
- States experiencing rapid growth will probably find that innovative and creative financing is necessary in all aspects of their transportation improvement program. These concepts, however, should not be mandated for use by all states, but rather be available on a permissive basis.
- In order to facilitate the transition between the existing program and the new program, California recommends that Congress adopt one final cost estimate to fulfill the long standing commitment to complete the Interstate system and Interstate Substitute Projects. The necessary authorizations and distributions should be spread over the life of the next Surface Transportation Assistance Act in accordance with a state by state obligation plan coordinated through US DOT.

In summary, California's recommendations for a national transportation program address a number of diverse problems including the need for: greater program flexibility to meet differing regions' needs; a new federal, state, regional, local partnership that recognizes greater program management and resource contribution responsibilities should reside at state and local levels; a need for Congress to ensure that states are accountable for the results of program implementation; greater integration and connectivity among key transportation modal systems; and new, creative means to finance total systems needs.

We are continuing to consult with representatives of other federal, state, regional and local officials and private transportation interests in order to find common ground in the development of specific legislation to implement the policy framework.

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INTRODUCTION

This report details California's recommendations for a new federal transportation program. These recommendations were developed through consultation with state, regional and local officials and private stakeholders from California and throughout the nation. We hope that they will serve as a basis for future dialogue.

Our recommendations are based in large measure on the following widely shared conclusions:

- We've become a nation of diverse metropolitan and rural regions with differing geographic, demographic and economic characteristics. Huge changes in where and how we live, go to work, and send our goods to market, require new approaches in how we manage and fund future transportation programs.
- Through the efforts of past generations, we have modern highways, transit systems and railroads that unite the nation, propel its economic progress and enhance its quality of life. These systems are now our responsibility to manage and preserve and, as necessary, to expand and unite. New systems require new programs and policy initiatives to help realize their full capabilities for present and future generations.
- Our nation must redirect its collective efforts toward moving people, information, and goods rather than moving vehicles. The new federal program must refocus national policies to respond to relieving urban congestion, improving rural access, fostering intermodalism, enhancing air quality and giving priority to projects (regardless of mode) that offer the best solutions to each region's transportation problems.

The essential element for an effective future program is a new federal, state and local partnership. One that provides greater program flexibility — with accountability to Congress for the achievement of national objectives; places greater program management and resource contribution responsibilities at state and local levels; permits use of creative means to finance total systems needs — including more opportunities for private sector investment and management.

Consistent with these points, California seeks the creation of a surface transportation act for the nineties that:

- Maximizes the effectiveness of current highway trust fund receipts by dedicating user fee revenues solely to transportation needs — keeping them exempt from non-transportation uses and available to the states at authorized levels each year;
- Postpones consideration of increases in user fees until all current and future fees are committed to their intended transportation purposes, and alternative fuel exemptions are reconsidered;
- Provides full funding for the completion of the unfinished Interstate Construction Program including substitute projects;
- Takes a comprehensive approach to highway safety;
- Defines federal program transportation responsibilities among the various levels of government;
- Encourages policies that will promote economic strength in regional markets;
- Reconciles differences between environmental and transportation policies and makes these policies mutually reinforcing.

The text that follows suggests to Congress, the type of program structure and related creative approaches — many involving all levels of government — that would implement the objectives listed above.

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OUR NATION MUST REDIRECT ITS EFFORTS TOWARD MOVING PEOPLE, INFORMATION, AND GOODS RATHER THAN VEHICLES.

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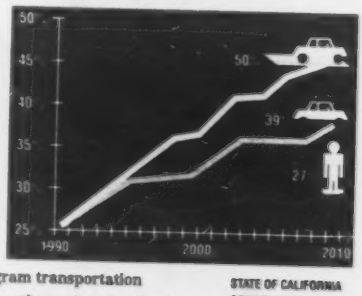

STATE OF CALIFORNIA CONGESTION INDEX

Population		
	1990	28.7 million
	2010	38.3 million
Vehicles		
	1990	22.4 million
	2010	31.1 million
VMT (Vehicle Miles Traveled)		
	1990	224 billion
	2010	342 billion

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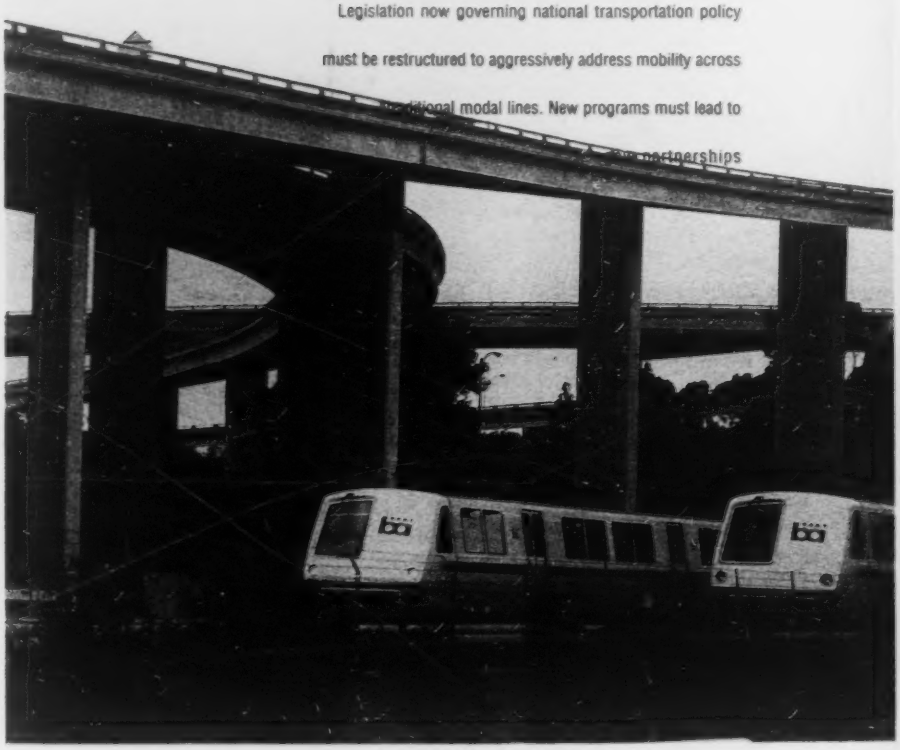
Program Structure

If meeting the nation's future transportation service needs required only a "business as usual" approach, the preparation of a new surface transportation act would be relatively straight forward. However, decades old policies are no longer fully effective. National and regional demographics and changing development patterns demand innovative, flexible and better coordinated programs if we are to remain a significant player in the world economy.

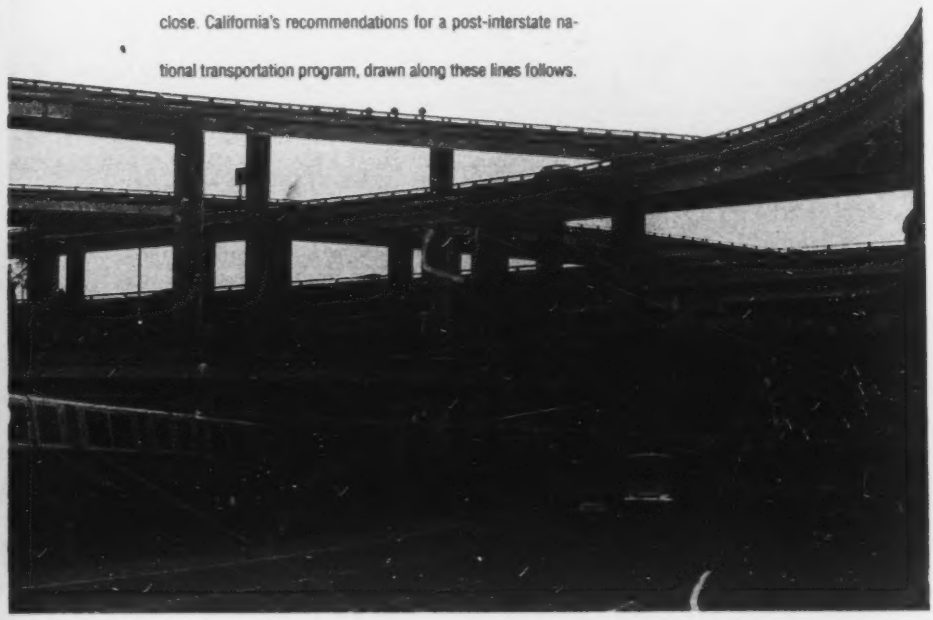
Legislation now governing national transportation policy must be restructured to aggressively address mobility across traditional modal lines. New programs must lead to partnerships



and more clearly drawn responsibilities. They must allow the nation to remain competitive in a global economy, while providing accountability to Congress for achieving national goals and objectives.

CHANGES TO PROGRAM STRUCTURE MUST OCCUR REGARDLESS OF THE LEVEL OF RESOURCES PROVIDED FEDERALLY.

California believes that changes which consolidate prog ams, spur innovative financial arrangements, and create strategy based federal oversight are critical to efficient and responsive future transportation systems regardless of the level of resources provided federally. Our major goal is to help fashion a national program that will be viewed, in years to come, with the same level of respect as the program now drawing to a close. California's recommendations for a post-interstate national transportation program, drawn along these lines follows.



FEDERAL HIGHWAY SYSTEM OF NATIONAL SIGNIFICANCE (HSNS) PROGRAM

The federal, state, and local governments have an inherent interest in the existence of a well maintained and integrated interstate transportation system. Broad national defense, economic, safety, and international policy goals are advanced by efficient transportation systems which ensure the free movement of people, goods, and information.

EACH STATE DESIGNATES ITS HSNS BASED ON CONGRESS'S GOALS AND OBJECTIVES.

We recommend that Congress focus national resources upon the important goals of preserving the nation's investment in its interstate systems and ensuring that these systems continue to actively support interstate commerce, the national defense and the linkage of major urban areas. Also, national investments should increasingly encourage domestic and international commerce and trade. Based on congressionally established national transportation policy and objectives, a new federal high priority highway network, a Highway System of National Significance (HSNS), should be designated from the most vital elements of the current network.

DESIGNATING THE HSNS

All currently approved and designated Interstate Highways would be incorporated into a new Federal Highway System of National Significance (HSNS). In addition, each State Department of Transportation (DOT) — in cooperation with the United States Department of Transportation (US DOT) and in consultation with regional and local governments and private sector users, — would designate other strategic portions of its respective principal arterial networks as part of the HSNS. HSNS segments would be required to meet one or more of the following defense and commerce related criteria[1]:

HSNS MILEAGE WOULD NOT BE A FACTOR IN DISTRIBUTION FORMULAS.

1. Provide major access to military installations that employ 500 or more permanent civilian or military personnel.
2. Serve as a major freight distribution route handling an Annual Average Daily Truck Traffic volume (AADTT) over 2,000 with at least one half of the truck traffic including vehicles of three or more axles; and for those additional highways where AADTT is over 5,000.
3. Provide access to international airports with a minimum of 1.5 million enplanements per year or 10,000 tons of air cargo per year or access to intermodal yards (including water ports) handling a minimum of 6000 twenty-equivalent units (TEUs)[2] per week or 1.0 million short-tons per year.
5. Connect international border crossings that service over 100,000 people crossing into the US per month.
6. Serve as the principle access to national parks, recreation areas, monuments, or historic sites with over 1,000,000 annual attendance.

After a system has been developed based on the above criteria, each state in conjunction with US DOT will exercise judgement to ensure continuity and connectivity. Each state would be able to amend its HSNS, with the approval of the Secretary, commensurate with changes in conditions and circumstances in each state. For example, the opening or relocation of an international airport may require that access roads to the airport be designated as part of the HSNS to make it eligible for HSNS funds.

The HSNS Program would be supported with a mix of federal and state funds. Eligible projects would include highway rehabilitation, resurfacing, restoration, capacity expansion and new highways meeting HSNS criteria.

The cumulative mileage of eligible HSNS projects would not be a determining factor in the

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[1] *These criteria are for illustrative purposes and will need further refinement. A map depicting the HSNS system for California based on these criteria is included in the back cover pocket.*

[2] *TEU is an industry standard of measurement for the number of shipping containers held by a vessel.*

distribution formulas used for HSNS allocations. Instead, funds would be distributed through factors which solely correlate with the achievement of national goals and objectives. In this way the program can avoid the potential bias arising from the states' attempts to increase funding by maximizing the miles present in the HSNS program.

The HSNS funding mechanism also should allow the following variation to encourage innovative solutions to severe metropolitan congestion problems. Urbanized areas with limited opportunities for physical expansion of existing HSNS facilities, could use HSNS funds to improve supporting subsystems, where it can be shown that the HSNS routes would substantially benefit from this investment. For example, improvements to parallel systems (including transit systems) within the HSNS service corridor are likely to offer substantial direct and measurable benefits to HSNS operations.

In fact, Federal guidelines should authorize and encourage states to use HSNS funds for related improvements within a defined HSNS corridor — provided that the improvements are consistent with the metropolitan area's Regional Transportation Plan and can be shown to be more cost effective than direct expenditures on HSNS facilities.

Under other proposals including AASHTO's, existing interstate toll roads would be designated as HSNS routes. California recommends selected HSNS designated routes that are currently untolled be allowed to become toll roads and still retain eligibility for HSNS funds. Tolls collected on these select HSNS routes would be used to fund rehabilitation, resurfacing or restoration projects on the tolled facility and on non-HSNS roadways within the HSNS service corridor as described previously. Any toll revenues that are in excess of what is needed to preserve the tolled facility, should remain in that state for expenditure on other HSNS routes.

ACCOUNTABILITY

Each state would be accountable to Congress for meeting performance improvement standards tied to expenditures made on the HSNS system. For example, every two years State DOTs would be required to prepare a performance report on its HSNS system. The US DOT would review, and consolidate these reports and transmit the summary findings to Congress. Congress would then determine if its program's goals and objectives were being met and take actions as necessary to encourage performance improvement.

EACH STATE IS ACCOUNTABLE FOR THE PERFORMANCE OF THE HSNS.

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Under this scheme, Congress, by statute, would set the broad goals and objectives for the HSNS. The US DOT would establish specific measures based on Congressional goals and objectives to be used by states to assess their performance. Each State would report on their success in improving statewide system performance in relation to its previous annual performance (e.g., previous year, two years, three years, etc.).

Appendix A contains goals, objectives, and performance measures that Congress could use to assure the effectiveness of the HSNS program.

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RECOMMENDATIONS TO CONGRESS

1. Require that the Highway System of National Significance advance direct national interests with regards to interstate commerce, national defense, transportation and economic improvements in domestic and international markets.
2. Designate the Highway System of National Significance according to the specific criteria and mechanism set forth on page 4.
3. Use performance criteria and specific measures of the type listed in Appendix A in assessing the effectiveness of the Federal HSNS program.

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FEDERAL AID SURFACE TRANSPORTATION-HIGHWAYS (FAST-HIGHWAYS) PROGRAM

Effective national transportation policy must recognize that states and their metropolitan and rural regions are often unique in terms of their infrastructure requirements and transportation networks. These regions are sometimes found to be at different stages of development and have different federal/state/local and private relationships, different land use practices, and different approaches to promoting their respective economies.

To successfully respond to this diversity, each state and locality will require a unique mix of capital and operating strategies to meet current and future transportation objectives including metropolitan congestion relief, rural access improvements, increased intermodalism, and preservation of environmental resources. Moreover, these transportation strategies must be integrated with overall environment and quality of life concerns of the communities they serve.

The new national transportation program can support these efforts by establishing simple and direct policies that encourage regional "systems" approaches. One such approach is to analyze and define transportation needs within transportation subregions and corridors.[3] This approach works across modal lines, overcomes jurisdictional boundary provincialism, and transcends the traditional separation of public and private responsibilities.

THE FAST-HIGHWAYS PROGRAM WOULD BE SUFFICIENTLY FLEXIBLE TO ALLOW A BROAD RANGE OF LOCAL TRANSPORTATION SOLUTIONS.

In order to address the nation's growing and diverse transportation problems, Congress needs to create a program that is sufficiently flexible to allow for a broad range of transportation solutions. California proposes the establishment of a Federal Aid Surface Transportation-Highways (FAST-Highways) program that permits state and local jurisdictions to tailor solutions to their unique set of transportation concerns.

The FAST-Highways Program would be notable for the absence of customary categorical designations such as Federal Aid Primary (FAP), Federal Aid Secondary (FAS), and Federal Aid Urban (FAU). The FAST-Highways Program is not, however, a block grant which generally provides little or no accountability to Congress.[4]

The FAST-Highways Program would be evolutionary — moving from the current program based on a series of largely unrelated categories to one directed by Congress through specified goals, objectives, and outcomes. Project selection would focus on addressing national transportation goals and solving problems rather than on numerous spending categories which may or may not address the identified need.

FAST-Highways would assist states and localities pursuing broad national goals and objectives, as set by Congress, through their local collector systems and be funded through the Federal Highway Trust Fund. The FAST-Highways system would consist of all highways (including bridges) functionally classified as arterials, urban collectors, and rural collectors other than those designated as part of the HSNS. Local streets and roads also are not included.

In order to accommodate the differences in relative need among states and regions between the HSNS and the FAST-Highways Program, we recommend that up to 20% of a State's total apportionment for the FAST-Highways Program and the HSNS be transferable from one program to the other.

In addition, states would be required to provide regional/local systems with annual aggregate FAST-Highways apportionments that are no less than the FFY 1991 apportionment that would be

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[3] *The Corridor/subregional approach seeks the cooperation of all entities affected by a given transportation problem arising within a specific transportation corridor or subregion. Flexible funding from the effected entities would be used to select the best solution without regard to mode. See page 26 for additional details.*

[4] *The FAST program is an incremental extension of the Combined Road Plan demonstration authorized by Congress in Section 137 of the 1987 Act.*

available through urban funds (FAU), secondary funds (FAS), and bridge funds (HBRR) accounts. Since each state has developed allocation processes unique to their own state/local relationships, the process used for allocation of these funds should not be altered by Congress.

Each state, in cooperation with its regional and local agencies, would establish joint guidelines for implementing the FAST-Highways Program. The guidelines would include criteria for setting priorities and encouraging regional intermodal solutions, where appropriate. The guidelines would ensure that administrative costs are minimized through the simplification of processes and the application of controls that ensure accountability for both funds and projects. The guidelines should ensure that each agency has the flexibility to use the funds for those transportation solutions which bring the most efficient increase in mobility and best address regional and local land use, air quality, and economic development issues.

ACCOUNTABILITY

States would be accountable to Congress for the results of expenditures of funds for the FAST-Highways Program and its supporting contribution to the HSNS. Congress would set broad goals and objectives for the FAST-Highways system taking into account the state and local focus of the system. The US DOT, acting as an agent of Congress, would establish specific performance measures which would allow for the differing characteristics of individual states.

One year prior to the expiration of the next Surface Transportation Assistance Act, each State DOT would be required to prepare and submit a statewide report on the performance of the FAST system to the US DOT. US DOT would review and consolidate all fifty reports and transmit a summary of findings and recommendations pertaining to reauthorization of the FAST-Highways Program to Congress.

Suggested Congressional goals and objectives, and related US DOT performance measures which would focus the FAST-Highways Program on those areas perceived to be of major national concern are set forth in Appendix B.

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RECOMMENDATIONS TO CONGRESS

1. Streamline and consolidate the many existing categorical programs (e.g., FAP, FAU, FAS, HBRR) into a single new Federal Aid Surface Transportation Highways (FAST-Highways) Program.
2. Define a FAST-Highways Program that makes a significant contribution to national goals and objectives including reduction of metropolitan congestion, improvement of rural access, and provision of local and subregional support of the Federal Highway System of National Significance.
3. Make roadways and bridges (except local streets and roads)[5] not included in the HSNS eligible for FAST-Highways Program funding.
4. Use performance oriented federal oversight of the Federal Aid Surface Transportation Program to support and enhance the existing roles and responsibilities established between the states and localities.
5. Specify that each state apportion an annual aggregate amount of the FAST-Highways Program funding to non-state systems. This apportionment would not be less than the federal fiscal year 1991 amount for urban, secondary, and bridge funds. The process for distributing funds to the non-state systems should be left to state and local discretion and at their discretion allow the use of a Combined Road Plan.
6. Require each state, one year prior to the expiration of the next STAA, to report to the USDOT on the extent to which it has met performance objectives of the type listed in Appendix B.

IMPLEMENTING GUIDELINES FOR FAST-HIGHWAYS WOULD BE DEVELOPED BY THE STATE, REGIONAL AND LOCAL AGENCIES.

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[5] *Local streets and roads are those roads not classified as part of the principal arterial, minor arterial or collector systems. They serve primarily to provide direct access to abutting land and access to the higher order systems.*

HIGHWAY PROGRAM FUNDING

The emerging national transportation program should provide to each state the opportunity to use its total resources, including federal aid, in ways that are most responsive to its specific circumstances and objectives. The common denominator among necessarily diverse programs is that each state and local government needs to have the necessary flexibility to address its unique transportation problems.

FUNDING FLEXIBILITY

Flexible funding can be achieved in several ways. For example, the FAST-Highways program would remove many of the federal categorical proscriptions on funding, making it easier for each state to satisfy their unique intra-state and metropolitan transportation needs.

This approach could be strengthened by creating a single intermodal account (similar to the consolidated transportation program in Maryland) in which funding from the mass transit and highway trust fund sources, can be combined to permit metropolitan areas to design integrated highway/transit strategies that best suit their unique circumstances.

HSNS/FAST-HIGHWAYS PROGRAM FUNDING DISTRIBUTION

To provide requisite flexibility, Highway Trust funds would be split 50% for the Federal Highway System of National Significance Program and 50% for the Federal Aid Surface Transportation Program. States would have the discretion to shift up to 20% of their total apportionment from one program to another depending upon their needs.

HIGHWAY APPORTIONMENT FORMULAS

The allocation of federal funds to the HSNS should be based upon factors that correlate well

HIGHWAY TRUST FUNDS WOULD BE APPORTIONED 50% HSNS AND 50% FAST-HIGHWAYS; 20% OF THE TOTAL COULD BE SHIFTED FROM ONE TO THE OTHER.

with the Congressionally defined goals and objectives but are independent of direct HSNS size characteristics. California's proposed funding formula would not, therefore, be based on manipulable factors such as needs, condition, or project cost estimates of a mileage defined system. In other words, it would use formula factors that are decoupled from criteria directly designating the extent of the national highway system itself.

Decoupling preserves the integrity of the HSNS and ensures greater equity in the distribution of trust fund resources. Decoupling can be accomplished by distributing trust fund resources to the states on the basis of factors such as total public road mileage, diesel fuel consumption, and vehicle miles traveled (VMT). This approach provides state by state flexibility in system definition and programming; avoids penalizing those states that have already heavily invested large amounts in their highways; encourages states to be objective in defining their HSNS and reporting its conditions; and utilizes objective and currently available data for allocations.

Specifically, California believes that the apportionment formula should be based on total statewide urban and rural lane miles, total statewide urban and rural VMT, and statewide diesel fuel consumption.[6] We recommend that for the HSNS Program, funds be distributed based on the following formula:[7]

- 2/9 of the funds based on total statewide rural lane miles and VMT;
- 4/9 based on total statewide urban lane miles and VMT; and,
- 3/9 based on statewide diesel fuel consumption.

Funds for the FAST-Highways Program, however, would be apportioned to the states based upon their proportionate gas tax contributions to the federal highway trust fund. In this program, it is especially equitable to use this portion of gas tax collected to meet state and local needs.

Except for a limited high-cost discretionary bridge revolving fund,[8] basic bridge needs should be accommodated within the two Federal highway programs.

FEDERAL/STATE MATCHING SHARES

It is essential for both rural and urban states that the matching ratios for the HSNS program and the FAST-Highways Program be the same. By maintaining the same matching ratios for the HSNS and FAST-Highways Programs, states will have no incentive to "chase" cheaper federal dollars at the expense of the best transportation solution. National transportation policy should be established through Congressionally set goals and objectives for the national highway program not through funding restrictions and matching ratios.

Less affluent rural states with stable or diminishing tax bases and large urban states grappling with local and regional transportation problems need to maintain low state matching ratios across both federal programs. Therefore, the recommended matching ratio for the Federal Highway System of National Significance Program and the Federal Aid Surface Transportation Program should be set at 85 percent Federal/15 percent state/local/other with an optional state/local/other overmatch.

FUNDING GUARANTEES

Historically, the surface transportation assistance act has been designed to provide equitable funding levels for all states and localities. California urges Congress to provide the following equitable guarantees in the current reauthorization:

THE APPORTIONMENT FORMULA SHOULD BE BASED ON TOTAL STATEWIDE LANE MILES, TOTAL STATEWIDE VMT, AND STATEWIDE DIESEL FUEL CONSUMPTION

STATE AND LOCAL MATCHING RATIOS SHOULD BE THE SAME FOR ALL PROGRAMS

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[6] *Diesel fuel consumption serves as a surrogate for heavy truck use.*

[7] *See Appendix B for further discussion of the formula and example allocation tables.*

[8] *See "Privatization," page 17 for an explanation of the recommended bridge program.*

1. Assure that no state will receive less than one-half percent of the total national apportionment for support of the system of national significance.
2. Continue to apply minimum allocation provisions to apportionments for the Federal Highway System of National Significance Program recognizing the donor state responsibilities to the national system.[9]
3. Return to each state an amount proportionate to its contribution to the highway trust fund under the new FAST-Highways Program.
4. Ensure that all states would receive no fewer federal dollars in 1992 and thereafter under the new program than they received under the current federal aid program in FY 1991 (after adjustment for interstate and interstate substitution completion and for amounts reflective of special demonstration or discretionary funding and other take-downs).
5. Retain the existing federal matching share adjustment for both the HSNS and FAST Programs for states with non-taxable National Forest Lands, Public Lands, Indian Lands, and National Parks and Monuments Lands .
6. Guarantee that annual amounts allocated in aggregate to non-state systems (FAU, FAS and HBRR) would increase proportionately with any increase in the funding for the FAST-Highways Program.

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RECOMMENDATIONS TO CONGRESS

1. Adopt reauthorization language that would provide 50 of total federal funding to the Highway System of National Significance (HSNS) and 50 to the Federal Aid Surface Transportation Highway (FAST Highways) Program.
2. Allow each state to transfer up to 20 of its total federal highway apportionment from one program to the other.
3. Adopt a HSNS Program apportionment formula that is decoupled from HSNS definition or needs.
4. Distribute the HSNS funds according to the distribution formula specified on page 9.
5. Base the FAST Highways Program apportionment formula upon each state's proportionate contributions to the Highway Trust Fund.
6. Establish the federal state project funding participation ratios for both the HSNS and FAST Highways Programs at 85 Federal and 15 Other — with provision for state local other overmatch.
7. Adopt formulae for the distribution of highway trust funds with equitable features outlined on page 10.

[9] *Provide for a so-called "Minimum Allocation" (MA). Started in 1983, each state was guaranteed a share of the total federal highway apportionments and allocations that was no less than 85% of their attributable payments to the federal highway trust fund. While a carefully designed allocation system will minimize the number of Minimum Allocation (MA) states, it remains important to avoid a return to the aggravated donor status experience by some states during the 1960s and 1970s.*

Mass Transportation Program

MASS TRANSPORTATION PROGRAM STRUCTURE

Just like the highway component of the national transportation program, it is time to renegotiate the compact between the federal, state and local governments with respect to transit programs. Flexible use and equitable distribution of transit funds, as well as follow-through on current transit commitments, need to be made part of the new mass transportation program.

Importantly, the recommended structural changes are necessary for an efficient and responsive transportation system regardless of the level of resources provided federally.

One of the fundamental tenets of a new national transportation policy, aimed at managing mobility and enhancing cleaner air, must be a commitment to increasing the number of people traveling through a corridor rather than accommodating an ever-increasing number of vehicles. Public transportation or "mass transit" services is necessarily an important element in meeting mobility needs. To deliver full benefit from these services, transit must be envisioned as more than large urban bus or rail networks. Mass Transit must embrace an array of services including use of other high occupancy vehicles such as vans, carpools, and jitneys to meet regional commuter needs.

California believes that the transit and highway programs should be brought together to fully advance the personal mobility of all our citizens. To do so, the transit component of the national transportation program should have a structure similar to that recommended for highway programs. Existing federal transit programs should be streamlined and consolidated into two programs: the Transit System of National Significance (TSNS) and the Federal Aid Surface

WE ARE COMMITTED TO INCREASING THE NUMBER OF PEOPLE MOVING THROUGH A CORRIDOR RATHER THAN VEHICLES

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THE MASS TRANSPORTATION PROGRAM WOULD CONSIST OF THE TSNS AND THE FAST TRANSIT PROGRAMS

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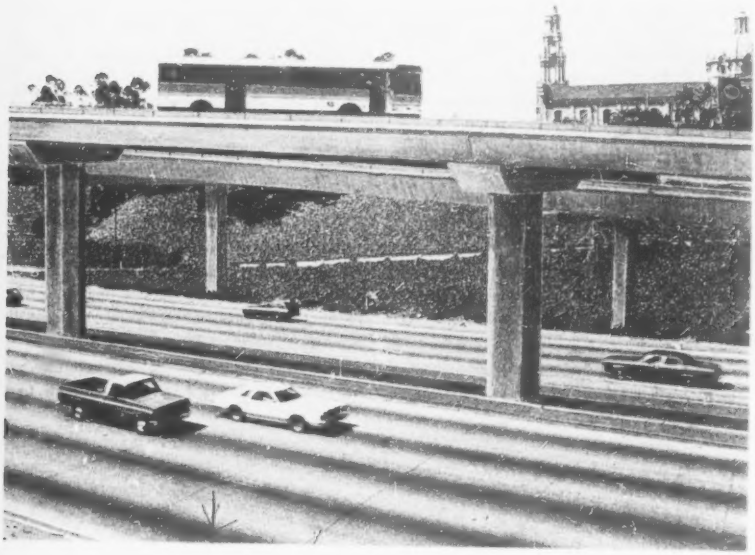

Transportation-Transit (FAST-Transit). Within this broad framework, the new federal-aid transportation program can establish goals and objectives for the transportation system and allow use of a portion of federal funds for combined transit and highway projects (FAST Programs).

TRANSIT SYSTEMS OF NATIONAL SIGNIFICANCE (TSNS)

The Transit Systems of National Significance (TSNS) Program would be a discretionary program aimed at addressing issues of national significance such as congestion, safety, air quality, economic development, energy, etc. and would support the Highway System of National Significance (HSNS).

The TSNS program would be complementary to the HSNS in meeting Congressionally identified goals and objectives. The goals and objectives for the TSNS would be similar to the goals and objectives for the HSNS. These goals and objectives are listed in Appendix C.

ELIGIBILITY FOR THE TSNS

In order for transit projects to be eligible for the TSNS program, they would have to be within a designated HSNS Corridor (with some possible rural exceptions) and meet all of the first five Congressionally identified criteria plus one or more of additional criteria. Those criteria could include the following:

1. Cost Effectiveness as demonstrated by common performance criteria, including: annual project capital cost per passenger mile, annual system operating cost per passenger, and annual passenger mile per vehicle mile.
2. State/Local Funding Commitment shown by substantial dedication of state and non-state funds for the total project (including multi-year segments) costs as presented in a total viable project financial plan. At least 25% of the system's operating costs should come from value capture.
3. Travel-time Savings demonstrated through reduced travel time costs for peak period travel.
4. System Value of the Project demonstrated by the expected cost and service benefits for the existing intercity and commuter travel and additional benefits to the HSNS corridor.
5. Congestion Management established through improved service standards, increased alternative transportation methods, and implementation of land use and trip reduction strategies consistent with Regional Transportation Plans, Corridor Concepts and Air Quality Plans.
6. Amenities for Passengers including increased passenger comfort and safety would be shown by reductions of overcrowding, increased frequency of service and improved accessibility for disabled travelers.
7. Cost Reduction Strategies implemented as part of a productivity improvements plan.
8. Service Reliability as shown by improved on-time performance, reliability and peak period travel through-put.
9. Passenger Carrying Ability of new guideway starts, new exclusive busway starts, guideway extensions or system enhancements measured by additions to system physical capacity and the market viability of the capacity to be added.
10. Accessibility demonstrated by system increased access for older persons and persons with disabilities, including wheel chair users.
11. Air Quality Benefits measured by reduced vehicle miles of travel and increased person miles traveled.
12. Economic Development indicated through increased opportunity for local and regional economic growth and joint use opportunities.

TSNS PROJECTS WOULD HAVE SPILLOVER BENEFITS FOR THE HSNS.

SUPPORT OF THE HSNS

TSNS projects are intended to provide spillover benefits for the HSNS. Most urbanized areas and emerging corridors in rural areas have limited opportunities for physical expansion of existing HSNS facilities. Those areas must address their growing congestion through enhanced performance of the HSNS brought about by technological advances and augmentations to

VARIOUS EXISTING FEDERAL PROGRAMS WOULD BE CONSOLIDATED INTO THE FAST-TRANSIT PROGRAM.

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supporting subsystems (ie., TSNS). In addition to the TSNS program, California has recommended that federal guidelines authorize and encourage (not mandate) states and local agencies to use Federal HSNS Program funds for related improvements within the HSNS corridor. These improvements must be consistent with the metropolitan area's Regional Transportation Plan, Corridor Concept, and Air Quality Management Plan.

FEDERAL AID SURFACE TRANSPORTATION PROGRAM-TRANSIT (FAST-TRANSIT)

The FAST-Transit Program, which would work in conjunction with the FAST-Highways Program, would be a formula apportioned program aimed at pursuing national goals and objectives set by Congress. Similar to the FAST-Highways Program, the national goals and objectives would recognize the state and local focus of the program as well as the FAST-Transit system support of the TSNS and HSNS.

Suggested goals and objectives are listed in Appendix D.

The FAST-Transit Program would consolidate and streamline the various existing federal programs into one program. Eligible project types under a consolidated program would include: capital investment needed to replace and rehabilitate current equipment and facilities; capital investment necessary to retain current market share; new starts and extensions; and transit operating support.[10]

The definition of major capital projects should be broadened to clearly include consideration of fixed guideways, transitway or busway facilities, bus replacement, and exclusive HOV lanes as well as the traditional rail, light rail and expanded bus lines. All forms of high occupancy and shared ride services, and other methods to improve urban transportation efficiency, as well as traditional transit, would be part of the broader definition of public transportation.

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[10] *In urbanized areas above 200,000 population, there should be a limit on the amount of the area's apportionment that could be used for operating assistance.*

MASS TRANSPORTATION PROGRAM FUNDING

To address public transportation needs in all areas of the nation, from dense urban to rural, the nation's changing mobility needs must be met through a variety of services and approaches. Each state and local government must have the necessary flexibility to tailor its transportation options to their specific market.

15% OF MTA FUNDS WOULD GO TO THE TSHS PROGRAM AND 85% TO THE FAST-TRANSIT PROGRAM.

The reliability and fair share apportionment of MTA federal funding must be improved through increased reliance on formula allocation and on dedicated funding at the federal level. The substantial contribution of public transportation to the achievement of major national goals provides justification for continuing a commitment of both dedicated and general funds to support mandated actions.

TSHS/FAST-TRANSIT PROGRAM FUNDING DISTRIBUTION

Large discretionary capital elements of a federal transit program distort local decision-making toward capital-intensive transit systems which qualify for federal capital assistance, and lead to the neglect of more cost-effective strategies such as provision of HOV lanes. Major efforts to regulate planning and programming procedures at the local level have had relatively little effect on local decisions in the face of the strong incentives presented by Federal capital and operating assistance programs.

In order to plan and implement comprehen-

sive solutions to public transportation problems, a mix of transportation strategies is necessary. The Mass Transit Account is an important resource that should be made available throughout the nation on a fair and equitable basis.

On a national basis, the Mass Transit Account funds would be split 15% for the TSNS Program and 85% for the FAST-Transit Program. States should have the opportunity to permit regional agencies to shift between or combine their FAST-Highways and FAST-Transit Programs funding in accordance with an adopted Corridor Plan or Regional Transportation Plan.

FAST-TRANSIT APPORTIONMENT FORMULA

Funds for the FAST-Transit Program, would be apportioned to the states based upon the proportionate state contribution to the federal Mass Transit Account.

FEDERAL/STATE MATCHING SHARES

It is essential for both rural and urban states that the matching ratios for the HSNS program and the FAST-Highways and Transit Program be the same. By maintaining the same matching ratios for the HSNS, FAST-Highways and FAST-Transit Programs, states will have no incentive to "chase" cheaper federal dollars at the expense of the best transportation solution. National transportation policy should be established through Congressionally set goals and objectives for the national program not through funding restrictions and matching ratios.

The matching ratio for the HSNS, FAST-Highways and FAST-Transit programs would be set at 85 percent Federal and 15% state/local/other with an optional state/local/other overmatch.

The suggested federal contribution for the TSNS discretionary program would be in the range of 25% to 50% of the project costs which would require 75% to 50% of the project costs to be borne by those most benefitted by the project. The level of cost sharing should be based on a determination of the relative benefits and programmatic interest of the governments involved.

DESIGNATED RECIPIENTS

The current designated recipients of federal mass transit funds and the process for providing for their designation should be retained for the discretionary TSNS program. For the FAST-Transit program, the designated recipient should be the Regional Transportation Planning Agency or the state if no such agency exists for an area.

TRANSITION

Federal financing for public transportation should continue the full amount of general revenue funding that has been authorized for mass transit programs in 1991. All current resources of the Mass Transit Account (taxes plus interest) should be fully invested in an expanded service concept of public transportation. The MTA program financing should use the balances that have accumulated over the past five years to meet long delayed urban transportation solutions and to follow through on the previous commitments in the nine major urban areas.

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RECOMMENDATIONS TO CONGRESS

1. Sort out and define a transit mobility program that complements the HSNS and includes a state and local component that complements the FAST-Highways Program
2. Continue to supplement the MTA from the General Fund
3. Distribute no less than 85% of all Mass Transit revenues by a fair and equitable formula
4. Fulfill the federal commitments to the nine major capital projects underway in cities throughout the US
5. Require that no less than 25% of transit operating costs be recovered through value capture

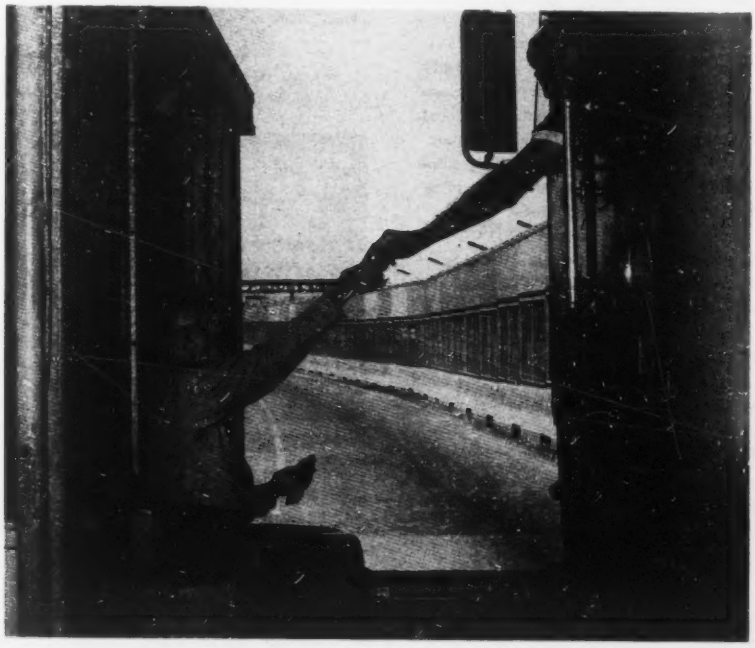
PRIVATIZATION

Despite a widely recognized need for increased funding, it has become increasingly apparent that budgetary constraints at all levels of government severely limit the likelihood of major new infusions of capital from excise tax and other traditional user fees. While the political unpalatability of raising additional taxes is apparent; the need to maintain and improve our transportation infrastructure during the 1990's and beyond presents a difficult and growing problem that federal, state, and local governments must address.

One potential source of additional funds for transportation facilities, not fully developed in the United States, is the private sector. When provided with the opportunity and appropriate environment, the private sector may find effective means to address not only their own business interests but also those of the public as a whole. Encouragement of entrepreneurship to meet the public transportation needs can result in substantial private capital investment, stable funding of critical infrastructure through limited user fees, and a lessening of pressure to raise revenues through conventional taxes. The bottom line is that increased privatization will help bridge the widening gap between transportation infrastructure investment needs and available funding.

Following are several program areas in which private investment can fully or partially contribute to narrowing infrastructure funding gaps.

PRIVATIZATION CAN HELP TO BRIDGE THE GAP BETWEEN NEEDED INFRASTRUCTURE INVESTMENT AND FUNDING.



DISCRETIONARY BRIDGE PROGRAM

A large and growing number of America's bridges are in need of repair, rehabilitation or replacement. Various estimates place the cost of raising to standard 242,000 on and off system bridges at between $45 and $51 billion.[11] In view of the fact that the Highway Trust Fund has recently distributed roughly $12.5 billion each year for all highway and bridge projects in the United States, it would take the entire trust fund distribution for four or more consecutive years to satisfy the estimated bridge needs alone.

Both the proposed HSNS and FAST-Highway programs include bridges as an eligible expenditure. While a separate program for meeting the needs of bridges would be duplicative, it is likely that Congress will, in response to regional concerns, create a separate bridge program in an effort to begin addressing these neglected facilities.

We believe that the most appropriate form for such a program would be a discretionary and revolving fund type annually financed at a maximum level of 2 percent of total highway funding.[12] Clearly, even with massive increases in such a fund, only modest impact on the country's bridge problems can be expected. Other sources of capital must be sought and encouraged if the nation is to have a substantial impact on this growing problem.

Privatization offers one significant supplemental funding source, particularly with respect to the rehabilitation or replacement of larger, high volume bridges. As in the case of "borrowed" funds from a revolving fund, repayment of privately invested capital costs would likely occur through tolls and value capture.

In order to increase the impact of the revolving fund on total bridge needs and to ensure access to these funds for low volume and rural bridges, states could be required to make a good faith effort to first offer the bridge repair or replacement to private interests as a privatization business opportunity. The response to such an offer would serve as a test of privatization feasibility prior to seeking capital from the revolving fund.

Inasmuch as larger, higher volume bridges would be attractive opportunities for private investors, the smaller, low-traffic bridges, typically found in rural areas, would have greater access to the limited funds in the bridge revolving fund. An exemption process should be established for lower volume bridges and states whose legislative bodies have precluded them from private toll bridge operations.

HIGH-VOLUME BRIDGES HAVE HIGH PRIVATIZATION POTENTIAL.

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[11] *"Beyond Gridlock", Advisory Committee on Highway Policy, 2020 Transportation Program, June 1988, p.17.*

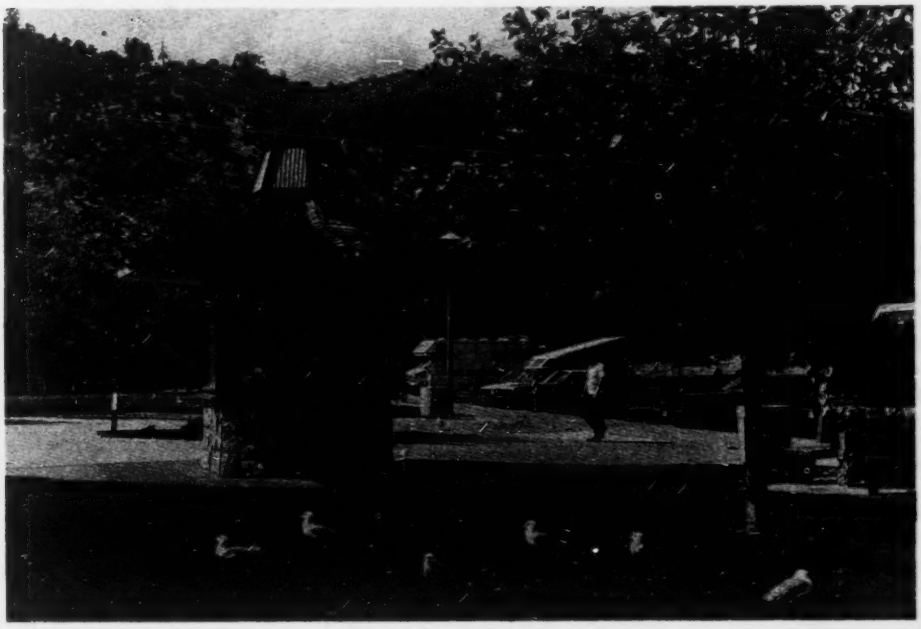
[12] *FFY 89-90 Bridge Discretionary funded at $225 million.*

PRIVATIZATION OF SAFETY ROADSIDE REST AREAS COULD LEAD TO AN INCREASE IN THE NUMBER OF REST AREAS.

SAFETY ROADSIDE REST AREAS

Many states are finding it increasingly difficult to construct and maintain adequate numbers of roadside rest areas along their major roadways. In some instances, existing roadside rests are being used for illegal activities including smuggling, drug distribution, and associated crimes against people. In addition, increasing maintenance costs are discouraging the development of additional new facilities and are creating growing pressure for deferred maintenance. As a direct result, some states have found it necessary to close certain rest areas to the public. As more and more highway miles are logged by the public, this presents a serious and growing safety problem.

Privatization can be harnessed to satisfy both public and business interests as they relate to roadside rest areas. Private interests can be attracted to long-term lease arrangements under which profit-making facilities located in the rest area (within the highway right of way) can serve as the incentive to maintain free public services such as parking, picnic areas, restrooms, security, etc. Through the operation of service stations, restaurants, retail outlets, and vending, private operators would be required to maintain all for-profit and free service facilities, including pavement, structures, lighting, landscaping, and provide for the protection of the public. Net lease revenues collected by government could be used to construct additional and badly needed rest areas at other locations.



HSNS PROGRAM

Conceptually, the HSNS is composed of those roadways that address direct national interests including defense, international trade, interstate travel, domestic commerce, and related concerns. The interstate system of roughly 43,500 miles along with some portion of other major roadways serving these direct interests, would be identified and made eligible for funds allocated for the HSNS program. Even a system only modestly larger than the existing Interstate will become increasingly difficult to maintain in view of the age and use of the system.[13]

In view of the limited funds available for the protection of the national system, it may now be appropriate to consider the use of retrofit tolls on selected portions of the HSNS. Tolling could be allowed only at the discretion of the US DOT Secretary with all net revenues earmarked for preservation (rehabilitation, resurfacing or restoration) projects on the tolled HSNS segment. Any toll revenues in excess of the amount required to preserve the tolled facility would remain within the respective state for use on other HSNS routes.

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1% of the nation's highways carry 21% of all traffic.

An example of such authority may be found in the Social Security Act at 42 USC, Section 1315. The authority granted to the Secretary of Transportation could also include authority to seek waivers or suspensions of provisions of statutes other than 23 and 49 USC (for limited periods of time).

RECOMMENDATIONS TO CONGRESS

1. Create a separate revolving bridge fund, administered at the USDOT Secretary's discretion and funded at a maximum level of 2 percent of the total highway apportionments. This bridge program also should require, as a precondition for funding, proof that the jurisdiction applying for funds has made a good faith effort to promote private investment in and operation of the facility.
2. Permit states to allow private-for-profit enterprise to locate at roadside rests in return for lease income (to be used to construct additional roadside rests) and full maintenance of the roadside rests' free public services.
3. Authorize states, with the approval of the Secretary, to place retrofit toll facilities on selected segments of the HSNS that are beyond their design life, provided that all net revenues are used for rehabilitation, resurfacing, and restoration projects on the tolled HSNS facilities.
4. Authorize the Secretary to permit States to "buy out" at current market value, the federal investment in federally aided transportation facilities, rights of way, and bridges.
5. Authorize the Secretary to waive the NEPA process on private facility connections to federally aided facilities when it is determined that the connection has only minor impact and the State's environmental clearance process has been determined to be functionally equivalent to the NEPA process.
6. Amend existing tax codes to provide for accelerated depreciation, favorable treatment of losses and access to tax exempt financing for privately-built publically-owned transportation infrastructure.
7. Establish the position of full time ombudsman for transportation privatization at US DOT who will have access to the Secretary and who has modal and functional cross-cutting authority.
8. Give the US DOT Secretary demonstration authority to waive sections of Title 23 and 49 USC and associated regulations or directives for purposes of encouraging and exploring privatization efforts.[14]

CONSIDERATION SHOULD BE GIVEN TO RETROFIT TOLLS ON THE HSNS.

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CREATIVE FINANCING

It is expected that preservation of the transportation system will include Transportation System Management (TSM), restoration, resurfacing, rehabilitation (3R), capacity expansion, and other improvements. However, in rapid growth areas, high cost capital projects may be necessary.

Creative financing techniques (ie., advanced construction funding, toll provisions, and multi-state compacts), may be needed along with regular formula apportionments. Recent use of the term "creative financing" has drawn greater attention to the overwhelmingly obvious fact that traditional government user fees can no longer be considered the sole source for transportation infrastructure capital.

CREATIVE FINANCING CONCEPTS SHOULD BE AVAILABLE ON A PERMISSIVE BASIS.

Although creative financing concepts are potentially useful to the nation as a whole, states experiencing rapid growth most likely will find that innovative and creative financing is necessary in all aspects of their transportation improvement program. Therefore these concepts should be made available on a permissive rather than a mandated basis.

To varying degrees, states and local governments have made use of a variety of devices as means of supplementing the more familiar user fees. Among these are local sales taxes earmarked solely for transportation; developer and special district fees intended to compensate for the additional trip demand created; limited privatization of small projects funded by entrepreneurs to create access to developable land; and more recently in Virginia, Florida and California, the creation of processes that will lead to large private capital investments in major toll transportation facilities (See page 16 to 19 for additional details.)

In recent years, Congress has "reformed" the tax code to sharply curtail federal tax exemptions for certain state and local bonds. While this action has eliminated some egregious abuses, it has had the unintended side-affect of sharply limiting public-private sector partnerships that provide many needed transportation physical improvements. Perhaps it is time for Congress to review its policies with respect to state and local tax exempt bonds and to restore incentives which will effectively encourage increased private participation in public transportation projects.

Federal tax laws, which provide significant incentives to auto use and none for transit use, also should be revised to support national objectives and to create a more level playing field among modes.

PUBLIC CAPITAL CREATION

In addition to direct user fees such as fuel taxes, registration fees, licensing fees and the like, state and local governments are accustomed to issuing long-term tax exempt debt backed by general revenues (general obligation bonds) and future revenue backed bonds (revenue bonds). The cost or interest on government issued long term debt is generally an indication of the credit worthiness of the governmental entity or the level of confidence in the projection of future revenues. General obligation bonds are, as the name implies, backed by the "full faith and credit" of the issuing government. Revenue bonds are customarily backed by expected revenues from specific sources such as tolls, developer fees, special assessments and the like.

In recent years, governments have begun to use more creative approaches to supporting long term debt. Among the devices being used are:

Special Benefit District Fees: Under this approach, capital is raised (or debt retired) through fees representing the improved service received by the district as a direct result of the construction of new or improved infrastructure. Special districts are usually defined as all "beneficiaries" within specified distances (benefit areas) of the new facility.

Tax Increment Districts: Tax increment districts, similar in many ways to special benefit districts,

retire debt or support operations of new facilities through a local government commitment of the incremental increase in property taxes (value) that results from the new or improved infrastructure. In over simplified form, a property with an assessed value of $100,000 and taxed at $5,000 annually prior to the addition of a new roadway, increases in assessed value as a result of better highway access, to $150,000. The property tax based on the increased value would therefore be $7500 annually or $2,500 more than prior to the construction of the new roadway. That increment ($2,500) is used to retire outstanding debt or support operating costs (ie., maintenance) associated with the improvement.

Developer Fees: Developer fees are assessed on new residential and commercial development on an unit basis (e.g., per single family residence; per square feet of commercial space; etc.) in recognition of the need to accommodate increased travel demand created by the development.

In-Kind Contributions: Unlike developer fees, in-kind contributions may include voluntarily donated rights of way, buildings, developable land that the government may use in an asset management program (i.e. swap, sale, co-development, etc.).

Air Space Lease Revenue: Over, under and around most transportation facilities are large amounts of unused "air space" which often go unrecognized as valuable and manageable assets. While airspace leasing has developed slowly, it represents a highly valuable and untapped income generator. Examples include the lease of airspace within the right of way for commercial space such as, small business locations, office towers, retail outlets, and recreational attractions.

Sale of Governmental Facility Leases: A novel, and to the best of our knowledge yet untried, method for raising public capital is the sale of long term leases on existing transportation facilities. Under this concept, the lessee places a toll sufficient to maintain and operate the facility as well as service outstanding debt and provide an adequate rate of return. One example of such an arrangement might be the sale of a lease of up to 35 years on an existing bridge or roadway segment. The lease issuing governmental entity receives a lump sum of cash equivalent to the "value" of the lease and the lease holder's tolls return a reasonable profit. The facility remains a governmental property while the proceeds of the lease provide heretofore inaccessible opportunity value.

PRIVATE CAPITAL CREATION

In addition to capital raised through long established private equity and commercial debt markets, and the limited use of tax exempt industrial development bonds, private capital debt service may take place through several other less commonly used approaches. Among these are:

Tolls: Under privatized development of transportation facilities such as the planned extension of the Dulles Airport access road in Virginia, tolls will be used to retire capital debt along with meeting maintenance and operating obligations.

Public Contributions: Under certain circumstances, public funds may be contributed as seed money to encourage privatization of transportation facilities.[15] The donation of unused public lands, buildings or existing transportation facilities might also be used as inducements for privatization.

While certain issues related to the use of public funds and the relationship such use creates, public capital could provide a significant portion of total capital needs for privatized infrastructure. Of critical importance in such arrangements is the extent to which public dollars bring with them public obligations beyond those associated with repayment or equity interests.

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[15] *For example, in California, the Orange County Transportation Commission has offered $300,000 to the private sector as seed money for the study of two county transportation corridors.*

Public funds, unencumbered by major public policy conditions, may provide the gap filling private capital extender needed to attract private investment to public infrastructure particularly in marginal cases.

Sale of Development Rights: Development rights associated with the airspace surrounding a facility, at station locations in the case of rail, at rest areas on highways, or on easily accessible parcels served by interchanges, could be sold to raise capital. Alternatively, the principal transportation developer might retain an equity interest in co-development facilities, thus ensuring an income stream well into the future.

Assumption of Existing Toll Facilities: A very novel approach to attracting private capital is the donation of an existing toll generating facility as government's contribution to inducing additional development in a particular corridor. One recent example of this was the "donation"[16] of the Dartford toll tunnel between Essex and Kent, England to a privatization consortium that will build a bridge over the Thames River. Unknown is the extent to which the consortium was required to accept additional governmental regulation along with the tunnel toll proceeds.

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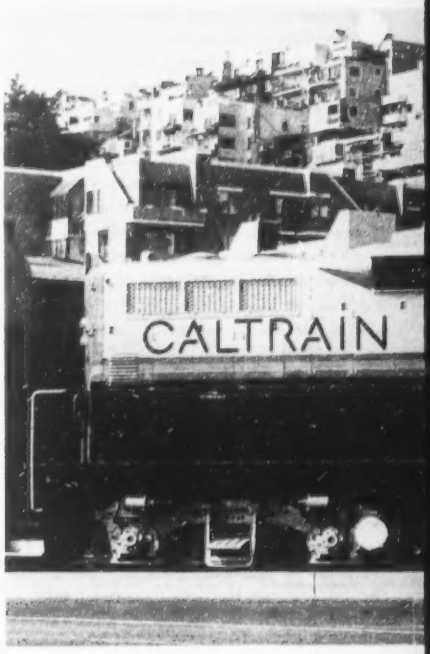
RECOMMENDATIONS TO CONGRESS

1. Delete from the tax code limitations on the use of industrial development bonds for privately built publicly owned infrastructure and that Congress increase substantially the authorized cap
2. Permit the sale of lease hold rights in public facilities provided that the federal interest in such facilities is reimbursed
3. Permit states and local governments to contribute rights to existing toll facilities as a means of inducing private investment in additional corridor facilities
4. Provide to all modes tax incentives now enjoyed by automobile users



[16] *Trafalgar House, the winning bidder, paid the government an amount equal to the outstanding debt on the tunnel.*

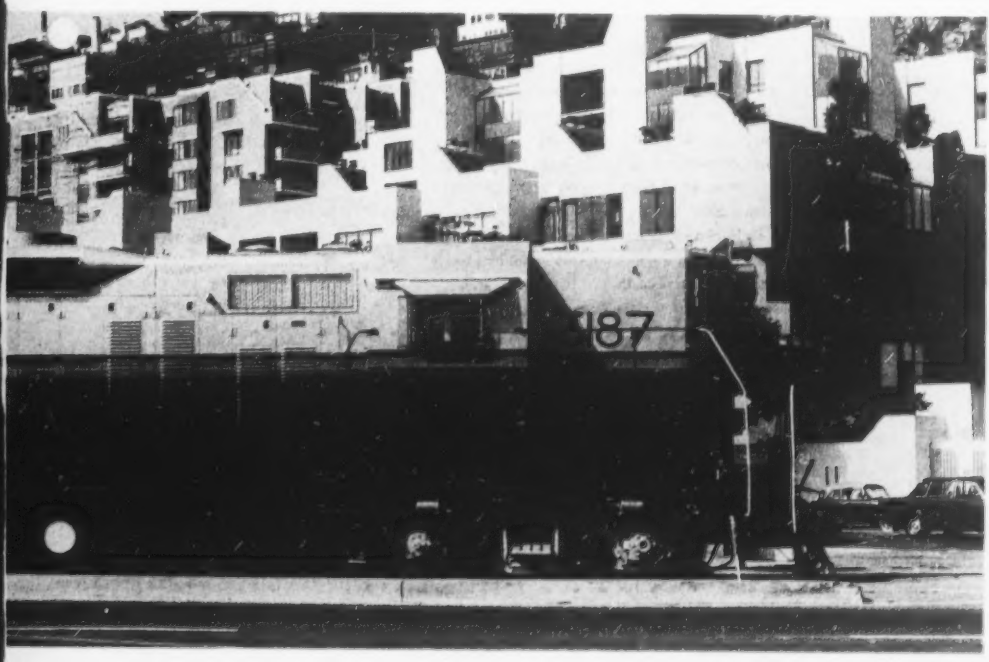
INTERCITY RAIL

Metropolitan congestion is not merely a problem that effects individual mobility but one that adversely impacts real estate values, air quality, energy consumption, economic development, and international trade. In spite of its broad impacts, metropolitan congestion will be largely addressed under a common and complicating constraint: the 21st century's freight and passenger services to metropolitan America will move on corridors that exist today.

At the same time that debilitating gridlock reduces the effectiveness of our highways, our airports, and our economic centers, we have a passenger and freight railroad system that is, in many respects, severely underutilized. Moreover, our private railroads represent a significant resource with untapped mobility potential that can be utilized without large public investment.

The nation has been slow to respond to the needs of the environment and have relied heavily (perhaps too heavily in many corridors) on highways and rubber tire vehicles for intercity travel. The expanded use of our often sparsely used railroad system should play an increasingly important part in an overall approach to transportation policy. Therefore, major opportunities exist for a rejuvenated private railroad industry. Well targeted public investment, in concert with private capital, can create complementary intermodal facilities that capture the highest and best use of multimodal services in major corridors.

OUR PRIVATE RAILROADS REPRESENT A SIGNIFICANT RESOURCE OF UNTAPPED MOBILITY POTENTIAL.



Among the improvements needed to stimulate greater railroad utility are changes to a tax structure that now discourages both public-private and additional investment. Public policy should preserve established private infrastructure (pipelines as well as railroads) by encouraging additional value capture opportunities and by favoring intermodal connectivity that helps bring these services more into the mainstream. Where passenger rail service cannot be solely supported by farebox revenues, revenue streams produced by associated joint development can help produce a profitable enterprise.

HIGH SPEED RAIL

High speed rail (HSR) technology offers unique opportunities to provide significant gains in travel efficiency and productivity, with relatively low energy and land need impacts. HSR by offering frequent, swift, and dependable service, can divert travellers from congested highways and airports. Northeast Corridor operations show that HSR can compete favorably with jet aircraft in high density, short haul markets. Such competition allows individual modes or combinations of modes to find their most efficient niche.

GOVERNMENT POLICIES SHOULD ENCOURAGE PRIVATE DEVELOPMENT OF HIGH SPEED RAIL.

Federal and state governments should support and encourage the development by private interests of state-of-the-art high speed intercity rail passenger service in select high density travel corridors. When properly sited, such high speed rail systems may generate sufficient passenger and value capture revenues to recover capital and meet operating cost needs.

Therefore, to encourage the development of high speed rail, private-public partnerships should be encouraged. Such partnerships can be made easier through public authority to authorize competitive franchising or concession arrangements.

RECOMMENDATIONS TO CONGRESS

1. Review and change the existing tax structure, where necessary to encourage private investment in passenger and freight rail systems.
2. Encourage use of federal and state HSTIS funds to support capital intercity rail investment that will relieve congestion on major intercity corridors.
3. Permit states access to rail corridors (under franchise or concession agreements) which may be subject to the exclusive rights of AMTRAK when that state has an economically viable alternative to AMTRAK service in that corridor and and the viability of its national railway network is not threatened.

Special-Interest Projects

It is apparent that special interest or so called "demonstration projects" are the result of two important Congressionally recognized needs. First, the larger and more important demonstration projects often address gaps in national policy that have developed during the past two decades. Even as the interstate program was taking its course, it became apparent that numerous emerging transportation problems of national and local concern such as interstate connections to new growth areas and intermodal connections to air and water ports were not being adequately addressed. In response, Congress often used its demonstration project authority as a means of solving many serious oversights. Use of demonstration projects to solve future unanticipated problems would become less necessary if Congress broadens the federal system concept as outlined in our Highway Program Structure (See page 5). For example, under the California structure, interstate connectors to new growth areas and intermodal projects such as those providing access to air and water ports will be more readily addressed as part of the HSNS.

Secondly, demonstration projects also are used to address local priorities which have been unable to compete favorably with other national and statewide priorities. As in the case of intermodal projects, local priority projects will compete better under the recommended new highway program structure if adopted by Congress.

To insure their effectiveness, special interest projects should meet certain funding and programmatic criteria before receiving authorizations and appropriations from Congress. These criteria require a determination that:

- The project ranks among the highest priorities set by local jurisdictions;
- it is a high priority among statewide transportation projects; and
- state/local agencies are willing to substantially share in the cost of the project.

A suggested federal contribution in the range of 25% to 50% would require 75% to 50% of the project costs to be borne by those most benefited by the project. The level of cost sharing should be based on a determination of the relative benefits and programmatic interest of the governments involved.

Finally, special interest projects should be funded outside a state's current obligational authority so as not to adversely impact state/local priority driven program continuity.

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RECOMMENDATIONS TO CONGRESS

1. Congressionally sponsored demonstration projects be selected from projects considered high priorities of the state and local governments
2. Such demonstration projects require that a substantial but reasonable share of the costs be borne by the state and local governments
3. Demonstration projects be funded outside of minimum allocation and obligational authority levels

SPECIAL INTEREST PROJECTS SHOULD MEET FUNDING AND PROGRAM CRITERIA.

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PLANNING

Today it is axiomatic that transportation planning must be linked with land use, air quality, economic competitiveness and related sub-issues. Yet most current transportation planning processes were established when the primary objective was to spend a large single source of revenue on interstate highways linking major cities.

A BALANCED SYSTEMS PLANNING APPROACH IS NEEDED.

The time has come to look beyond the single objective investment strategies of the past and make transportation investments that fully consider public priorities and that provide the greatest multiple benefits. A balanced systems planning approach recognizes the advantages provided by each mode, the benefits to be derived from intermodal linkages, and the appropriate application of new technology. Transportation investment decisions and the products of transportation planning must be viewed directly as tools to increase economic growth, improve air quality, and conserve energy resources, as well as improve mobility.

NATIONAL PLANNING

NATIONAL POLICIES AND PLANNING REQUIREMENTS SHOULD BE MUTUALLY REINFORCING.

At the national level, planning should focus directly on how well transportation investments support achievement of major national goals. At the state and local level, direct attention must be paid to how those investments serve the unique and varied circumstances, goals, and priorities of local communities and regions. New national policies and programs must emphasize development of a more strategic view of what must be accomplished at all government levels,[18] and provide a framework for measuring progress of the program partners.

A national transportation policy should set the direction and encourage both strategic and coordinated planning. Congress can set the leadership example by ensuring that frequently conflicting national policies and planning requirements are mutually reinforcing. National transportation policy should be administered in coordination with other federal agencies such as the Departments of Housing and Urban Development (HUD), Health and Human Services, Labor, Energy and Environmental Protection Agency (EPA).

STATE AND LOCAL PLANNING

The mobility problems facing metropolitan America today cannot be solved by any single solution. They must be met by a combination of capital and operating strategies where the environment and travel demands of each regional area are matched by a supply of service that is feasible in those circumstances. What works in urban Los Angeles, may not work in Petaluma, CA, New York City or in Bangor, Maine. The planning for development of our transportation systems must consider issues of system integration and regional impact, as well as local needs and plans.

There are categorical proscriptions in current federal law that can interfere with funding the highest priority transportation projects. They impose arbitrary restrictions on how funds can be used, what transportation mode they can be spent on, and the rigid geographic distribution of funds. As a result, each element of the system competes with all others, constituencies become entrenched around their special interest and the intermodal integration of systems, so essential to the overall functioning of the transportation network, does not occur.

Need for Corridor/Subregional Approach

Currently, transportation decision making is made by numerous entities including the state, cities, counties, transit districts, transportation commissions, special transportation authorities,

[18] *Recognize, for example, that congestion relief within HSNS corridors whether attained through investment in traditionally federal or traditionally local systems, both potentially can serve the essential national interests.*

regional transportation planning agencies, air pollution control districts, and land use regulators. Each level of government has something the others need for the success of their own goals. While each of these diverse agencies has an unique focus they also share a common (if not always recognized) interest at the regional or subregional level.

Transportation solutions must originate and be implemented where the problems occur. The federal, state and local governments must work together at the regional and subregional levels to develop, agree upon, and carry out specific solutions. In the interest of producing the best solution to a particular problem, the state, the regions, and the affected cities and counties may find that the corridor/subregional transportation planning approach will:

- Better link land use, air quality, transportation planning and programming, and implementation across jurisdictional boundaries.
- Promote intermodalism and better target limited resources by ensuring that the most cost effective transportation solutions are identified, given appropriate priority, and funded.
- Begin to integrate state highways, county roads, city streets, and transit facilities into a single coordinated and well tuned system.
- Promote direct and vigorous participation of all corridor jurisdictions in the planning, programming, and implementation process.

Corridor/Subregional Approach Defined

The "corridor/subregional approach" is an extension of the current "3C" transportation planning efforts and is designed to address transportation problems and prioritize and fund their solutions. The corridor/subregional approach addresses transportation problems in both rural and urban systems on an intermodal and multijurisdictional basis.

Simply put, all responsible regional decision makers would be brought together directly through states auspices or through MPOs. Together they would develop an integrated program of improvements (including all modes/strategies), pool funds to pay for the program and then jointly implement it. To accomplish this, there are four elements in the existing planning, programming, and implementation process that are either missing or that need to be strengthened:

Binding commitment. There must be commitment on the part of each agency to seek common solutions in the corridor study effort, to develop a workable plan of financing, and to follow through in implementing their respective portions of the integrated program.

An **integrated program** of intermodal improvements to increase capacity and to reduce congestion. This means combining demand management measures, transit improvements, and new capacity whether on state or local facilities into one subregional network package. Without an integrated and coordinated system of good arterial networks, transit systems, traffic operations centers, and demand management, additional freeway development will be of little benefit in addressing urban transportation problems.

A **flexible pool of money** to fund the implementation of the plans and to ensure that the funding is applied to the plan's integrated program and its agreed upon priorities. This would be accomplished through the authorization of the FAST-Highways and FAST-Transit Programs recommended on pages 6 and 13 and the HSNS metropolitan corridor process described on pages 5 and 12.

A **coordinating mechanism** developed by states and localities — or use of the existing metropolitan planning organizations.

How The Process Works

The corridor/subregional approach is a method to address the subregion's problems as a whole. The elected officials and civic leaders must be committed to resolving transportation problems without preference for a specific mode, facility or agency. The operating premise must be that each player benefits as the group succeeds.

TRANSPORTATION SOLUTIONS MUST ORIGINATE AND BE IMPLEMENTED WHERE THE PROBLEMS OCCUR.

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CORRIDOR/ SUBREGIONAL PLANNING IS AN EXTENSION OF THE EXISTING "3C" PLANNING PROCESS.

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The state, in cooperation with its local and regional agencies, would develop guidelines for the conduct of corridor studies. These guidelines would include a method for prioritizing among studies to be done; identification of funding; targeting the modes to be studied; exploration of land use, population, and air quality considerations; and a priority setting system for projects within corridors.

CORRIDOR PLANS MUST BE CONSISTENT WITH AND INCORPORATED INTO ALL STATE, REGIONAL AND LOCAL PLANS.

Where appropriate, the Metropolitan Planning Organization (MPO) would be responsible for the overall process of identification of corridors, ensuring public involvement, scheduling of studies in the annual overall work plan, and conducting or having conducted the corridor studies. The State may be responsible for this process wherever a corridor is not being studied by the MPO (for example, a rural corridor). Upon completion of the studies and following a public hearing, the corridor study is amended into the Regional Transportation Plan (RTP), and included in the Regional and State Transportation Improvement Programs (RTIP and STIP). Corridor plans must be consistent with and incorporated into all state, regional, and local plans or a resolution of overriding considerations must be adopted. Strict time limits would be set for completion of these steps. A conflict resolution process such as binding arbitration and expedited judicial reviews would be used to break logjams in decision-making.

As the planning of integrated improvements and strategies (e.g. transit, arterial network expansion, freeway operational improvements, demand management ordinances, etc.) proceeds, consideration of funds available in the corridor and funding responsibility for each improvement and strategy would be determined. The result would be a final plan that specifically delineates the integrated program of improvements and strategies and describes how the individual program elements would be funded. Subsequent project approvals and funding would take place in accordance with the priorities established in the corridor plan as amended into the RTP.

Corridor/Subregional transportation planning represents a major shift in transportation planning and funding. It takes a more regionalized and localized approach to solving urban and rural transportation problems — addressing

them within a more intermodal and multi-jurisdictional framework. It focuses authority and responsibility at the regional and local levels and begins with comprehensive, detailed, and integrated corridor studies. Through these studies, priorities are set from the full range of highway construction, public transportation, traffic management, and other available approaches.

FEDERAL FUNDING FOR PLANNING

Currently, separate planning money is available for transit and highway planning through UMTA and FHWA. Little or no federal funding is provided for federal air quality, energy, or aviation (groundside) planning requirements. The federal planning money for transit and highway facilities must be expended within urbanized areas and for the specific mode for which it was intended for. This hinders a state or local agency's ability to take a balanced approach to its transportation planning or its ability to look beyond its current physical boundaries.

Under the corridor/subregional framework, federal planning monies will be effectively distributed without regard to modal definition. Generic transportation planning money will encourage the development of plans which encourage intermodal solutions and link transportation with land use, air quality, economic competitiveness, and related sub-issues.

ACCOUNTABILITY

To ensure that the federal planning funds are being used to address national goals, Congress can require a biennial evaluation report to be submitted from each state to the US DOT. The report would be used to certify the adequacy of the state and local planning and programming process. The US DOT would then be responsible for consolidating the states' reports and submitting them to Congress.

The planning process evaluation report would cover: responsibilities and roles of the state and local planning agencies; progress of planning efforts; national policies, laws or regulations inhibiting the states or local jurisdictions from meeting their transportation goals; significant issues identified through the planning process; innovative planning approaches; and, findings and recommendations.

This approach ensures Congressional oversight and recognizes that the specifics of how to conduct its planning and programming should be left largely to each state and its local agencies to decide upon.

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RECOMMENDATIONS TO CONGRESS

1. Establish an overall national strategic direction
2. Fund intermodal, continuous, coordinated, and cooperative planning at the state and local level which advances the strategies chosen
3. Mandate that the US DOT Secretary establish broad, flexible federal guidelines — and that the guidelines require each state and its local entities to create a planning process appropriate to each state's respective physical, political and related circumstances.[19]
4. Through the US DOT Secretary, require that a state certify that its program of projects is based on a comprehensive multimodal transportation planning process carried out cooperatively by states and local agencies
5. Hold each state accountable for the results of their transportation planning and programming by requiring each state to submit a biennial evaluation report

FEDERAL PLANNING MONIES WOULD BE DISTRIBUTED WITHOUT REGARD TO MODAL CONSTRAINTS.

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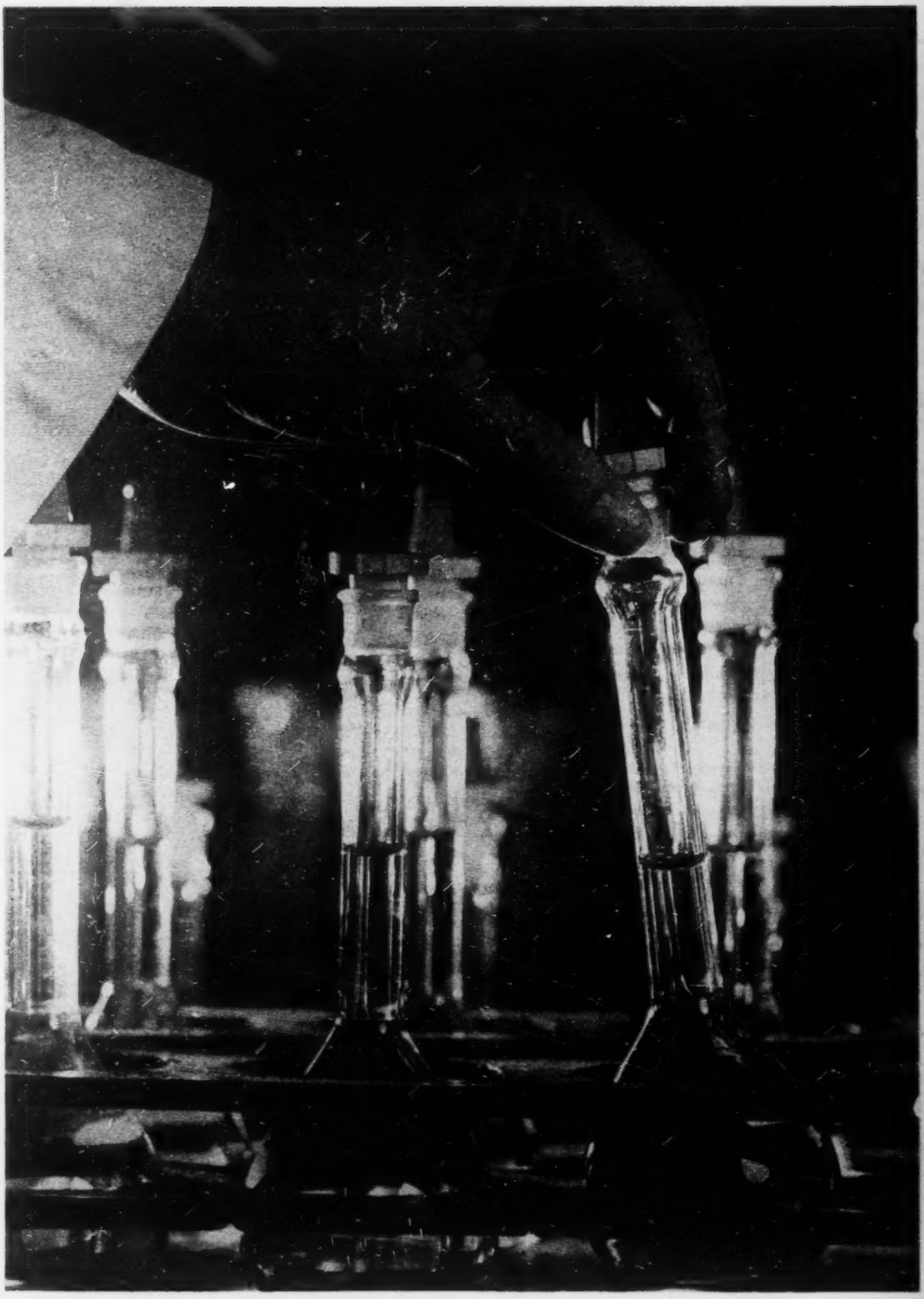
19 In doing so, Congress should carefully avoid mandating a specific process as many states have created effective approaches that perform well in their respective political, economic, and geographic environments. States without such a process should be provided a reasonable amount of time in which to develop one.



Research and Development

The Nation must invest in ideas and technology, as well as in education and infrastructure, to maintain its position in the growing world marketplace. To cease losing ground technologically, the United States public sector must begin to exercise the same level of leadership that is provided by the governments of competing nations. This will require direct federal support for civilian research and development, as well as new incentives for renewed private sector investments.

USDOT should act as a catalyst, facilitator, and entrepreneur in helping to develop and direct a national R&D program. Following are suggestions of actions that can be taken at the federal level directly or in partnership with other levels of government and the private sector:

- Establish a national transportation technology research and development program to be coordinated by a nationally recognized blue ribbon panel. The panel would target promising experimental technology and supporting special interest projects which accelerate technology transfer. The highest priority would be given to methods and technology with the potential to maximize existing capacity, create more efficient system links, and otherwise provide the greatest levels of congestion relief.
  - Standardization of new technologies on a national and international basis to minimize system incompatibilities should be a major part of the new federal role.
  - An expanded research agenda would include high-speed intercity ground transportation, goods movement, freight flow, systems management and methods for reducing the cost of new facilities. Any federal research initiative would continue to have an economic component which identifies the link between mobility enhancement and economic growth.
- Take a lead role in identifying and applying new technologies for massive transportation projects which affect multiple jurisdictions or require a centralized funding source. Provide extensive coordination among players and work with state and local entities.
- Strengthen the state/local and private sector commitment to research and development. Support research forums (consisting of regional university, public entity and private sector consortia) and help to develop (or strengthen) regional planning and operational entities that provide a network for intermodal systems approach to mobility.
- Increase the involvement of the private sector by allowing tax incentives, improve tort protection, and antitrust waivers for cooperative efforts. Make provision to grant proprietary interests in applied technology.

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RECOMMENDATIONS TO CONGRESS

1. Establish an aggressive intermodal research and development agenda to be coordinated by a nationally recognized blue ribbon panel.
2. Set aside no less than 3% of the total highway, transit and aviation trust funds and commit challenge grant funding for research and development programs to be conducted by states, private consortia or educational institutions consistent with the national agenda.
3. Authorize the Secretary of Transportation to waive selected provisions of Title 23 and 49 and corresponding provisions in regulations for the purpose of experimentation and demonstration of new concepts and proposals.
4. Examine and amend the antitrust and tort liability statutes as necessary, to encourage private investment in research and development while protecting proprietary interests and competition.

THE US DOT SHOULD FACILITATE AN AGGRESSIVE INTERMODAL R&D PROGRAM.

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Air Quality And Energy

While many environmental problems affect specific geographic areas, air quality and energy have regional, state, national and international environmental and economic implications. International efforts to deal with global environmental issues such as ozone depletion, energy conservation, and greenhouse warming, have resulted in regulations and agreements that impact international transportation. As these concerns are addressed, the US should anticipate, and participate fully in such international efforts to ensure that US interests are served.

AIR QUALITY SHOULD BE A PERFORMANCE OBJECTIVE FOR THE ENTIRE TRANSPORTATION PROGRAM.

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At the state and local level, many transportation and land use decisions have been insensitive to air quality considerations. Despite the creation of air quality programs and air quality enforcement districts, there has been a continuing degradation of our air quality in our major metropolitan areas. Currently, 55% of the nation's population lives in federally designated nonattainment areas. In some larger urban states, this percentage can be significantly greater (e.g., In California 85% of the population now lives in non-attainment areas).

We believe that the nation would benefit from a program that would provide incentives or rewards for addressing air quality objectives at the front end of the transportation and land use planning process. Such a process would provide the flexibility needed at the state and metropolitan level to select and fund projects that best address each area's unique problems.[20] States or local jurisdictions that take air quality considerations into account and implement corridor approved projects beneficial to air quality concerns could be rewarded, for example, with additional planning funds.

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RECOMMENDATIONS TO CONGRESS

1. Assure that all national transportation, air quality and energy policy is implemented through mutually reinforcing requirements.
2. Include improved air quality, and decreased energy use as performance objectives for the HSNS, TSNS, and FAST Highways, Transit programs.
3. Distribute incentive planning funds to states and local agencies addressing air quality problems through a corridor/subregional approach.
4. An advisory group of state and local transportation agencies be formed to help develop more detailed recommendations for transportation related air quality programs to the Administration and Congress.

[20] *See the discussion of the Corridor/Subregional approach to planning on pages 21 to 29.*

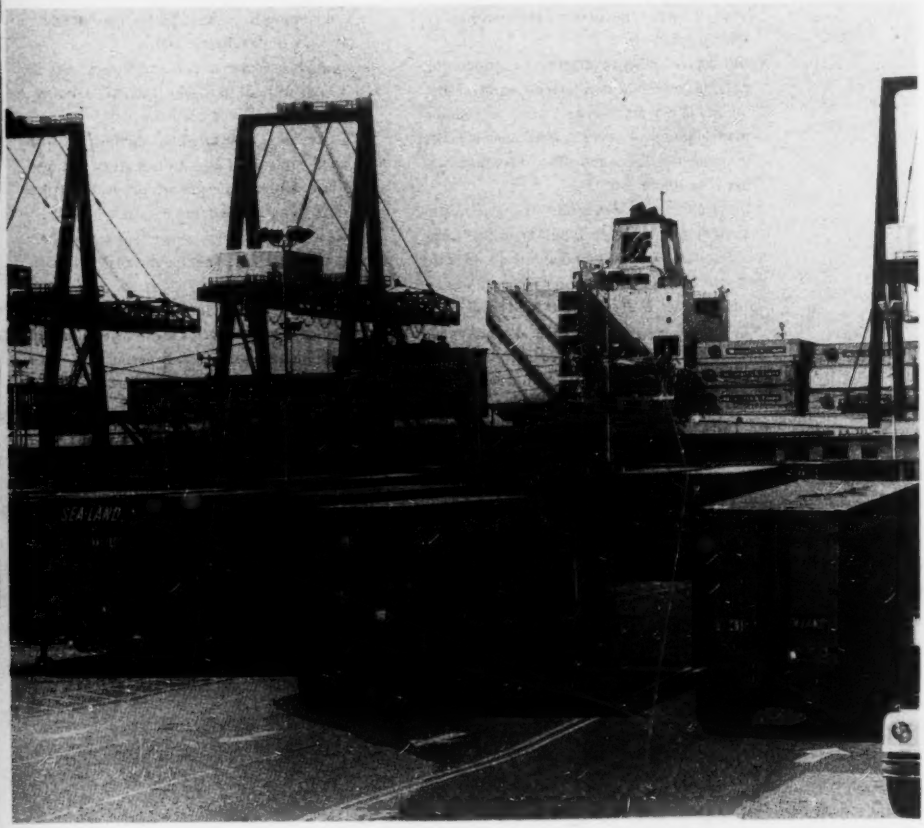
INTERMODALISM

Modern intermodalism involves the systematic use of two or more modes in order to maximize the efficiency of the total movement. Intermodal air, sea, and surface systems already are a vital part of current national and international transportation. Nevertheless, our historical patterns of economic growth, private transportation investment and government regulation have favored the establishment of competitive, multi-modal systems rather than connected, cooperative, fully intermodal ones.

Our future ability to extract the maximum efficiency from our existing passenger and freight infrastructure and systems will substantially rest on the strength and quality of the service links between the modes and how those links facilitate the efficient substitution of one mode for another. Policies which do not consider new intermodal mixes risk giving up the benefits of their joint efficiencies.

We are at a crossroad in the development of our nation's future transportation programs. Our leaders must decide whether or not we will

WE MUST ENCOURAGE THE GROWTH OF INTERMODAL COOPERATIVE, AND INTERDEPENDENT MODAL SYSTEMS.



WE MUST DECIDE IF WE WILL CONTINUE TO EMPHASIZE INDEPENDENT, COMPETITIVE MODAL DEVELOPMENT OR SHIFT EMPHASIS TO INTERMODAL, COOPERATIVE SYSTEMS.

continue to emphasize independent, competitive, multimodal development or shift emphasis to encourage growth of intermodal, cooperative and interdependent systems. In doing so, it should be recognized that there are strong reasons for establishing future programs with greater intermodal emphasis:

- Intermodal systems already have become a large part of our domestic transportation network; they are now too large and too important not to receive direct attention in future program planning and in allocating public resources.
- We cannot afford to meet the maintenance and development costs of our current independent, modal scheme — our systems are both mature and unbalanced — we need to fully use all existing capacity through greater intermodal linkages and synergies before we commit large sums to overburdened single system solutions.
- Our future ability to effectively conduct international trade substantially depends on the quality of our aviation and waterborne intermodal systems — including the ease of access to transfer facilities and efficient connectivity between the modes.

Our economic position is hurt whenever major system elements slip through the cracks of a multimodal single system framework as is the case with orphan airport and waterport access improvements. If the nation is to maximize the efficiencies possible from its transportation lifelines, it can ill afford to scatter its resources simply because no direct program will cover the need. It cannot continue with fragmented institutional control of public transportation services. Clearly, national resources will be wasted if we make decisions about increasing productivity thorough single system/modal improvements without first considering gap plugging, intermodal alternatives.

General Development Area — There are several system development areas where public sector involvement can help improve the efficiency of the goods movement system and substantially reduce the level of through truck traffic on congested urban highways. These include:

- Helping to improve rail access to key regional transportation facilities and interchange points including ports, goods distribution centers and inland containers stations.
- Assisting in the elimination of right of way clearance restrictions that limit the widespread availability of doublestack rail service.
- Resolving conflicts which limit steamship/rail/trucking connectivity. For example, both steamship lines and railroad carriers can legally handle containers that exceed highway truck size and weight laws. This creates problems ranging from small trucking firms bearing the negative economic impact of fines for overweight operations to regional and competitive issues where overweight laws are unequally applied.

Landside access to airport and waterport facilities is as critical to trucks and railroads as dredged channels and adequate airside systems are to ocean and air line-haul carriers. Yet little focused, concerted attention is given to these access issues by government programs. Other water/truck and air/truck issues which are related to improved systems efficiency include reduction or elimination of highway deficiencies which prohibit or limit 102" truck access to airports and support for the testing and implementation of various technologies like Automated Vehicle Identification and Location (AVI/AVL) systems—which through more direct routing can reduce excess pickup and delivery vehicle miles traveled and speed movements through intermodal facilities.

Urban Transportation — Urban transportation officials must come to grips with general congestion, access to jobs and neighborhoods and related environmental/social problems. In doing so, new collection and distribution systems are being used to maximize existing capacity and

increase the advantages to be gained from new investments. Satellite transportation terminals, high occupancy vehicle lanes, intersystem links between bus, subway, rail and ferry systems are all part of the intermodal options that can be employed.

The smoothness of a journey to work or an intercity trip often depends on how well local transportation planners and system operators are working together to arrange convenient interconnections from these diverse options. In most metropolitan areas, umbrella public transit agencies provide modally independent services. These diverse operations are subject to local institutional and political imperatives and shaped by a fragmented, single system/single mode policies and programs.

Regional interagency planning efforts are required so that the systematic interrelationships of public and private transportation systems can be comprehended and effectively responded to. Each region contains a few key transportation corridors within which travel shifts and growth takes place. Corridor based interagency management of intermodal transportation options should be recognized as essential to meet future transportation needs.[21] Likewise, addressing broad issues relating to public institutional arrangements that straitjacket intermodal service development should be a major national priority.

Airport Access — Intermodal transfers at airports can involve a broad variety of modes: autos, buses, trains, vans, taxis, limousine, helicopters, ferries and trucks of all sizes and shapes. Over half the major airports in the country have serious access problems. The situation is exacerbated by institutional inattention and indirect funding. Airside systems are receiving increasing funding to improve safety and capacity — but support for landside systems, which have only limited funding sources, have not kept pace.

The funding gap for airport access is a clear example of the shortcomings with single mode, single systems focus. No current aviation program — the Airport Improvement Program in particular — will pay for airport access planning or for off-airport access improvements for physical roadway or transit systems improvements. This funding gap is not taken up anywhere else. The support gap needs to be resolved for airports to reach their maximum capacities as efficient intermodal facilities — a critical requirement for both regional and national economic development.

Government at all levels must address major needs that suffer inattention as the result of diffuse and diverse funding sources, especially access to airports and waterports. These access issues should not be ignored simply because they are on the fringes of responsibility for the various agencies.

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RECOMMENDATIONS TO CONGRESS

1. Address intermodal access by requiring that access to ports, airports and related facilities be a factor in the designation of facilities on the Highway System of National Significance.
2. Stipulate that a given percentage of trust funds for highway, transit and aviation be available, at the discretion of the state and local entities, for joint funding of intermodal transportation facilities.
3. For purposes of reauthorizing a national transportation program, create a Congressional process that encourages inter-committee cooperation and leads to a connected, intermodal transportation program.

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[21] *See Planning recommendations, page 26.*

Program Efficiencies

The states have become highly sophisticated in engineering and regulatory compliance since the advent of the Interstate program in 1956. The mission of the Federal Highway Administration to foster professional development in state transportation departments has been successfully accomplished. National design standards and engineering procedures for safety, bridge, and pavement design, traffic capacity, hydraulics, and the many other engineering and compliance aspects of highway design are systematically adopted by states on an ongoing basis and integrated into state policy and procedures.

MANY EXISTING PROGRAM CONTROLS AND REQUIREMENTS COULD BE MODIFIED TO REDUCE OVERHEAD COSTS

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Due to the continuing expansion of regulatory controls, project costs are significantly escalated by unnecessary federal involvement and excessive requirements for documentation of state decisions and procedures. The efficiency of project development and construction is further impaired by the redundancy of certain US DOT regulations that deal with assuring compliance with the regulations of other agencies. As a consequence of these conditions, specific areas of agency regulations should undergo Congressional review.

California recognizes the essential role played by the US DOT and urges it remain responsible for ensuring the effective use of federal transportation resources. Nevertheless, we believe that many of the controls and procedures developed under existing programs can be modified to reduce program and administrative costs.

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RECOMMENDATIONS TO CONGRESS

1. Conduct hearings to specifically address issues related to US DOT seemingly excessive procedures, processes, and regulations including those examples enumerated in Appendix E
2. As indicated from the hearings enact changes that will improve program and administrative efficiencies

TRANSPORTATION SAFETY

Federal, state and local highway safety programs and resources have effectively reduced the national fatality rate over the past twenty years from 5.2 deaths per 100 million miles of travel to 2.4 deaths per 100 million miles of travel. It is projected that by the year 2000, there will be 80,000 motor vehicle related fatalities a year, compared to the current level of 46,000 a year. The fatality rate will have to be reduced to 1.4 deaths per 100 million miles of travel just to maintain a level of 46,000 deaths a year. New, innovative transportation safety programs will be needed to prevent an unacceptable level of fatalities in the future.

Safety considerations should be an integral part of every aspect of the new national transportation program, including efforts to promote safety improvements in vehicles and roadway operations. Driver safety must be enhanced through education and enforcement of laws such as the minimum drinking age, driving under the influence of alcohol and drugs, seat belt use, and commercial drivers licensing. Greater attention is also needed on programs to reduce the number of accidents involving hazardous materials transport.

Transportation safety can best be addressed by driver-oriented programs and roadway-oriented programs. Both the proposed HSNS and FAST-Highways programs fulfill the need for a roadway-oriented program by emphasizing safety as one of several Congressionally established objectives and performance measurements for the highway system.

To address the driver-oriented programs, the current federal highway safety programs (including but not limited to: 23 USC Sections 402, 408, 410, Motor Carrier Safety Program, and Commercial Drivers' License Program) should be restructured into a driver performance grant program. This would not only reduce the need for separate program authorizations, but would minimize program application requirements and red tape. Increased program flexibility and coordination between commercial motor vehicle and non-commercial motor vehicle highway safety would result.

Funding for the driver performance grant program should be set at a rate indexed to the number of drivers or VMT and funded from the Highway Trust Fund. The funds should be administered by the Governor's Highway Safety Representative who would continue to work cooperatively with local governments and private organizations to implement comprehensive safety programs at the state and sub-state level.

Any such program should include incentives (in the driver performance grant program) for occupant protection, drunk driving enforcement, speed enforcement, and for establishment of uniform accident and fatality data collection and analysis. The Congress should reward states that strengthen their enforcement programs or take steps to make their data collection standards conform to the national model.

CURRENT DRIVER SAFETY PROGRAMS SHOULD BE CONSOLIDATED INTO A SINGLE DRIVER GRANT PROGRAM.

ACCOUNTABILITY

Each state must be accountable to Congress for the results of expenditures of funds for the driver performance grant program. Therefore, every three years, each state's traffic safety office would be required to prepare and submit a safety report to the US DOT. The US DOT would be required to consolidate all fifty reports and transmit summary findings and recommendations to Congress.

Congress, for its part, would establish broad national traffic safety goals and objectives. The US DOT would be responsible for developing in conjunction with states, local jurisdictions and private sector interests, the specific performance thresholds beyond which a state's construction funds would be at risk. These performance thresholds should be defined in terms of fatalities and personal injuries. In addition, Congress should request Transportation Research Board

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(TRB), in conjunction with the National Highway Transportation Safety Agency (NHTSA), to develop a recommended uniform data collection and reporting system.

Under this concept, a state's fatal accident rate would be projected based on historical state and national trends. A minimum of five (5) years worth of historical data would be used to develop accident trends. Variability would be accounted for by establishing a range around the projected accident rate, ie., a performance threshold. Differences among states would be accommodated by establishing acceptable accident rates based on individual state's accident trends.

After accounting for statistical variability, if a particular state's performance threshold is exceeded, then federal highway construction funds could be transferred to non-construction safety programs in that state. The amount of transferred funds would depend on the size of the state. The NHTSA would be available for technical assistance should a state decide to request their help in improving highway safety.

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RECOMMENDATIONS TO CONGRESS

1. Consolidate the current federal highway safety programs into a single driver performance grant program which would reduce the need for separate program authorizations, minimize program application requirements and red tape, and increase program flexibility.
2. Use incentive funding within the driver performance grant program to reward states for strengthening their enforcement programs and for taking steps to make their data collection process conform to the national model.
3. Index and annually adjust funding for the driver performance grant program based on growth in the number of drivers and or in VMT.
4. Establish national traffic safety goals and objectives and mandate that the US DOT work in cooperation with states, local jurisdictions and private sector interest, to develop performance thresholds for each state.
5. Require each state to report their state's accident rate versus its performance threshold to the US DOT. A state's inability to remain within the performance thresholds could as an example, trigger a transfer of a specified amount of that state's highway construction funding to the driver performance grant program to encourage accident reduction.
6. Request that the Transportation Research Board in conjunction with NHTSA, develop a recommended uniform data collection and reporting system.

Federal Funding

One of the keystones of the federal transportation program has been a stable funding source provided largely by highway users. Since the creation of the trust fund, user fees have financed the construction of this nation's transportation network. In recent years the stability of the trust found has been brought into question.

California believes that a restructured transportation program must be complemented by financing policy that maximizes the effectiveness of current highway trust fund receipts by dedicating user fee revenues solely to transportation needs and making them available to the states at full authorized levels. California's recommendations for complementary financial policies follows:

Driven by deficit reduction concerns, various interest groups have sought to divert transportation user fees to non-transportation related uses. For the same reason, transportation funding capacities have been artificially capped by the Administration. The decrease in transportation funding available through normal channels has placed increased pressure on Congress to earmark funds for special projects. Special tax exemptions for alternative fuels, and even fuel tax evasion further cut the availability of funds. Finally, and most oppressive, is the threat of new federal fuel taxes for general federal deficit reduction.

STEPS SHOULD BE TAKEN TO REDUCE THE IMPACT OF THE ALTERNATIVE FUELS EXEMPTION.

Meanwhile, the existing transportation tax structure and rates are producing revenue inadequate to support an expanded national transportation program at all levels of government. These conditions collectively have reduced the overall effectiveness of the pay-as-you-go tax structure. Steps are needed to return lost revenues to the Highway Trust Fund and Mass Transit Account and to thereby make available all intended revenues for their congressionally unfunded transportation purposes.

A SUBSTITUTE FOR ALTERNATIVE FUELS MAY BE A NEW HEATED CATALYTIC CONVERTER.

Full application of the transportation tax structure can provide adequate funding for an increased transportation program through at least federal fiscal year 1993. Actions which would strengthen the integrity and effectiveness of the highway trust fund include:

REASSESSMENT OF THE ALTERNATIVE FUELS EXEMPTION

The alternative fuels exemption annually diverts a minimum of $600 million from the Highway Trust Fund. This subsidy, intended to encourage the production and use of cleaner fuels, raises questions about the continuation of a user fee concept for highway transportation funded through the National Highway Trust Fund.

Among the ways in which these differing interests of promoting the use of alternative fuels and continuing the user fee concept can be reconciled are:

1. Providing the subsidy through the general fund;
2. Requiring that alternative fuel be taxed at a reduced level, or
3. Combining a partial general fund subsidy with a reduced user tax.

If the present alternative fuels exemption is retained and the use of alternative fuels is mandated to meet air quality objectives, the flow of gasoline excise taxes into the current federal aid financing structure will decrease.

New technology may obviate the need for alternative fuel subsidies. Research by the California Air Resources Board[22] shows a new electric-heated catalytic converter cuts pollutants from gasoline-powered automobiles by as much as 90% in tests and has the potential to be as effective in reducing all pollution as currently used alternative fuels.

If increases in alternative fuels use are mandated for clean air purposes, the original justification for exemptions for alternative fuels will no longer be valid. Mandated alternative fuels should be fully taxed. Congress should avoid any temptation to eliminate the alternative fuels exemption and use the revenues for deficit reduction purposes.

22 As reported in Technical Support Document #xx, California Air Resources Board, May 1990.

ACCELERATION OF EFFORTS TO COLLECT ALL MOTOR FUEL TAXES DUE

Nationally, motor fuel tax evasion, especially with respect to diesel fuel taxes, is an ongoing problem. Although Congress now mandates collection of diesel fuel taxes at the wholesale level, corporate scams and abuse by multiuse consumers still abound. Specific areas of concern over misuse/evasion include use of oil sold for heating purposes being used as a motor fuel and fuel sold for off-road purposes being used on public roadways.

Congress needs to adopt more stringent penalties for motor fuel tax evasion. Congress must ensure that motor fuel taxes paid by highway users are accurately reflected in revenues deposited in the Highway Trust Fund. Additionally, Congress should direct the Transportation Research Board, working through the Secretary of Transportation (in cooperation with the Internal Revenue Service), to explore and report on ways to help assure that diesel fuels sold for non-highway purposes are easily identified, both prior to and after usage.

DEDICATION OF ALL FUEL TAX FOR TRANSPORTATION PURPOSES ONLY

The Highway Trust Fund balance should not be used as an offsetting credit that masks the true level of the federal deficit. We urge the gradual spend down of trust fund balances for transportation purposes only. In addition, we urge that the trust fund be removed form the calculation of Gramm-Rudmann-Hollings targets. The recent proposal to take action with the Social Security trust fund, argues compellingly for similar treatment for the highway, transit, and aviation trust funds.

Recent analyses estimate the 20 year costs of adequately maintaining and augmenting the nation's transportation infrastructure and services to be in the heady range of $1-3 trillion. The federal government should be a steady, reliable and significant partner in helping to meet those needs. However, even if federal contributions are substantially increased, state, local, and private sector investments will be required to rise so as to better meet total needs. However, it is likely that the proportion of transportation needs funded at the state and local level will continue to grow. This shift of financial responsibility further argues for greater program discretion at the state and local levels.

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RECOMMENDATIONS TO CONGRESS

1. Make permanent the Highway Trust Fund and gradually eliminate obligation limits by $1.5 billion per year.
2. Take decisive action to reduce the extent to which tax evasion is "stealing" from the Highway Trust Fund.
3. Mandate the use of alternative fuels in air quality non-attainment areas, and discontinue the special fuels tax exemption or shift subsidies to the general fund.
4. Direct the Transportation Research Board to study and to report to the Congress on ways to better ensure that diesel fuel sold for non-highway purposes is not used on the nation's roadways.

THE EFFECTIVENESS OF CURRENT HIGHWAY TRUST FUND RECEIPTS SHOULD BE MAXIMIZED BY DEDICATING USER FEES FOR TRANSPORTATION SOLELY.

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TRANSITION FROM THE OLD TO THE NEW

Heading into the 1990s, there will be a variety of important matters to consider in the transition from the current still incomplete, federal highway program and its many categories to a new, more relevant, and streamlined federal program. Special cooperative federal and state study teams should be organized to define specific and workable solutions to the major transition issues.

TRANSITION ISSUES

A FINANCIAL PLAN FOR COMPLETION OF THE INTERSTATE IS NEEDED.

Establishing a financial plan for the prompt funding and completion of the remaining Interstate Highway and Interstate substitution commitments should be a key feature of the transition process. It appears that in addition to authorizations already made, approximately $4 billion in additional funding will be needed to fully finance the projects as defined in the 1991 Interstate cost estimate. Congress should approve one final cost estimate to fulfill the long standing commitment to complete the Interstate system including Interstate Substitute Projects. The authorizations and distributions required to meet this commitment should be spread over the life of the next surface transportation assistance act (or over a four year period, which ever is greater), in accordance with a state by state obligation plan coordinated through the US DOT. Transition authorizations should be in addition to a state's normal highway program allocations. Funding for the Interstate completion program would come from Trust Fund reserves.

Issues associated with the carryover apportionment balances that states have accumulated, but have been unable to use due to annual obligation limits must be addressed. Past highway reauthorization bills have largely ignored carryover balances — except to determine how much extra revenue is needed to ensure that these carryover balances do not trigger trust fund anti-deficit provisions.

The most simple, direct and effective method for resolving transition issues is to make permanent the Federal Highway Trust Fund, and remove the obligation limits. With a permanent highway trust fund and an end to obligation limits, states would be free to obligate their carryover apportionments as rapidly or as slowly as they chose, and without any further budget restrictions or the need for additional Congressional action.

RECOMMENDATIONS TO CONGRESS

1. Approve one final cost estimate to fulfill the long standing commitment to complete the Interstate System (as defined in the 1991 Interstate Cost Estimate) and Interstate Substitute Projects. Spread the authorizations and distributions over the life of the next Surface Transportation Assistance Act (or over a four year period, whichever is greater) in accordance with a state by state obligation plan coordinated through the US DOT.

Appendix A: Goals, Objectives And Performance Measures For The Highway System of National Significance

I. GOAL: Improve national and international commerce.

Objective: Establish major national truck routes that provide ready access to significant economic centers.

Performance Measure: Targeted increases in annual tonnage carried by the HSNS statewide.

Objective: Improve access to major intermodal facilities.

Performance Measure: Increases in intermodal volume/decreases in through truck traffic on the HSNS.

II. GOAL: Improve the efficiency of the existing urban HSNS segments.

Objective: Increase mobility and reduce delay.

Performance Measures: Reductions in average time required to travel X miles (e.g., 10 miles); number of person miles traveled; number of lane miles operating above the previous year's Level of Service (LOS); units of energy per passenger mile; etc..

III. GOAL: Preserve air quality while maintaining transportation's contribution to the economy.

Objective: Reduce mobile emissions.

Performance Measure: Reductions in the total annual number of non-attainment days and number of designated carbon monoxide (CO) "hot spots" resulting from mobile emissions in relation to volume of passenger and freight handled in the corridor.

IV. GOAL: Preserve the federal investment in the HSNS.

Objective: Maintain the physical integrity of all HSNS facilities.

Performance Measures: Improvement in the Present Serviceability Rating [PSR] as determined by random samples of the HSNS reviewed through periodic post audits.

V. GOAL: Improve the safety of the traveling public on the national highway system.

Objective: Improve HSNS roadway and driver safety.

Performance Measures: Reductions in the number of fatalities and personal injuries per unit of passenger miles traveled.

VI. GOAL: Provide a highway network that meets national defense needs.

Objective: Apply necessary geometrics and adequate load carrying capacity standards (STRAHNET) to provide full access for defense purposes.

Performance Measure: Increases in the number of lane miles raised to meet STRAHNET geometric and weight requirements.

VII. GOAL: Apply uniform national design standards to all facilities in the HSNS.

Objective: Raise all substandard facilities, where possible, to national standards.

Performance Measures: Increases in the number of lane miles and bridges raised to higher standards.

Appendix B: Goals, Objectives and Performance Measures for the FAST-Highways System

I. GOAL: Improve intrastate and interregional commerce.

Objective: Establish major regional truck routes for access to economic centers.

Performance Measure: Reduce the travel time for trucks using the statewide FAST system.

Objective: Improve access to major intermodal facilities.

Performance Measure: Completion of projects undertaken to improve access to and from intermodal facilities or create new intermodal facilities.

II. GOAL: Improve the efficiency of the existing state and local system.

Objective: Increase mobility and reduce delay.

Performance Measures: Reductions in average time required to travel X miles (e.g., 10 miles); number of person miles traveled; number of lane miles operating above the previous year's Level of Service (LOS); units of energy per passenger mile; etc..

III. GOAL: Preserve air quality while recognizing transportation's contribution to the economy.

Objective: Reduce mobile emissions.

Performance Measure: Reductions in the total annual number of non-attainment days and number of designated Carbon Monoxide (CO) "hot spots" resulting from mobile emissions.

IV. GOAL: Preserve the public investment in the state and local highway system.

Objective: Maintain the physical integrity of the FAST facilities.

Performance Measures: Improvement in the Present Serviceability Rating (PSR) as determined by random samples of the FAST system reviewed through periodic post-audits.

V. GOAL: Improve the safety of the traveling public on the FAST system.

Objective: Improve roadway and driver safety.

Performance Measures: Reduction in the number of fatalities and personal injuries per unit of vehicle miles traveled.

VI. GOAL: Apply state designated design standards to all facilities in the FAST system.

Objective: Raise all substandard facilities to standards, where possible.

Performance Measures: Increases in the number of lane miles and bridges per year raised to standards.

	Existing Category	Provide Major Regional Truck Routes and Access to Economic Centers
LOS ANGELES CITY		
RR Separation	FAU	
Seismic Retrofit	VAR	
SMART Corridor	VAR	
LOS ANGELES CO		
Widen & resurface Inglewood Ave.	FAU	
Reconstruct Valley Blvd.	FAU	
SANTA CLARA CO		
Widen to 6 lanes	FAU	
Comprehensive overlay	FAU	
CONTRA COSTA CO		
Bridge	FAU	
SAN MATEO CO.		
Bridge	FAU	
SONOMA CO		
Major rehab	FAU	
SAN BERNARDINO CO		
Ontario airport access	DEMO	
LOS ANGELES CO		
Long Beach port access	DEMO	●

VII. GOAL: Improve road access to rural and urban economic activity centers.

Objective: Increase truck access to and from the HSNS over the FAST system.

Performance Measure: Increases in the number of lane miles statewide brought up to STAA vehicle access standards.

COMPARISON OF THE CATEGORIES OF SELECTED FEDERALLY AIDED PROJECTS AND PROPOSED FAST-HIGHWAYS PERFORMANCE CRITERIA

Improve Access to Major Intermodal Facilities	Increase Mobility and Reduce Delay	Reduce Mobile Emissions	Maintain the Physical Integrity of the FAST System	Improve Roadway and Driver Safety	Raise All Substandard Facilities to Standards Where Possible	Increase Truck Access To and From the HSNS Over the FAST System
	●	●		●		
			●	●	●	
	●	●		●		
	●	●	●	●	●	
			●		●	
	●	●		●	●	
			●	●	●	
				●	●	
				●	●	
			●	●	●	
●	●	●	●		●	
●	●		●	●	●	●

Appendix C: Goals, Objectives and Performance Measures for the TSNS

I. GOAL: Improve the efficiency of the existing National Transportation System.

Objective: Increase mobility and reduce delay.

Performance Measure: Reduction in the number of SOVs using congested corridors.

II. GOAL: Preserve air quality while recognizing transportation's contribution to the economy.

Objective: Reduce mobile emissions.

Performance Measure: Lowering of NOx and CO emissions at major hot spots.

III. GOAL: Preserve the federal investment in the existing transit systems.

Objective: Maintain the physical integrity of all transit facilities.

Performance Measure: Adoption/Implementation of long term preventive maintenance programs.

IV. GOAL: Improve the safety of the traveling public on transit systems.

Objective: Improve facilities and driver safety.

Performance Measure: Adoption/Implementation of systems-wide safety plans.

V. GOAL: Provide accessibility and mobility for all citizens.

Objective: Increased access for older persons, persons with disabilities, and rural communities.

Performance Measure: Identification/implementation of projects/facilities that improve access for transit projects.

Appendix D: Goals, Objectives, and Performance Measures for the FAST-Transit Program

I. GOAL: Improve intrastate and interregional commerce.

Objective: Provide major regional commuter access to economic centers.

Performance Measure: Introduction of HOV lanes, rail transit etc. in HSNS corridors.

Objective: Improve access to major intermodal facilities.

Performance Measure: Additional park and ride transfer stations.

II. GOAL: Improve the efficiency of the existing state and local system.

Objective: Increase mobility and reduce delay.

Performance Measure: Establishment of Vanpool Programs in major employment centers.

III. GOAL: Preserve air quality while recognizing transportation's contribution to the economy.

Objective: Reduce mobile emissions by reducing vehicle miles traveled and increasing person miles traveled.

Performance Measure: Establish congestion pricing on corridors where substantial transit service is available.

IV. GOAL: Preserve the public investment in the state and local transit systems.

Objective: Maintain the physical integrity of the facilities.

Performance Measure: Implementation of long term preventive maintenance plans/improvements in repair facilities.

V. GOAL: Improve the safety of the traveling public on the FAST system.

Objective: Improve equipment and driver safety.

Performance Measure: Implementation of drug testing programs.

VI. GOAL: Improve transit access to rural and urban economic activity centers.

Objective: Increase transit access to and from the HSNS over the FAST system.

Performance Measure: Support for local bus/taxi services to major interregional travel hubs (ie., intercity bus/rail stations, airports).

RECOMMENDATIONS TO CONGRESS:

1. Extend the current "pay-back" deadline for preliminary engineering funds on those projects which have not advanced to right of way acquisition or construction to 10 years, making it the same as the current federal pay-back requirement for right of way acquisition.
2. Return to the states sole discretion for requiring alternate designing of major bridges.
3. Amend Title 23 to give states sole discretion for highway project design approval and construction authorization approval for pavement replacement or overlay projects, and base and resurfacing projects that include minor widening. Approval should include, but not be limited to, such elements as pavement design or pavement rehabilitation, bridge widening, bridge rail, guardrail, fill slopes and clear zones.
4. Eliminate the required submission of a statewide program of projects under 23 USC 105 and the State Transportation Improvement Program (STIP) be allowed to take its place.
5. Designate that the Secretary of the US DOT work with the Mine Enforcement Safety Administration to rescind their regulations pertaining to temporary, small scale crushing and screening operations.
6. Give states the authority to establish their own maintenance standards, since they are subject to tort liability actions in relation to federal standards and the maintenance thereof. As an alternate, Congress could prohibit the use of federal standards in state tort liability cases.
7. Amend Title 23 to provide that if a state obtains Federal Emergency Management Agency (FEMA) compliance approval for FEMA floodplain regulations for a highway project, FHWA floodplains regulations shall not apply.
8. Amend Title 23, Section 125, to increase the participation rate for emergency relief work under the federal-aid sliding scale rates.
9. Amend 23 CFR, Chapter 810, to delegate all HOV lane determinations to states with adopted HOV system plans.
10. Amend existing law to allow US DOT to use a certification acceptance process, where substantive state laws, regulations, and procedures exist pertaining to wetlands, floodplains, and endangered species. Wetlands should be defined to exclude surface expressions of water related to man-caused sources that are dependent on economic viability for continued existence. Wetlands should define both quality and quantity of surface expressions of water and plant life. Intermittent (less than six months of duration) areas should not be included.

RECOMMENDATIONS TO US DOT:

1. Delegate the responsibility for compliance with 3R project standards to the states on a certification acceptance basis, including environmental clearance and right of way certification for local projects delegated to the states. FHWA certification acceptance would be granted for all "federal share payable" projects if requested by the state.
2. Amend its definition of "major contract change order types" (requiring written approval) to account for the cost or substantive issues involved with the change, and require compliance only for those changes which are actually major.
3. Delegate to the states the responsibility for the number of solicitations and notices mailed, the listing of contractors, the documentation of procedures, and the evaluation of contractor's expertise.
4. Eliminate its requirement for separate project recordkeeping on pay items common to multiple projects under a single contract. The states should be allowed to use plan sheet quantities for proportioning construction

pay-item units among the projects under one contract.

5. FHWA Regional Offices would delegate review of project and environmental documents to the FHWA Division Office. The Division Administrator would be required to delegate the review of legal sufficiency on non-sensitive projects to the state DOT based upon a showing by the state that it has acceptable procedures.
6. Amend F.H.P.M. 6-6-3-1 (23 CFR PART 645, Subpart A) to eliminate requirements for special FHWA authorization to relocate utilities, and the requirement that all utility agreements must have federal approval.
7. Amend F.H.P.M. 6-4-2-1 (23 CFR PART 635, Subpart C) to eliminate requirement of a detailed right of way certification with the PS&E submittal and substitute a short summary of the status of the right of way plans, certification acceptance, and post-audit.
8. Amend 49 USC Section 303 to ensure that it applies only to "significant use" and define use to mean the physical taking of property. The respective park authority should be able to determine if the impact is significant and such determination should prevail as the controlling 4(f) determination.

Appendix F — HSNS Program Formula, FAST-Highways Program Allocations and Example Allocation Tables

In the early 1990's, as we enter the post-Interstate construction era, the traditional national highway programs will need to be reshaped to respond to the "new transportation concepts for a new century." If the recommendations of AASHTO, the US DOT, the Highway Users Federation, and other associations are heeded, the hodgepodge of current federal programs must be replaced with new formulas that fit the new federal program design.

The current formulas may have worked in times past, but they clearly are out of step with the 21st century. New formulas must be created. There is no choice if the old federal programs are to be reshaped to handle new and demanding challenges.

The following assumptions were used in developing a highway program formula that would obtain the most desirable results.

Assumptions:

1. The total federal funds would be split 50-50 between the HSNS and FAST programs.
2. The half-percent guarantee is applied to the HSNS program, but not the FAST-Highways Program.
3. An 85% minimum allocation guarantee for the HSNS program is continued.
4. A flexible hold-harmless is established in the HSNS program. After adjustments for interstate completion and discretionary/demonstration funding, all states would receive no fewer federal dollars than they did in 1991.
5. As federal funding increases above 1991 levels, the hold-harmless base should be increased at an equitable percentage growth rate.
6. Total statewide urban and rural lane miles and total statewide urban and rural vehicle miles of travel are used as principal allocation factors, and separate calculations for urban and rural factors for each in the formula.
7. The formula provides a one-third weight for mileage and VMT factors — that is one-third to recognize the extensiveness of the system and one-third to recognize the usage intensiveness. Because urban costs for the national system would be more than twice as much as the rural costs, the formula gives weight on a two to one, urban to rural ratio.
8. Because the national system is intended to support interstate and international commerce, and because of the wear and tear of heavy trucks on roads and bridges, the formula uses a factor associated with heavy truck travel to comprise the final one-third. Diesel fuel sales provide an acceptable surrogate for accurate state-by-state data on truck mileage and weight and therefore should be used as the heavy truck travel allocation factor.
9. Large area, small population states (states with a population level of 25 or fewer persons per square mile) are provided a supplement to their HSNS allocations to guarantee that th will have sufficient funds for their HSNS routes. The supplement should be inversely related to population density: one person per square mile equal to 25% supplement and 25 persons per square mile equal to 0% supplement.

Figures 1 and 2 explain the distribution of the Highway Trust Fund and the HSNS and FAST-Highways Program formulas. The tables following show state-by-state funding that the formula produces, at a $13.5 billion federal funding level, with about $1 billion reserved for emergency relief, federal lands, discretionary bridge, and other off-the-top programs. Table 2 shows the detail of HSNS program allocations under the proposed formula. Table 3 shows the composite results of the total federal formula funding for basic programs. Table 1 shows the Low Population Density Supplements.

Regardless of the formula factors that are ultimately selected by Congress, US DOT and the states will need to work together to upgrade the data base to more explicitly identify lane miles to make certain the VMT is calculated on a consistent basis among the states and to seek to design an explicit truck travel data base.

FIGURE 1 — HIGHWAY PROGRAM ALLOCATIONS FLOW CHART

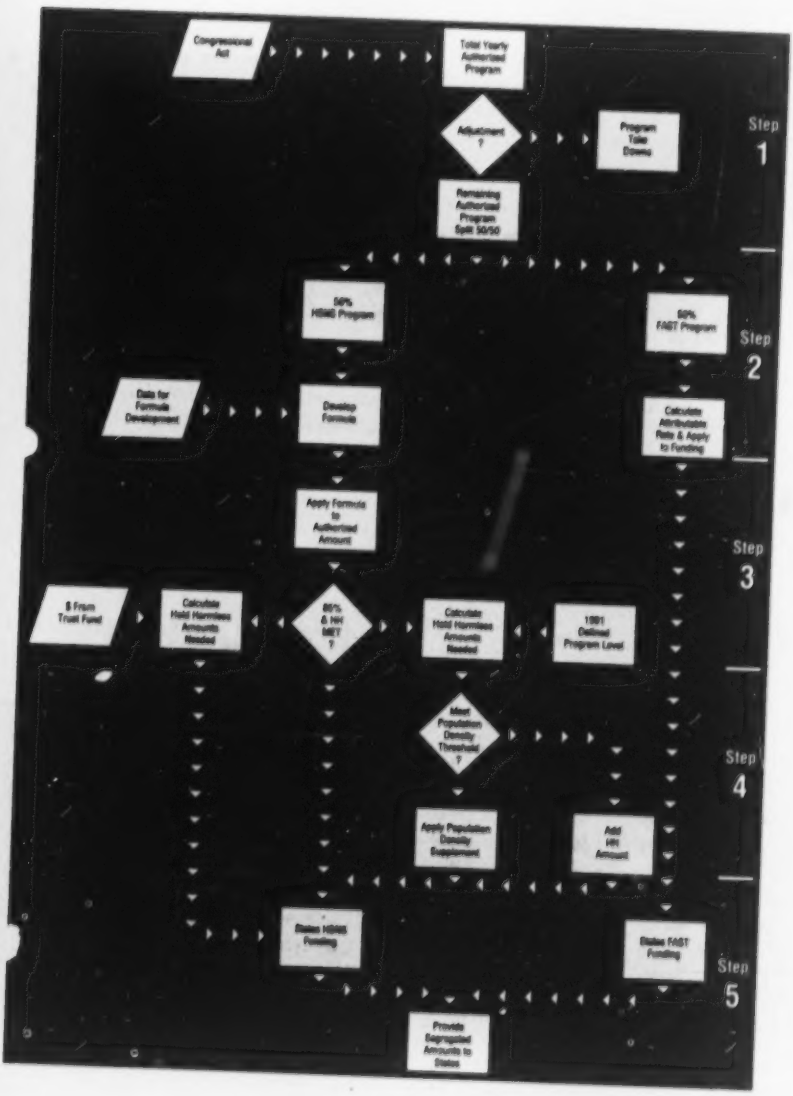

Figure 2 — Calculating The Highway Program Allocations

STEP 1

Congress authorizes the total annual highway program amount. Adjustments are made for the usual program takedowns (e.g., US DOT administrative costs, emergency relief, etc.). The remaining authorized program is divided 50% HSNS and 50% FAST.

STEP 2

a. HSNS Formula — The VMT, Diesel Consumption, Lane Miles data is calculated.

b. FAST Formula — Each state's proportionate percentage contributions to the Highway Trust Fund is calculated and applied to the 50% FAST-Highways Program authorization.

STEP 3

The HSNS Formula is applied to its 50% authorization. The formula results are analyzed to determine if the 85% and Hold Harmless guarantees have been met. Adjustments are made if necessary utilizing dollars in the Highway Trust Fund Reserves.

STEP 4

Population density supplements are calculated and added for those states with 25 or less persons per square mile.

STEP 5

Each state receives its HSNS program allocation and its FAST-Highways Program allocation.

STEP 6

Each state can now exercise its option to transfer up to 20% of its total apportionment to either program. Each state according to its own process, allocates the appropriate amount to the non-state systems from its FAST-Highways Program allocation.

Table 1 — Low Population Density Supplement

LOW POPULATION DENSITY SUPPLEMENT (in millions)

State	Low Pop. Density Supplement	Total HSNS Allocation
Alaska	$3.91	$16.96
Idaho	$6.72	$40.31
Montana	$9.23	$46.16
Nebraska	$5.92	$65.10
Nevada	$6.99	$41.92
New Mexico	$10.72	$64.54
North Dakota	$8.70	$43.48
South Dakota	$8.30	$41.52
Utah	$4.60	$50.55
Wyoming	$7.90	$39.52
US Total	$73.03	$6073.03

BASED UPON POPULATION DENSITIES OF	
4 or LESS per square mile	30%
5 to 9 per square mile	25%
10 to 14 per square mile	20%
15 to 19 per square mile	15%
20 to 24 per square mile	10%
≥ 25 per square mile	0%

TABLE 2 — HSNS FORMULA DETAIL (in millions)

STATE	RURAL LANE MILES	RURAL VMT	URBAN LANE MILES	URBAN VMT	DIESEL FUEL CONSUMED	DENSITY FACTOR	TOTAL ALLOCATION	% OF TOTAL
Alabama	$15.27	$16.65	$29.99	$20.95	$48.00		$130.86	2.15%
Alaska	$2.09	$1.66	$3.01	$1.96	$4.32	$3.91	$16.96	0.28%
Arizona	$12.39	$10.85	$22.44	$23.02	$30.28		$98.98	1.63%
Arkansas	$14.20	$9.73	$13.49	$7.80	$38.94		$84.17	1.39%
California	$19.29	$40.61	$139.16	$212.89	$177.65		$589.60	9.71%
Colorado	$13.61	$8.71	$20.48	$18.67	$19.07		$80.55	1.33%
Connecticut	$1.88	$5.21	$19.21	$21.81	$20.71		$68.81	1.13%
Delaware	$0.81	$2.31	$2.93	$3.91	$5.59		$15.55	0.26%
D.C.	$0.00	$0.00	$2.18	$3.81	$2.32		$8.31	0.14%
Florida	$12.06	$23.45	$86.17	$84.74	$77.90		$284.31	4.68%
Georgia	$18.06	$23.32	$36.93	$36.81	$83.91		$199.03	3.28%
Hawaii	$0.55	$1.85	$2.76	$5.69	$2.29		$13.14	0.22%
Idaho	$11.97	$4.45	$4.29	$2.82	$10.06	$6.72	$40.31	0.66%
Illinois	$21.57	$19.59	$57.96	$60.17	$78.03		$237.32	3.91%
Indiana	$15.51	$22.67	$31.48	$25.27	$63.45		$158.38	2.61%
Iowa	$21.35	$11.13	$16.01	$8.84	$33.78		$91.11	1.50%
Kansas	$25.45	$9.54	$15.66	$10.24	$30.16		$91.05	1.50%
Kentucky	$12.93	$14.76	$13.72	$14.58	$51.22		$107.21	1.77%
Louisiana	$9.61	$13.66	$22.51	$19.55	$37.33		$102.67	1.69%
Maine	$4.05	$6.63	$4.15	$3.42	$11.62		$29.87	0.49%
Maryland	$3.46	$10.15	$22.55	$27.64	$32.87		$96.68	1.59%
Massachusetts	$2.75	$6.23	$36.11	$39.67	$29.31		$114.08	1.88%
Michigan	$18.80	$24.46	$50.17	$52.67	$53.10		$199.20	3.28%
Minnesota	$23.83	$13.61	$25.27	$21.59	$33.48		$117.79	1.94%
Mississippi	$13.45	$11.80	$12.97	$8.05	$32.17		$78.44	1.29%
Missouri	$21.54	$17.40	$27.91	$26.47	$54.04		$147.35	2.43%
Montana	$14.26	$4.85	$3.84	$2.28	$11.70	$9.23	$46.16	0.76%
Nebraska	$17.91	$6.74	$8.74	$5.50	$20.29	$5.92	$65.10	1.07%
Nevada	$8.62	$3.09	$5.85	$5.70	$11.67	$6.99	$41.92	0.69%
New Hampshire	$2.56	$4.66	$4.15	$4.08	$5.86		$21.30	0.35%
New Jersey	$2.51	$8.62	$39.99	$53.46	$51.67		$156.24	2.57%
New Mexico	$10.31	$7.40	$8.72	$6.67	$20.67	$10.76	$64.54	1.06%
New York	$15.21	$23.98	$68.58	$82.18	$70.24		$260.19	4.28%
North Carolina	$15.66	$25.29	$33.16	$29.21	$61.87		$165.19	2.72%
North Dakota	$17.36	$3.36	$3.15	$1.72	$9.19	$8.70	$43.48	0.72%
Ohio	$17.18	$27.85	$56.88	$52.49	$86.95		$241.34	3.97%
Oklahoma	$20.51	$12.88	$22.16	$18.09	$39.06		$112.69	1.86%
Oregon	$17.46	$11.00	$15.42	$12.70	$30.52		$87.10	1.43%
Pennsylvania	$18.46	$29.20	$49.79	$49.74	$93.69		$240.88	3.97%
Rhode Island	$0.31	$0.72	$7.74	$5.53	$4.40		$18.70	0.31%
South Carolina	$11.39	$16.19	$17.04	$12.73	$31.33		$88.67	1.46%
South Dakota	$14.76	$4.05	$3.15	$1.72	$9.53	$8.30	$41.52	0.68%
Tennessee	$14.19	$17.05	$27.67	$25.42	$57.97		$142.30	2.34%
Texas	$45.41	$42.71	$151.63	$114.82	$134.16		$488.73	8.05%
Utah	$7.82	$4.03	$9.90	$9.15	$15.05	$4.60	$50.55	0.83%
Vermont	$2.74	$3.40	$1.68	$1.42	$4.59		$13.83	0.23%
Virginia	$11.10	$21.14	$27.46	$34.50	$57.40		$151.59	2.50%
Washington	$13.45	$12.16	$29.59	$29.64	$34.27		$119.10	1.96%
West Virginia	$6.56	$7.95	$5.26	$4.34	$18.74		$42.86	0.71%
Wisconsin	$19.76	$17.82	$25.52	$22.40	$42.28		$127.79	2.10%
Wyoming	$8.02	$3.44	$3.40	$1.48	$15.27	$7.90	$39.52	0.65%
US TOTAL	$650.00	$650.00	$1350.00	$1350.00	$2000.00	$73.03	$6073.03	100%

TABLE 3 — SUMMARY FUNDING (in millions)

STATE	FAST HIGHWAYS PROGRAM	HSNS PROGRAM FORMULA	HALF %	85% MA	TOTAL	HOLD HARMLESS	TOTAL FUNDING	% OF TOTAL
Alabama	$110.65	$130.86			$130.86		$241.51	1.93%
Alaska	$10.61	$16.96	$13.04		$30.00	$112.29	$152.91	1.22%
Arizona	$93.27	$98.98			$98.98		$192.25	1.54%
Arkansas	$82.23	$84.17			$84.17		$166.39	1.33%
California	$653.01	$589.60			$589.60		$1242.61	9.92%
Colorado	$77.90	$80.55			$80.55		$158.44	1.27%
Connecticut	$75.58	$68.81			$68.81	$10.52	$154.91	1.24%
Delaware	$19.15*	$15.55	$14.45		$30.00	$0.54	$49.69	0.40%
D.C.	$9.21	$8.31	$21.69		$30.00	$13.18	$52.39	0.42%
Florida	$296.28	$284.31			$284.31		$580.59	4.64%
Georgia	$216.92	$199.03			$199.03		$415.94	3.32%
Hawaii	$15.25	$13.14	$16.86		$30.00	$4.56	$49.81	0.40%
Idaho	$27.69	$40.31			$40.31	$4.32	$72.32	0.58%
Illinois	$222.04	$237.32			$237.32		$459.36	3.67%
Indiana	$151.77	$158.38			$158.38		$310.15	2.48%
Iowa	$73.75	$91.11			$91.11		$164.86	1.32%
Kansas	$77.84	$91.05			$91.05		$168.89	1.35%
Kentucky	$87.17	$107.21			$107.21		$194.38	1.55%
Louisiana	$107.24	$102.67			$102.67		$209.91	1.68%
Maine	$38.74	$29.87	$0.13	$2.38	$32.39		$71.12	0.57%
Maryland	$112.42	$96.68			$96.68		$209.10	1.67%
Massachusetts	$123.34	$114.08			$114.08		$237.42	1.90%
Michigan	$201.06	$199.20			$199.20		$400.26	3.20%
Minnesota	$101.75	$117.79			$117.79		$219.54	1.75%
Mississippi	$80.40	$78.44			$78.44		$158.84	1.27%
Missouri	$156.77	$147.35			$147.35		$304.12	2.43%
Montana	$28.00	$46.16			$46.16	$32.49	$106.65	0.85%
Nebraska	$43.68	$65.10			$65.10		$108.78	0.87%
Nevada	$32.76	$41.92			$41.92		$74.68	0.60%
New Hampshire	$25.19	$21.30	$8.70		$30.00		$55.19	0.44%
New Jersey	$192.21	$156.24		$4.46	$160.70		$352.91	2.82%
New Mexico	$49.11	$64.54			$64.54		$113.64	0.91%
New York	$298.35	$260.19			$260.19		$558.54	4.46%
North Carolina	$188.12	$165.19			$165.19		$353.31	2.82%
North Dakota	$21.29	$43.48			$43.48	$7.04	$71.81	0.57%
Ohio	$252.54	$241.34			$241.34		$493.88	3.94%
Oklahoma	$104.98	$112.69			$112.69		$217.67	1.74%
Oregon	$79.54	$87.10			$87.10		$166.65	1.33%
Pennsylvania	$270.84	$240.88			$240.88		$511.72	4.09%
Rhode Island	$20.80	$18.70	$11.30		$30.00		$50.80	0.41%
South Carolina	$92.29	$88.67			$88.67		$180.96	1.45%
South Dakota	$22.45	$41.52			$41.52	$15.64	$79.61	0.64%
Tennessee	$150.55	$142.30			$142.30		$292.85	2.34%
Texas	$468.36	$488.73			$488.73		$957.09	7.64%
Utah	$44.35	$50.55			$50.55		$94.90	0.76%
Vermont	$15.31	$13.83	$16.17		$30.00	$8.39	$53.70	0.43%
Virginia	$164.03	$151.59			$151.59		$315.62	2.52%
Washington	$114.68	$119.10			$119.10		$233.78	1.87%
West Virginia	$47.64	$42.86			$42.86	$20.46	$110.96	0.89%
Wisconsin	$118.34	$127.79			$127.79		$246.13	1.97%
Wyoming	$32.57	$39.52			$39.52	$8.36	$80.46	0.64%
US TOTAL	$6100.00	$6073.03	$102.33	$6.85	$6182.21	$237.78	$12,519.99	100%

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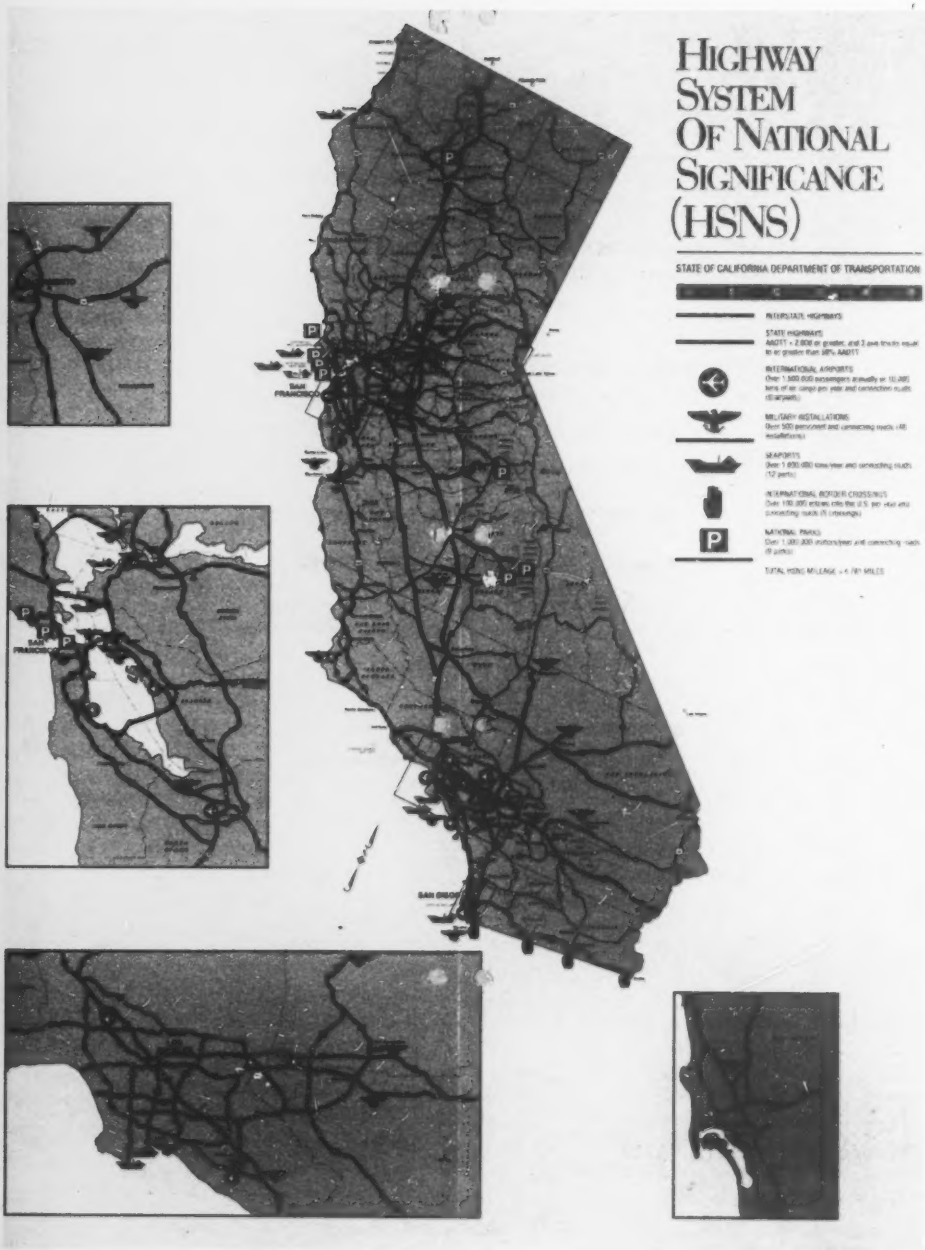
Caltrans

John Geoghegan, Secretary
California Business, Transportation and Housing Agency

Robert K. Best, Director
California Department of Transportation

1120 N Street
Sacramento, CA 95814

Produced by the California Department of Transportation (Caltrans)


HIGHWAY SYSTEM OF NATIONAL SIGNIFICANCE (HSNS)
STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION
INTERSTATE HIGHWAYS
STATE HIGHWAYS
INTERNATIONAL AIRPORTS
MILITARY INSTALLATIONS
SEAPORTS
INTERNATIONAL BORDER CROSSINGS
NATIONAL PARKS
TOTAL HSNS MILEAGE = 4,781 MILES
SAN FRANCISCO
SAN FRANCISCO
SAN DIEGO

TESTIMONY

OF

TERRY O. COOPER
DIRECTOR OF TRANSPORTATION
CITY OF FRESNO, CA

BEFORE THE

SUBCOMMITTEE ON SURFACE TRANSPORTATION

OF THE

U.S. HOUSE OF REPRESENTATIVES

ON REAUTHORIZATION OF THE POST-INTERSTATE

SURFACE TRANSPORTATION PROGRAMS

THURSDAY, JULY 5, 1990

San Jose City Council Chambers
801 No. First St.
San Jose, CA

City of Fresno
2401 N. Ashley Way
Fresno, California 93727

SUBCOMMITTEE ON SURFACE TRANSPORTATION

Reauthorization of the Post-Interstate Surface Transportation Programs

Chairman Mineta and Members of the Committee, My name is **Terry O. Cooper**. I am the **Director of Transportation for the City of Fresno, and the Fresno Area Express (FAX) in Fresno, California**. I appreciate this opportunity to testify before the Subcommittee today on the federal reauthorization program as it relates to our transit system. I would also like to speak on behalf of the principles which members of the American Public Transit Association (APTA) are seeking to have included in the upcoming Reauthorization of the Surface Transportation Program. I am currently the **Vice President of Government Affairs for APTA**.

The principles adopted by APTA's membership are particularly relevant to the difficulties we face in the City of Fresno, the San Joaquin Valley and the State of California. Small and medium sized systems throughout the nation are facing an evergrowing demand for additional transportation services far beyond their capability to provide them. We are all keenly aware of the needs of the large metropolitan areas which face seemingly insurmountable challenges to answering their transportation problems. **The common element which exists at all levels is the need for continued and increased federal transportation programs.**

The reauthorization process coincides with the crisis in American transportation nationwide. The demand for additional capacity is growing relentlessly at the same time the requirements to deal with the negative impacts of traffic congestion, lost productivity, air pollution and other environmental problems are growing at an equally incredible rate. In Fresno, Fresno County and the entire San Joaquin Valley we have one of the worst air pollution problems in the nation as carbon monoxide emissions from on-road vehicles currently constitute 65.1% of our local and regional smog problem (see attachment). How government and private interest at every level respond to these problems will make the difference between success and failure in fostering economic growth, cleaning up our air and ensuring high quality of life for all our citizens over the next decade and into the twenty first century.

To deal with this crisis, **public transit must become a central feature of the nation's transportation infrastructure**. In reauthorizing the Federal Surface Transportation Programs, your committee can revitalize the federal government's partnership with state and local governments. Future transit and highway needs require a comprehensive financial strategy guided by increased federal involvement. Federal involvement is the key to achieving national goals and ensuring participation from all state and local governments.

In 1986, the City of Fresno and Fresno County along with Alameda County, modeling a local Santa Clara County proposition; enacted a local, transportation specific, sales tax to address their growing transportation needs.

To date, some 16 California counties have enacted transportation specific sales taxes. Most recently, as you are well aware, the State of California passed Propositions 108, 111 and 116 which shows that Californians understand the important issue transportation and the priority of paying for transportation versus not paying.

To invest in transportation rather than letting the bills mount up for pollution, congestion, decaying highways, lower quality of life, and lost opportunities for economic growth has clearly been demonstrated in the nation's most populous state.

We urge the federal government to recognize the particular importance which has been demonstrated here that people are willing to pay specific taxes for specific benefits such as transportation. To further recognize that federal government's role which has invested billions of tax dollars into major transportation systems over the last thirty years cannot logically be reduced and in fact must be increased to meet our future demands and requirements for additional services.

Growth estimates for the Fresno Clovis Metropolitan Area over the next 25 years or by the year 2015 are projected to increase by more than 64% from 435,000 to 714,000 people. The ability to deal with the anticipated growth is further complicated by the mandated requirements for accessibility and alternative fuel operations which will soon be enacted. Specifically, assuming an annual operating budget of $15.3 million the needs and compliance requirements for FAX over the next 5 years will be as follows:

1. **Capital Equipment -**
   Replacements for 13 - 15 year old buses = **$10.7 Million**

2. **Service Demands -**
   More service in the evenings, greater frequencies, more express type = **$19.3 Million**

3. **Compliance Requirements -**
   Alternative fuels will increase our annual budget by $1 million per year, or more than **$4.3 million** over the next 5 years.

4. **Full compliance with ADA** will also add to our costs significantly during the same time period.

To meet these demands at a time when existing transit facilities are in desperate need of upgrading primarily caused by the reduction of federal assistance over the last 10 years of more than 50%, is simply impossible.

How long can we continue to ask public transit to do more in the areas of congestion relief, enhance mobility, air pollution reduction, land development improvements, infrastructure needs, economic health and reduced dependence on foreign oil if we do not continue, let alone increase our investment in such facilities to meet these needs.

Increased public transit use must clearly become an important part of a successful national program to meet these challenges. Only transit can simultaneously reduce pollution, congestion and fuel consumption while ensuring mobility for more people in accommodating increased passenger miles of travel.

On behalf of the City of Fresno, small and large transit systems throughout the country and the American Public Transit Association as a whole, we urge the committee to support a national goal of increased transit availability and ridership which will be necessary to fund through increased federal assistance as described in the following points:

1) A federal investment in public transit should be increased to at least 11 billion dollars annually, $6.5 billion for essential reinvestment and $4.5 billion for capacity expansion.

2) To provide reliable, predicable funding it will be necessary to enact a 7 cent per gallon increase in the federal fuel excise tax earmarked for transit.

3) The federal government should provide transit systems with additional aid to pay for compliance with federally mandated clean air and accessibility requirements.

4) Metropolitan areas should have greater flexibility in the use of federal transportation funds to meet more specific local transportation needs.

5) The definition of transit should be broadened to include a wide range of high occupancy vehicles and shared ride services.

6) The federal government should eliminate tax policies that discourage transit use and private investment in transit facilities.

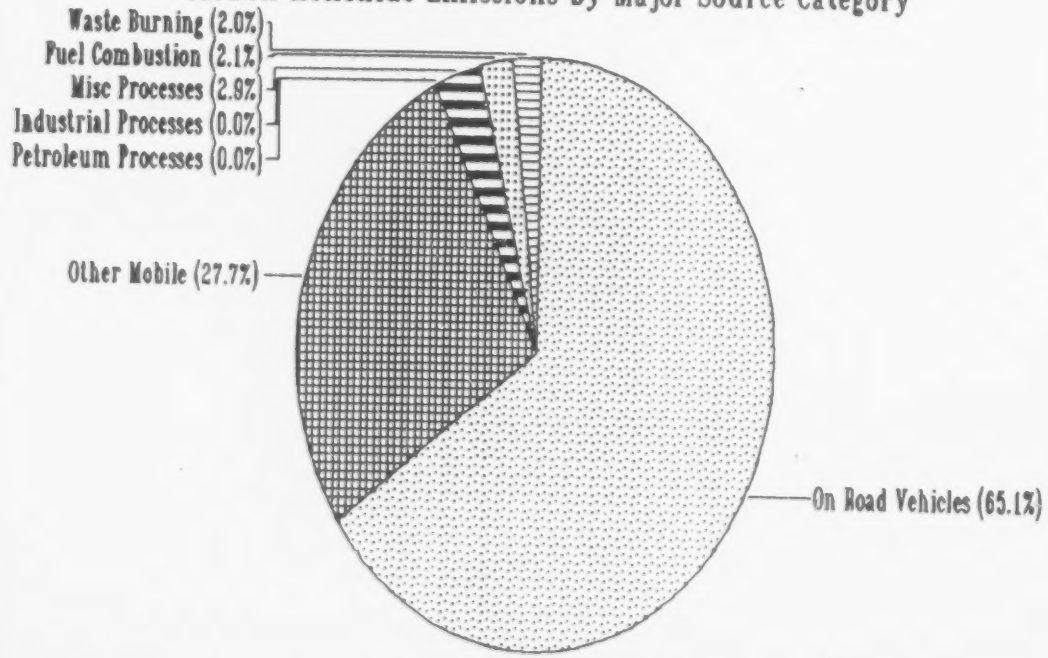
In conclusion, by incorporating these principles into the Surface Transportation Reauthorization legislation, your committee can reassert the proper federal responsibilities by ensuring that transportation policies achieve national goals while maintaining an appropriate area, state and local control over planning and implementation. Many local and state governments throughout the country have already absorbed a large portion of the federal reduction in transportation investments but may be stretched to the limit in their abilities to meet future needs.

Mr. Chairman, I would like to thank you for the opportunity to present testimony to your Committee and we look forward to working with you towards an aggressive, long-term, fiscally responsible solution to meeting our ongoing transportation needs in this country.

FIGURE 8

Fresno County

Carbon Monoxide Emissions by Major Source Category



1990

COFCG

Figure 9:

CALIFORNIA AIR BASINS

A.R.B. 7/86

ADOPTED PRINCIPLES FOR THE REAUTHORIZATION OF THE SURFACE TRANSPORTATION ASSISTANCE ACT

PRINCIPLE 1

The federal investment in surface transportation should be substantially increased and, with these increases, parts of the federal program should be substantially restructured.

PRINCIPLE 2

In order to accommodate a diversity of passenger travel while reducing growth in vehicle miles, the definition of transit and the UMTA charter should be broadened to encompass and promote increased availability and use of transit and all forms of high-occupancy, shared-ride services.

PRINCIPLE 3

Allow greater flexibility in the use of available federal funds; enhance and strengthen the existing regional decision-making authority over the use of federal transportation funds.

PRINCIPLE 4

Establish a stronger multi-modal approach in planning, funding and decision-making.

PRINCIPLE 5

Reliability and predictability of federal funding should be improved through greater reliance on dedicated funding. The costs associated with mandated federal actions, and the substantial contribution of transit to the achievement of other national goals, provide justification for increased support from all sources.

PRINCIPLE 6

Increase reliance on a predictable formula funding using factors better reflecting transit needs.

PRINCIPLE 7

Substantial additional funding should be provided for transit to fully carry out the national goal of significantly increasing the provision and use of high-occupancy, shared-ride services.

PRINCIPLE 8

An immediate motor fuels tax increase should be enacted, and the entire federal fuels tax made permanent concurrent with reauthorization of the Surface Transportation Assistance Act, to support needed transit and highway investment.

PRINCIPLE 9

The federal transportation program and Tax Code should be revised to encourage private investment in transit, and to eliminate the taxation of employer-subsidized transit passes and other federal laws which act as disincentives to transit use.

PRINCIPLE 10

Federal transportation policies and programs should require closer integration of transportation investments and land use decisions, in order to provide an environment that is conducive to and encourages increased provision and use of high-occupancy shared-ride services. Other federal policies should incorporate the same objective.

PRINCIPLE 11

Expand federal support for basic research, development, training, and human resources activities affecting transit, and ensure adequate direction of the program by transit industry officials.

PRINCIPLE 12

Federal operating assistance for all sizes of transit systems is an essential element of the federal program and must continue in order to assure adequate maintenance and effective operation of the transit capital investment.

PRINCIPLE 13

Federal policies and mandates result in additional costs to transit operations and capital investments and, as such, federal funding should be provided to meet these requirements.

MTC
METROPOLITAN TRANSPORTATION COMMISSION

Alameda County
Alex Gellman
Edward R. Campbell

Contra Costa County
Robert I. Schroder
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Marin County
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William R. Lucius

Association of Bay Area Governments
Dianne McKenna

S.F. Bay Conservation and Development Commission
Angelo J. Siracusa

State Business, Transportation and Housing Agency
Preston Kelley

Executive Director
Lawrence D. Dahms

Deputy Executive Director
William F. Hein

Testimony of
Lawrence D. Dahms, Executive Director
Metropolitan Transportation Commission
Oakland, CA

before the

Subcommittee on Surface Transportation
Committee on Public Works
United States House of Representatives

July 5, 1990
San Jose, California

(7538p)

Joseph P. Bort MetroCenter • 101 Eighth Street • Oakland, CA 94607-4700 • 415/464-7700 • FAX 415/464-7848

Mr. Chairman and Members of the Subcommittee, my name is Lawrence D. Dahms. I am Executive Director of the Metropolitan Transportation Commission, the Bay Region's transportation planning and finance agency. I am appearing before you today as Chair of the Bay Area's Transit Operator Coordinating Council, which is composed of the general managers of each of the region's major transit systems. Taken as a group, the Bay Area's transit network serves over 1.5 million people each weekday and has an annual operating budget of $750 million. Appearing with me today on behalf of the Transit Operator Coordinating Council are Frank Wilson, General Manager of BART; Carney Campion, General Manager of the Golden Gate Bridge Highway and Transportation district; Howard Goode, Management/Analyst of the San Mateo County Transit District; Ken Stanley, Planning Director of the Alameda-Contra Costa Transit District; Ed Harrington of the City and County of San Francisco; and Jim Reading, General Manager of Santa Clara County Transit.

We are happy to appear before you today to present a regional perspective on the reauthorization of the nation's surface transportation program and to address some of the key transportation issues facing us here in the Bay Area. At the outset, I would like to stress our support for the reauthorization principles embodied in the T-2000 program developed by the American Public Transit Association (APTA), including APTA's call for an increase in gasoline user fees for public transportation. I have attached APTA's principles to my written testimony. These principles underscore the need for dedicated, stable sources of funding for transit in our nation's cities and clearly state the national interest in both transit operations and capital expansion and rehabilitation.

Note in the APTA principles, as in the testimony of almost every national organization, support for more flexible federal funding.

Before deferring to my transit partners for their remarks, let me explore briefly this concept.

1) Why is flexibility important?

2) How can flexibility be achieved?

3) How can flexibility become inflexible?

Briefly, in that order, consider these answers.

1) Why is flexibility important?

A flexible federal program is essential if other federal objectives are to be given adequate consideration. Land use integration, air quality mitigation, multimodel integration, increased local funding and cost effective project investments are all encouraged if state and local decisions are free of overly rigid federal funding categories and regulations. Often improvements are not feasible unless there is an opportunity for local tradeoffs to be made.

2) How can flexibility be achieved?

We propose a geographic allocation of formula funds dedicated to building and operating metropolitan and rural access systems.

(7538p)

The existing state-local decision process described in federal law provides the basis for determining how planning and funding decisions would be made. With slight modification, this existing law could impose a system discipline while providing sufficient flexibility to encourage the integration of freeways, local arterials, transit and major terminals. Where a well established MPO exists, it could assume a leadership role in the state-local partnership. In other cases, the state could play the leadership role so long as it focused on the metropolitan or rural access system. The federal government has demonstrated its ability to get all states to focus on delivery of a single system - the Interstate. There is every reason to believe that a similar focus on metropolitan and rural access system development can be achieved now. In this case, however, an extended partnership and more flexibility are required.

3) How can flexibility become inflexible?

There are traps to be avoided, as follows:

The move to create a National Highway System of 150,000 miles can lead to State/Federal preoccupation with a single part of the system. While this may have been required to complete the Interstate System, it threatens a meaningful response to congestion in urban areas where a multi-faceted attack is required.

Perpetuation of anti-transit bias manifested in alternatives analysis requirements, differing matching ratios and other regulations directed only at transit acts also to undermine flexibility.

(7538p)

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These federal impediments to flexibility are exaggerated by State Transportation Departments still wedded to a freeway as always the best solution. These impediments must be countered by Congress if we are to benefit from new thinking needed to meet new transportation challenges.

Conclusion

A gap exists between lofty goals expressed in the Secretary's National Transportation Policy and similar statements by our own California Administration versus specific implementation proposals. In this brief examination of the concept of flexibility we suggest that it is a worthy strategy in search of achieving other federal objectives, so long as care is taken to follow through to a logical conclusion.

We appreciate the support your committee can give in matching worthy objectives with strong implementation incentives.

Thank you for this opportunity to discuss these concepts.

(7538p)

MTC Supports APTA's T-2000 Principles

Abstract of the American Public Transit Administration (APTA) Principles

1. Restructure the federal surface transportation program.
2. Broaden the concept of transit to other forms of mobility.
3. Enhance and strengthen regional decision-making authority.
4. Provide flexibility and multimodal decision-making.
5. Increase reliance on dedicated formula funding.
6. Continue federal support from all sources reflecting the cost of federal mandates and transit contribution to national goals.
7. Substantially increase federal funding.
8. Dedicate an immediate fuel tax increase to transit and highway investment.
9. Add federal tax code incentives.
10. Require closer integration of transportation investments and land use decisions.

Discussion

APTA principles take the reauthorization discussion beyond current conventional wisdom as follows:

1. APTA principles embrace the concept of mobility in contrast to its historic modal orientation.
2. APTA principles recognize the potential advantage of highway/transit investment tradeoffs at the regional level.
3. APTA principles support a substantial user fee increase to invest in transportation rather than defend only against a deficit reduction raid.

These APTA principles inject fresh thinking into the reauthorization debate.

HOUSE PUBLIC WORKS TRANSPORTATION COMMITTEE HEARING ON URBAN MASS TRANSIT REAUTHORIZATION BILL

July 5, 1990
San Jose, California

Erlene DeMarcus, Director
Bay Area Rapid Transit District

I am speaking to you today from a local perspective to let you know how important it is for the Federal Government to stay a key part of the funding equation for transit. As Congress continues to write new laws impacting our daily lives it is critical and only fair that these federal policies be tied to funds for implementing them. For instance, an important federal policy currently under discussion is the protection of the environment. Achievment of this goal requires a close connection between transportation and land use. Since we in transit are looked to as a solution to environmental problems, the law should be constructed compatible with funding any needed transportation improvements. Likewise, mobility for the elderly and handicapped is a fundamental federal objective. But where in the law do you find the ability to deliver the necessary transportation services to achieve this purpose. I submit that there must be specific linkages between policy and the execution of that policy in order for the objectives to be met.

Growth in the Bay Area is of major concern. While we do not control that growth, we are often called upon to manage it once it has occurred. Whether we do this well or not so well is dependent on the resources available to us. It would be much preferable if we could be a catalyst to manage growth before it happens rather than after the fact. Transportation decisions become more costly in the latter environment merely because you are more likely to have to subway under the existing development. It would be much cheaper and more reasonable to build before such growth has occurred.

In summary, California is a growth State. We are feeling the pressure of that growth and are doing what we can at a state and local level to respond to that growth. In addition, we ask Congress to understand the diversity of this wonderful country and to not lose sight of the needs of growth areas while trying to deal with the very different needs of our older cities. We need the ability to be able to build for the future.

Thank you for your consideration.

Testimony by Rod Diridon, Chair
Santa Clara County Transit District
Board of Supervisors

to the
House of Representative's
Committee on Public Work's and Transportation
Sub-committee on Surface Transportation

Public Hearing on the
Federal Reauthorization Bill
July 5, 1990

Mr. Chairman, Members of the Committee, as Chairman of the Santa Clara County Transit District Board of Supervisors, I would like to make some brief comments:

First, before I speak specifically on the topic of reauthorization, I would like to take this opportunity to thank Congress, this committee and especially the Chairman, for the past financial support and commitment which made this county's first light rail system possible. The current starter segment revenue service in the Guadalupe Corridor extends nine miles from downtown San Jose, north to the Santa Clara Great America amusement park. The remaining 11-mile south line from downtown San Jose to the residential neighborhoods in South San Jose is currently under construction and scheduled to begin revenue service in the summer of 1991. We are also pleased to inform this Committee that the project is within budget. And as of April, 1990, the initial segment carried in excess of 9000 weekday passengers, greatly surpassing our original ridership projection of 2000 to 5000 weekday riders. This is a strong indication that residents of Santa Clara County view transit as a viable and effective means of transportation.

We hope the same financial support and commitment by congress will continue for the county's proposed second rail project, the Tasman Corridor Extension. The corridor's federal alternatives analysis and draft environmental impact study are in progress. We are nearing the selection of the locally preferred route alternative and will be ready to move forward into the preliminary engineering phase shortly. Congress and the Urban Mass Transportation Administration can play an important role by authorizing a full funding grant agreement on the project within the coming year.

In addition to Santa Clara County's commitment to the Tasman Corridor, the County is also spending substantial amounts of local funds to study future transit corridors. These include the Fremont to San Jose BART Corridor, and Vasona Light Rail Corridor. We also support improvements to the existing CalTrain Corridor and are currently proceeding with plans to extend rail service south to Gilroy. We have also conducted or are in the process of accomplishing preliminary studies of the Route 85, Santa Teresa, Capitol, and Downtown to Evergreen Corridors.

Greater use of mass transit in these key transportation corridors will be the direction of the future. County-wide opinion surveys have shown a strong level of support for rail improvements, particularly as a longer range solution to our traffic congestion and air pollution. The residents of Santa Clara County also expressed their strong support of rail by approving two rail bond programs in the June state-wide elections. Finally, all fifteen of our cities, the county Transportation Advisory Commission and the regional Metropolitan Transportation Commission support this master plan for our transition to transit.

In order to achieve our mass transit goals, a strong federal, state and local funding partnership must continue to be strengthened by increasing funding at all levels. Even though all of the major counties in the San Francisco Bay Area, including Santa Clara County, have elected in recent years to become "self-help" (that is increase the local sales tax for mass transit and roadways), the need for increased federal and state funding assistance for transportation remains high. These local sales tax measures were budgeted to provide the local matching funds to attract the state and federal shares. The local funds are sadly inadequate to do the whole job.

The need for strong federal assistance is especially true in the area of transit -- adequate and dependable levels of federal funds for both operating and capital assistance must be maintained as an essential component of the next reauthorization bill. Just as California has raised taxes for transportation, so should the federal government increase the federal gasoline tax to meet our nation's future transit demands. That position is shared by the American Public Transit Association, the National Association of Counties (of which I am Chair of the Mass Transit and Railroads Committee), League of Cities, and others. Without this assistance, we will be unable to achieve California and federal air quality and congestion reduction goals.

It is important to Santa Clara County and other economic centers that new national policies and programs encourage and support regional planning. In order to engineer Santa Clara County's transportation infrastructure to meet regional goals in air quality, congestion reduction and the integration of land use and transportation services, we will need federal policies that allow local or regional governments to decide where to invest their limited federal, state and local transportation dollars.

This can only occur if maximum flexibility in the application of transportation funds is permitted. As part of the recent California gasoline tax increase package, flexible funding in the form of a flexible congestion relief program was instituted . Under this program, newly generated gasoline tax revenues can now be used for either rail projects or roads, with the decision resting at the local government level. Federal support for these kinds of programs will ensure adequate dollars are available to regions for determining and developing their own unique future transportation systems.

In order to allow this flexibility to work the new reauthorization bill needs to address two important problems associated with project implementation. First, we are concerned about the uneven playing field between rail and highway projects in terms of local matching requirement and project evaluation criteria. Congress must develop policies which will place rail projects on equal footing with the federal highway program in these two areas. For example, the current expected local match by the Urban Mass Transportation Administration for new rail projects is 50 percent. The local match ratio for highway projects is much lower. In addition, the project evaluation process and criteria are more time consuming and rigid for rail projects, and rely upon an arbitrary cost-effectiveness threshold criteria of $6 per new rider. This criteria ignores equally important factors such as congestion relief, air quality improvements, and the need of growing areas to focus their attention on the integration of land use and transit.

Finally, I wish to conclude my comments by complementing Congress on its recent efforts to strengthen the federal air quality goals and to enhance transportation opportunities for the nation's mobility impaired population. The transportation community, in particular transit systems, will be expected to respond to these new federal mandates. Both the Federal Clean Air Act and the American Disabilities Act will result in new costs to the public transit providers. Indeed, Santa Clara County has a fully accessible system, but it was and will continue to be expensive. It is imperative that congress provide "NEW FUNDS" to the transit industry to carry out these new and important national mandates in an effective and timely manner.

This concludes my testimony. I will be glad to answer any questions that you may have.

TESTIMONY TO THE HOUSE COMMITTEE ON
PUBLIC WORKS AND TRANSPORTATION
SUBCOMMITTEE ON SURFACE TRANSPORTATION
SAN JOSE, CALIFORNIA
July 5, 1990

Presented by
DON FORBES, State Highway Engineer
Oregon Department of Transportation
Room 102 Transportation Building
Salem, OR 97310

I want to thank you, Representative Mineta, on behalf of the Oregon Department of Transportation for the opportunity to testify today on a topic of great importance, that is, the next federal surface transportation act which will be a critical determinant of whether the U.S. shall have a transportation system that meets it's economic and social needs in the decades ahead. Given the other pressing needs in this country, it is easy to overlook our transportation system. Yet, investment in transportation infrastructure is critical to the continued economic vitality of the nation.

The House Committee on Public Works and Transportation should be congratulated on beginning deliberation of this important legislation now; there are many difficult issues to be resolved. For example, a key element of the next act should be funding for the Interstate highway system. The Interstate system is the backbone of America's highway system. It is comprised of the routes of highest national importance, linking principal urban areas with America's borders and coastlines.

While the system comprises only 1% of the nation's highway mileage, it accommodates over 21% of vehicle miles traveled. These routes serve national defense and provide the main corridors of interstate highway transport.

Those of us charged with managing the highways focus on two broad areas of need: protecting the investment, that is preserving the existing system; and modernization, or increasing the capacity of the system to carry more traffic. While modernization needs are great, preservation of this tremendous national investment should be the primary goal of any

future national transportation program. Quite simply, it bestows the most benefit to the most people.

In many respects, Oregon's Interstate system reflects the national system. That is, it is aging and federal revenue sources are not up to the task of meeting even basic needs. Pavements that are in fair condition today will soon reach a point of accelerated wear, declining into the very poor category.

We recognize this in Oregon and have made system preservation our number one priority. We set the highest goals for pavement quality for the Interstate system. In the latest update of our Highway Plan, we ambitiously are aiming for 96% of our Interstates to be in "fair or better" condition by 2010.

Funding constraints force us to set much lower goals for modernization; that is, expanding the capacity of the system. Absent the ability to obtain any discretionary I-4R funds, over this same period we shall succeed in meeting only about 30% of our modernization needs on the Interstates. And, this low performance is only achieved through providing at least $6 million per year in State funds into Interstate preservation beyond matching the Federal I-4R funds. This is, incidently, the first time we have had to apply state resources to Interstate preservation.

The fact is that our estimates of uninflated needs on the Interstate system in Oregon for the next 20 years is twice what we can expect to receive in I-4R funding, at current levels, and this assumes we are able to obtain some discretionary I-4R funds.

In Oregon, under the best of conditions between 1991 and the year 2010, at least $370 million will be needed simply to protect the investment we already have. Nearly $1.5 billion will be needed when modernization projects are added. Under current legislation, anticipated Federal Interstate funds for this type of work amount to approximately $690 million.

We are not asking the federal government to solve all of our problems. For example, Oregon has made a major commitment to care for the other components of our highway system. Since 1985 the Oregon Legislature has raised State gas taxes by 10¢ per gallon, with comparable increases in weight-mile taxes for trucks. Despite that increase, we still only have $1 for every $3 to $4 of identified need in the next 20 years. Federal participation is critical if we in Oregon are to responsibly care for our highway system.

For the federal government to ensure preservation of the Interstate system, funding for I-4R will have to be increased. Either declining pavement quality or substantial reductions in level of service seem inevitable at current program levels.

It is also critical that the allocation of Interstate preservation funds is done in a manner in accordance with system needs. The current federal program for Interstate preservation is Interstate 4R. I-4R funds are apportioned to states according to a formula weighted 55% by the proportion of Interstate lane miles in each state, and 45% by the estimated proportion of vehicle miles traveled on the Interstate system in each state.

In the past, Congressional debate has centered around how to account for Interstate use and its impact on the I-4R funding process. The factors of lane miles and vehicle miles traveled were selected after a review and evaluation by the Federal Highway Administration. Lane miles account for both the extensiveness of the Interstate system in a state and its contribution to 4R needs. Vehicle miles traveled reflects the use of the system and the abuse it may be taking from trucks and traffic in general.

The 1981 amendments to the existing act saw a major shift in the vehicle miles traveled formula, from 25% to 45%, and reflected a major shift of Congressional concern over the impact of traffic on the Interstate system. In other words, Congress accurately recognized that high traffic volumes carried by some segments of the Interstate would result in premature failure of those segments.

Another reason that the 1981 amendments reduced the emphasis on lane miles was that many of these lanes were relatively new. However, today we are at the point where most of the lanes on the Interstate system are reaching their 20-year design life, whether from traffic or aging, and need major rehabilitation work. Therefore, it is time to reassert the role of lane miles as the primary indicator of need in the preservation formula.

It is important to note that "lane miles" is also the more accurate of the two measures. "Vehicle miles traveled" is an estimate of use and, therefore, subject to interpretation. "Lane miles," on the other hand, is easily quantified and verifiable by all parties.

I also would like to call the Committee's attention to the to topic of scenic byways. Last year, Congress directed the Federal Highway Administration to conduct a national scenic byways study which calls for the development of guidelines for establishing a National Scenic Byways Program. Oregon endorses this initiative and is conducting one of the case studies called for as part of the study.

In areas of unique scenic beauty and recreational opportunity, the highway system will have to safely accommodate large numbers of older drivers--many driving cumbersome RVs--along with more cyclists, tour buses, trucks and local traffic. This increased traffic will have to be accommodated while we simultaneously preserve the scenic and environmental qualities the visiting public has come to see.

A number of factors indicate a significant increase in demand for recreational driving in the next several decades as the baby boom generation enters its late middle age years. This large portion of our nation's population will have both high discretionary incomes and substantial leisure time, which in combination will result in a considerable increase in recreational driving. In fact, we already are experiencing this increase in demand.

Further, bicycle touring and vacationing is increasing at an annual rate of 10%. The number of recreation vehicles sold each year increased more than 118% in the last decade, and will continue to grow as baby boomers approach retirement.

In Oregon, we are confronting this challenge today along the Pacific Coast, a recreational and scenic corridor of world class quality. The Department is in the process of developing and planning the construction of a scenic highway corridor along the coast which will protect and enhance the aesthetic qualities of the corridor while serving its unique transportation needs. Our approach utilizes Oregon's strong land use planning laws, total public ownership of Oregon beachfront, our commitment to highway access control, and a variety of parkway and safety design features.

A project demonstrating parkway design for urbanizing areas is due to begin construction in August. Other projects unique to the scenic corridor are in development, and our Transportation Commission has authorized further planning and design studies.

Scenic corridors, however, are determined by natural characteristics, not political boundaries. The Pacific Coast is a national asset. In our opinion, any system of national scenic byways would have to include the highways and roads along much of the entire Pacific Coast; not just that in Oregon.

Our ability to develop a scenic highway corridor extending beyond Oregon's borders has proven limited. Although there is interest in Washington and California in what we are doing, there is no mechanism available for exploring the idea in a comprehensive way.

The federal government has a role to play here. Active federal leadership in defining, designating, coordinating and planning unique multistate scenic highway corridors would provide the necessary vehicle for advancing a complex multijurisdictional effort like that we envision on the Pacific Coast. We would recommend the Committee review the National Scenic Byways Study with this important federal role in mind. Thank you for your consideration.

PUBLIC TESTIMONY

TO

THE SUBCOMMITTEE ON SURFACE TRANSPORTATION

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

U.S. HOUSE OF REPRESENTATIVES

By

Gerald V. Gibney
Vice President, Transportation
ICF Kaiser Engineers, Inc.
1800 Harrison Street
Oakland, CA 94612

415/268-6840

July 5, 1990

Mr. Chairman,

My name is Gerald Gibney. I'm Vice President and Regional Manager, Transportation, for ICF Kaiser Engineers. I'm based in Oakland, California at our world headquarters office. I am also a Director of the Consulting Engineers Association of California and a member of the American Consulting Engineers Council Transportation Committee at the national level.

My firm is one of the top transportation engineering consulting firms in the U.S. and internationally. In my 20 years of experience in transportation, there has never been a time when both the opportunities and the dangers for transportation have been so great. We all agree that this nation's infrastructure is decaying at an alarming rate and that the lack of transportation facilities is adversely affecting our ability to compete in the world marketplace. Here in California it is especially evident that affordable housing is, in fact, not available close to job centers. Transportation to our offices throughout California from our employees' homes is difficult, time consuming, and very very expensive. Business travel between cities in California and throughout the nation is in similarly bad shape.

Most everybody here in California would agree on the severity of the program. The question is: What are we going to do - what can we do - about it?

The people of the State of California have voted affirmatively to increase user fees - taxes - for transportation. They did so because it was necessary and because the leadership of this state, public and private, was united in recognizing the need and in devising a plan. In order to succeed, the

national leadership is going to have to be similarly united.

The administration is currently collecting more in gas taxes than it is disbursing from the trust fund. There is even talk of raising the gas tax to reduce the deficit. It is short-sighted to be holding up funds already collected in the transportation trust fund while highways and transit are deteriorating. It is even more short-sighted, in our view, to speak of using the gas tax to reduce the deficit. An increase in the gas tax is necessary for the purposes for which it has traditionally been used - investing in the transportation system. That investment is needed now because if we delay, the inflated future costs would be prohibitive.

Mr. Chairman, you, your colleagues and the staff of the Committee on Public Works and Transportation have worked hard with the California Department of Transportation to devise California's recommendations for a Post Interstate National Surface Transportation Program. The recommendations are comprehensive and systematic. They address changes in the program structure and federal funding levels, financial innovation and federal oversight. Those recommendations deserve congressional support, and the business community is confident that our state congressional delegation will make itself heard on the Hill. We urge the Congress to stand firm in this critical time of defining the future of surface transportation - both transit and highways - for the nation.

As a representative of the private sector, I would like to address three issues of particular concern to us.

One, private sector engineering design is of obvious interest to us. The private sector is a vast reservoir of engineering talent that is innovative and cost effective. California has increased its use of consulting engineers in recent years and increased contracting-out has brought new resources to capital project delivery. The fast response capability of the private sector was particularly evident in the aftermath of the Loma Prieta earthquake, when our capabilities were quickly brought to bear. We want to be part of the solution.

Second, we applaud congressional efforts to improve business conditions in the provision of engineering services. Qualifications-based selection in accordance with the Brooks bill is vital to the best interests of both the public and private sector. The marginal cost of procuring quality engineering services, as opposed to unqualified services and low-balled bids, is minuscule in comparison to the benefits which accrue and the costs of the disasters which are avoided.

Third, we urge you to acknowledge the need of the states to have the flexibility to pursue the privatization of transportation facilities and systems where it makes sense. Privatization is not a panacea, but it is a viable means of unleashing resources which are badly needed in this country. Entrepreneurial innovation using private capital to augment the public system to improve safety and capacity makes sense for America.

Thank you for the opportunity to be heard at this hearing. The private sector is capable, responsive and of value in the field of transportation. We want to help and sincerely appreciate the opportunity to be heard today.

PRESENTATION BY VINCENT HARRIS, DEPUTY DIRECTOR

ALAMEDA COUNTY TRANSPORTATION AUTHORITY

to the

HOUSE PUBLIC WORKS COMMITTEE

July 5, 1990

San Jose, California

My name is Vincent Harris and I am appearing here at the request of the Authority's Governing Board. The Authority Chairperson, Mayor Dave Karp of the City of San Leandro, sends his regrets as he had a prior commitment today.

As you are aware, Alameda County is one of fourteen "self help" Counties in California. The Alameda County Transportation Authority administers this voter approved one half cent sales tax for otherwise unprogrammed transportation improvements in Alameda County. The projects in the program were identified as the most essential in the County. Our program includes rail projects, local streets and roads, and major Interstate highway facilities.

Alameda County's program, which will amount to approximately $1 Billion in a fifteen year period, is aimed at correcting currently perceived deficiencies. It does not provide for future transportation needs.

In addition, we found that these voter approved sales tax funds are inadequate to meet our full transportation expenditure plan commitments. The recent Statewide transportation measures will offer some assistance in this regard. However, here again, the available funding will be heavily dependent on continued Federal support and will only start to address current needs.

In Alameda County there are approximately forty miles of designated Interstate Routes that have received no Interstate construction funds and barely enough Interstate 4R funds to maintain the existing inadequate roadways. It is these routes of National importance and other neglected "missing urban links" that need continued Federal assistance to meet future needs in this growing region. We refer to "neglected" links in the total system, as the emphasis on Interstate completion did result in shortages elsewhere.

We have two examples in Alameda County of routes that are of National importance but which have received insufficient funding to match their needs. These routes are I-880 and I-238.

I-880, the Nimitz Freeway, was designated under Section 139((a)) of Title 23. We have a sales tax commitment for improvements on 13 of the 35 miles of this facility in the amount of $220 million. However, we have identified a total need on our portion of I-880 amounting to $458 million, in 1990 dollars. The increases on this route and on other sales tax projects are due to such matters as increases in the scopes of work to meet Federal requirements and to the need to rehabilitate the existing roadways. For instance, our commitment on I-880 was for freeway widening. We now find that we may be required to build a high occupancy vehicle facility and we find that much of the existing plant is worn out and needs replacing.

We do not have a commitment to I-238, a similarly designated 139(a) system inclusion. However, I-238 connects I-580 and I-880 and, because of truck restrictions in the City of Oakland, serves all Interstate truck traffic entering the Bay Area from Central Valley over I-580. Correcting the deficiencies on this major

Interstate truck facility will cost over $100 million, and there are no available State or local funds currently available for this work.

Accordingly, we urge reauthorization and increase of the Federal gasoline tax for transportation purposes for the following reasons:

1. To meet the growing needs of this region.
2. To protect and enhance the existing Federal transportation investment.
3. To assist and reward local efforts aimed at maintaining and upgrading routes of National importance.
4. To provide for missing links in the transportation system.

Our presentation notes some of the problems in Alameda County. However, as the Bay area grapples with air quality, transportation and land use issues, we are well aware that solutions must be worked out in a regional setting. Our comments could well apply to any or all of the Bay Area Counties.

In closing, I repeat that the Alameda County Transportation Authority strongly supports reauthorization and increasing the Federal gasoline tax for Transportation purposes.

TESTIMONY OF
WILL KEMPTON
EXECUTIVE DIRECTOR
SANTA CLARA COUNTY TRAFFIC AUTHORITY

REGIONAL FIELD HEARING
HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
SUBCOMMITTEE ON SURFACE TRANSPORTATION
THURSDAY, JULY 5, 1990
SAN JOSE CITY COUNCIL CHAMBERS

REAUTHORIZATION OF THE POST-INTERSTATE
SURFACE TRANSPORTATION PROGRAMS

GOOD MORNING, MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE. MY NAME IS WILL KEMPTON, AND I AM THE EXECUTIVE DIRECTOR OF THE SANTA CLARA COUNTY TRAFFIC AUTHORITY. THE TRAFFIC AUTHORITY IS A LOCAL AGENCY RESPONSIBLE FOR ADMINISTERING THE PROCEEDS OF A ONE-HALF CENT SALES TAX INCREMENT APPROVED BY COUNTY VOTERS IN NOVEMBER OF 1984. THE TEN-YEAR SALES TAX PROGRAM, WHICH EXPIRES ON APRIL 1, 1995, WILL RAISE NEARLY A BILLION DOLLARS FOR IMPROVEMENTS TO THREE STATE HIGHWAYS IN SANTA CLARA COUNTY. TWO OF THESE HIGHWAYS, ROUTES 85 AND 237, ARE PART OF THE FEDERAL AID URBAN SYSTEM. ROUTE 101, THE THIRD PROGRAM LEG, IS AN IMPORTANT NORTH-SOUTH LINK IN THE FEDERAL AID PRIMARY SYSTEM.

AS YOU KNOW, MR. CHAIRMAN, WE ARE WELL ALONG IN IMPLEMENTING THE IMPROVEMENTS MANDATED BY THE VOTERS. THE WIDENING OF ROUTE 101 IS TWO-THIRDS COMPLETE, WITH THE REMAINING THIRD GOING TO CONSTRUCTION THIS SUMMER. IMPROVEMENTS TO EXISTING ROUTE 85 ARE COMPLETED AND AVAILABLE FOR USE BY COUNTY COMMUTERS, WITH CONSTRUCTION OF THE NEW ROUTE 85 FREEWAY WELL ALONG. LARGELY DUE TO ASSISTANCE PROVIDED BY YOUR OFFICE, CONSTRUCTION ON ROUTE 237 IS EXPECTED TO BEGIN THIS FALL, AS WE EXPECT A RECORD OF DECISION ON THE ENVIRONMENTAL IMPACT STATEMENT FOR THIS IMPORTANT PROJECT LATER THIS MONTH.

THE MEASURE A PROGRAM, SO-CALLED FOR ITS BALLOT DESIGNATION, IS THE FIRST OF ITS KIND IN THE STATE OF CALIFORNIA. SINCE OUR VOTERS APPROVED THIS MEASURE IN 1984, 14 OTHER COUNTIES IN THE STATE HAVE FOLLOWED OUR LEAD IN APPROVING SIMILAR MEASURES. THESE PROGRAMS WILL RAISE MORE THAN ELEVEN BILLION DOLLARS FOR TRANSPORTATION IMPROVEMENTS IN THIS STATE. MUCH OF THIS MONEY WILL BE INVESTED IN THE FEDERAL HIGHWAY SYSTEM, INCLUDING INTERSTATE HIGHWAY IMPROVEMENTS, AND IN TRANSIT FACILITIES WHICH IN MANY INSTANCES ARE ELIGIBLE FOR FEDERAL PARTICIPATION.

IN TERMS OF THE POST-INTERSTATE REAUTHORIZATION, THE AUTHORITY STRONGLY SUPPORTS WHAT APPEARS TO BE A UNIVERSAL APPEAL FOR FLEXIBILITY IN THE DEVELOPMENT OF A NEW FRAMEWORK FOR ALLOCATING FEDERAL TRANSPORTATION DOLLARS. HOWEVER, WE WOULD URGE THE SUBCOMMITTEE TO EXAMINE THE POSSIBILITIES OF LEVERAGING A HIGHER RETURN ON THE FEDERAL INVESTMENT IN TRANSPORTATION IMPROVEMENTS THROUGH THE ESTABLISHMENT OF A LOCAL INCENTIVE PROGRAM. OUR CONCEPT OF SUCH A PROGRAM IS SIMILAR TO ONE RECENTLY APPROVED BY THE STATE LEGISLATURE AND FUNDED BY THE PASSAGE OF PROPOSITION 111 LAST MONTH.

THE STATE-LOCAL PARTNERSHIP PROGRAM PROVIDES TWO BILLION DOLLARS OVER THE NEXT TEN YEARS TO MATCH TRANSPORTATION PROJECTS WHICH MEET CERTAIN CRITERIA, INCLUDING DELIVERABILITY REQUIREMENTS. THE PROGRAM SERVES TO ENCOURAGE LOCAL CONTRIBUTIONS TO STATE TRANSPORTATION PROJECTS, AND THE STATE MATCHING MONEY IS A TREMENDOUS ASSET IN HELPING TO DEFRAY PROJECT COSTS FOR LOCAL AGENCIES. A SIMILAR MATCHING OR GRANT PROGRAM AT THE FEDERAL LEVEL WOULD CREATE THE SAME KINDS OF BENEFITS, AND WOULD FURTHER FOSTER THE NOTION OF INTERGOVERNMENTAL COOPERATION.

THE LAST POINT I WOULD LIKE TO RAISE TODAY, MR. CHAIRMAN, DEALS WITH THE PROJECT DEVELOPMENT PROCESS--THE TIME IT TAKES TO GET A PROJECT FROM THE INITIAL PLANNING STAGE TO CONSTRUCTION. THE TRAFFIC AUTHORITY RECOGNIZES AND SUPPORTS THE NEED TO MEET SOUND AND REASONABLE REQUIREMENTS AS PART OF THE ENVIRONMENTAL AND DESIGN PHASES OF PROJECT DEVELOPMENT. HOWEVER, THE INVOLVEMENT OF THE REGULATORY AGENCIES CHARGED WITH OVERSEEING THE PROCESSES FOR MEETING THESE REQUIREMENTS CAN SOMETIMES BE VERY TIME CONSUMING. WE SUGGEST RATHER THAN REDUCING OR ELIMINATING THE REQUIREMENTS, THAT APPROPRIATE TIME LIMITS BE ESTABLISHED FOR AGENCY REVIEWS. THIS ACTION WOULD NOT IMPACT THE EFFECTIVENESS OF EXISTING PROTECTIONS, BUT MIGHT CONTRIBUTE SIGNIFICANTLY TO IMPROVING PROJECT DEVELOPMENT TIMES. WHILE THE SUBCOMMITTEE MAY DECIDE NOT TO CONSIDER THIS ISSUE IN THE REAUTHORIZATION PROCESS, PROJECT DELIVERY IS AN IMPORTANT PROBLEM WHICH SHOULD BE REVIEWED IN THE NEAR FUTURE.

THAT COMPLETES MY TESTIMONY. IN CLOSING, LET ME OFFER THE ASSISTANCE OF THE TRAFFIC AUTHORITY IN WORKING WITH YOUR STAFF TO FURTHER DEVELOP ANY OF THE COMMENTS I HAVE MADE TODAY. OUR THANKS AGAIN TO YOU, MR. CHAIRMAN, FOR ALL OF YOUR ASSISTANCE IN THE CONDUCT OF THE MEASURE A PROGRAM. IF THERE ARE ANY QUESTIONS, I WOULD BE HAPPY TO ANSWER THEM AT THIS TIME.

SANTA CLARA COUNTY
MANUFACTURING GROUP

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Working Council Chair
JOHN HARRIETT
Senior Vice President
San Jose Mercury News

July 2, 1990

The Honorable Norman Y. Mineta
Chairman
Subcommittee on Surface Transportation
U. S. House of Representatives
Washington, D.C. 20516

Dear Chairman Mineta:

My name is Arielle Leonard and I am Director of Transportation and Land Use for the Santa Clara County Manufacturing Group. The Manufacturing Group is a business association with more than 100 corporate members which addresses public policy issues that impact the business climate and quality of life in the Santa Clara Valley.

Since its inception over a decade ago, the Manufacturing Group has considered transportation a priority issue. We have been active in the local and regional transportation planning process and have initiated and/or supported numerous transit and transportation projects including BART and other rail extensions, our county-wide half-cent sales tax and the recently-enacted Proposition 111. The President of the Manufacturing Group, Mr. Gary Burke, participated in a series of discussions organized by the California Transportation Commission last year relative to the Reauthorization of the Post-Interstate Program.

A modern, efficient transportation system in Silicon Valley is crucial to the continued vitality of our high-tech industry. The decisions you make concerning the reauthorization of the post- interstate programs will not only impact the mobility, air quality and lifestyle of the region, but the economy as well.

The effects of traffic congestion on the economy are very real and have been felt by virtually every major corporation in this area. Employees who are now commuting unprecedented distances to get to work are sharing the roadways with an unprecedented number of other commuters. And, if the prognosis of 300,000 new jobs in Santa Clara County within the next 10-15 years holds up, things will be considerably worse.

5201 Great America Parkway Suite 436 Santa Clara, California 95054 (408) 496-6601 Fax (408) 496-6604 Printed on Recycled Paper

This situation not only robs these workers--and their employers--of productive time; it also takes its toll on their mental and physical health, rendering them less capable of doing their jobs.

Traffic congestion and lack of mobility have made the critical problem of recruiting talented professionals to the area extremely difficult if not impossible.

None of this, however, is new news to this committee. I simply wish to add the urgent voice of the high-tech industry to the chorus of concern expressed by our local government representatives and transportation agencies that we arrive at a realistic, sensible way to channel post-interstate dollars into local and regional transportation programs. Action is required now to keep our county and region mobile and economically healthy.

As we look to the reauthorization of the post-interstate programs, several points make sense:

The role of the federal government in transportation should not be diminished any further than it already has. While obviously Californians, and Santa Clarans in particular, are not adverse to reaching into their own pockets in order to improve our transportation system, we're still very much in need of federal dollars if we're to keep up with the degree of population growth that the state is expected to see in the next 20 years.

When it comes to directing the expenditure of federal money, we agree with some of the key points previously made to this committee by Larry Dahms, Executive Director of MTC.

Our first priority must, of course, be to maintain the enormous investment we've already made in our interstate system. But beyond that, we need to revise our vision somewhat in order to address our transportation needs effectively.

As Larry Dahms pointed out, the interstate system does the job of providing access from one metropolitan area to another--but getting around within that region is where we have our real problems. We agree with MTC that we need to take a systems approach based on the particular circumstances of a given area. Federal funding should be flexible enough to accommodate local needs for transit, highways, HOV lanes and TSM programs.

Funding criteria should be related not simply to mobility but to conformance with regionally acceptable clean air and land use standards.

The unique combination of factors that have made Silicon Valley the high-tech capitol of the world is being threatened by traffic strangulation. Industry requires swift federal action to ensure adequate state, regional and local transportation in the post-interstate era.

Submitted by:

Arielle E. Leonard

Arielle Elisabeth Leonard
Director of Transportation and Land Use

Mr. Chairman, I am Chuck Mack, President of Teamsters Joint Council No. 7 in San Francisco, California. I would like to thank you for this opportunity to appear before you today to outline our views on omnibus highway legislation. As you well know, the International Brotherhood of Teamsters is the advocate for the employees who drive on our nation's highways. As you have heard before our members and their companies are the safest and most efficient carriers on our nation's roads. The Teamsters Union supports the goals of the "highway bill" to promote the best organized, most efficient and safest system of highway motor carrier transportation. It is these essential goals that Congress must enact. In the Motor Carrier Act of 1980, Congress directed that the National Transportation Policy should "enable efficient and well-managed carriers to earn adequate profits, attract capital and maintain fair wages and working conditions. Instead in the past ten years, we have seen some in this industry and recent Administrations decouple themselves from these laudable goals. Rather they have wedded themselves to bottom-line economic philosophies where rate cutting, marginal safety records, and over worked employees are the way of life.

Mr. Chairman, we fully understand the mechanics of this bill. Not only do federal excise taxes on diesel fuel fund interstate highway development, bridge improvements, and highway safety programs, but also they can potentially be an overwhelming burden on our industry if federal excise taxes

are increased beyond the ability of our employers to compete with other transportation modes. The recent history of our industry is replete with bankruptcies where the mandated costs of deregulation, tax code changes, recession and interest rates have forced our members to the mercy of Chapter 11 bankruptcy judges. We cannot stress too strongly how much an impact this legislation will have on our members employed in the delivery of our nation's goods. Moreover, we remain mindful that highway construction mandated by your committee brings thousands of jobs to our members in the construction and building trades - as you can see whatever decision you make a Teamster and their family will be affected.

Mr. Chairman, while we support efforts to promote efficiency and effectiveness in the motor carrier industry, we remain solidly opposed to further efforts to deregulate the trucking industry. As we forecasted over a decade ago, deregulation has sacrificed thousands of Teamsters to the low-payed, over-worked, unsafe and often in violation, gypsy and fly-by-night brokered truck operators. In reaction to the environment spawned by deregulation, your own Committee has recently passed legislation to end one of the most abusive practices of this sector of the industry - garbage and toxic waste backhaul.

The industry will ask for productivity enhancements if they are burdened by overly aggressive increases in federal excise taxes. We urge you in your deliberations to reject

'miracle cures' to balance increased tax increases with so-called efficiency and productivity remedies.

In 1982, we agreed with the industry for increases in size, weights and longer combinations vehicles (doubles) on our nation's interstates. In the ensuing eight years, we see no need to tear apart the carefully constructed balance created by the Surface Transportation Assistance Act of 1982. The compromises agreed by all in 1982, including the motor carrier industry, established reasonableness and sanity to truck weight and size. This uniformity must be preserved. The International Brotherhood of Teamsters opposes any expansion of the use of triple trailers, "rocky mountain doubles" or any other scheme which manipulates truck size and weight.

Larger and heavier trucks make braking more critical. Congress should not permit these larger vehicles at a time when neither the Department of Transportation is yet ready to mandate nor the carriers ready to accept anti-lock brakes. This occurs despite the fact that brake problems are the number one reason for out-of-service orders at roadside inspections. Moreover, DOT has failed to act at our request for tire tread improvements that would increase braking ability. Given the unacceptable level of enforcement already in this industry, can you imagine what "triples" will cause when a under-financed, cut-throat trucker gets his hands on triple trailers?

An additional problem with these longer combination

vehicles is access - another holy grail of the Safe Truck Assistance Act of 1982. Despite an understanding of access to terminals agreed to by the industry in 1982 legislation we see in the last month that DOT all but eliminated the ability of local communities to limit access to terminals and facilities for food, fuel, rest and repair. DOT administratively defined a "terminal" as anywhere you load or unload a truck. Already, we have received complaints from our members about having to 'peddle' off a set of doubles in a previous 'non-terminal' delivery area. Soon I expect you will hear from your constituents about this increase in truck productivity.

Again, as we have argued in the past, we urge you to preserve the rights of each individual state to regulate its intrastate commerce over all vehicles engaged in motor surface transportation, regardless of the ownership or parentage of their principal line of business. Trucking by surface as well as air cargo carriers should be treated identically.

We have heard the trucking industry make appeals to the federal legislature regarding unjust licensing, taxing and non-uniformity in administration of the trucking industry. We hope these problems can be handled in a efficient manner with out further undermining basic federal and state principles for safe conduct in the trucking industry. Again, the IBT calls for the inclusion of the shipper in the overall responsibility for the operation of this industry. It is the

shipper who runs the economic equation in the trucking industry. The shipper has goods to be delivered and under the present system he can do this with regard for only one standard - COST. I hazard that you agree to some extent with this proposition given the new standards applied to shippers in the hazardous material transportation bills moving through your committee. We applaud you for that endeavor, but would like to warn you about the administrative relief that is available later and outside of the immediate purview of the committee of jurisdiction. Additionally, I would like to point out that the issue of trucking costs cause many of the problems found in our industry. Rate cutting, despite the legal principle of the filed rate doctrine have fueled bankruptcies and unemployment. This can only be solved by minimum rate standard which addresses this critical problem.

In closing Mr. Chairman, I would like to take this opportunity to thank you for your assistance and interest to ensure that government mandated drug testing is done in a constitutional and reasonable fashion. Only with strict guidelines can an employee be assured that his sample is being handled by a laboratory of the highest clinical standard and that any results are reviewed by proper individuals who can guarantee privacy and confidentiality. Finally, we would again pledge our support for your overall activities for a new highway authorization. We remain committed to highway construction funding out of its proper

trust fund. On behalf of the thousands of Teamsters involved in the construction, maintenance and operation of our nation's highways. Thank you.

THURSDAY, JULY 5, 1990
SUBCOMMITTEE ON SURFACE TRANSPORTATION
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
U.S. HOUSE OF REPRESENTATIVES
SAN JOSE, CALIFORNIA

RE: Re-authorization of the post-interstate surface transportation program. Remarks by Stephen Nieman, vice President of Strategic Marketing and Planning, American President Domestic Companies, Ltd.

Good afternoon. My name is Stephen C. Nieman. I am Vice-President, Strategic Marketing and Planning of American President Domestic Company, a unit of American President Companies, Ltd. American President Companies business mission is to be the leader in transportation of containerized freight and in distribution and logistics services within and between North America and Asia. American President Companies is made up of two principal subsidiaries: American President Lines, a major Pacific basin container transportation company, and American President Domestic, which provides rail, trucking and domestic freight brokerage services in North America. Our company provides both independent, single-mode services and highly integrated, information-intensive, multi-modal services.

We appreciate the opportunity to appear before you early in your hearing process for the next surface transportation bill. We are enormously pleased, and proud, that you, Mr. Chairman, and Chairman Anderson will be leading figures in determining the content of this critical legislation. We know that you understand that the impact of this legislation will reach well beyond the United States highway system, and will affect all American citizens as well as many foreign citizens.

American President Companies has a somewhat unique view of international and domestic transportation markets. Casting all modesty to the winds, APC is probably the best example of an intermodal transportation system in the United States. That is not to say that we are the best company we can be -- all of us in the transportation community know that there is enormous room for improvements in service to our customers. However, we do believe our company's structure and philosophy faithfully reflects our view that transportation companies and policy should be more focused on service to markets rather than the traditional approach limiting service options to specific modes. We believe that intermodalism at its best can serve markets most efficiently, and we therefore encourage the Subcommittee and the Congress to be mindful of intermodal trends and our orientation to transportation as you begin to draft this new legislation.

An integrated, intermodal freight transportation system has significant advantages for the American economy and ought to be encouraged. These advantages include: (a) identifying and utilizing the most productive features of maritime, inland waterway, rail and truck modes; (b) providing a competitive, point to point distribution system for both domestic and international freight that has established a

worldwide benchmark for efficiency; (c) boosting U.S. industrial competitiveness in world markets by creating systems that can economically support America's increasing export and import efforts; (d) providing environmentally acceptable transportation services that relieve highway congestion, lessen safety risks, and reduce air pollution by using the most appropriate and efficient modes in the places and to the extent that they are advantageous; (e) reducing the burdens on U.S. bridge structures and highway pavement by utilizing rail transportation for the majority of the miles in corridors where appropriate; and (f) solving large scale transportation challenges through private-industry solutions.

Taking the best that each mode of transportation has to offer is not an easy management task, nor is such a system easy to promote via governmental policy. This is because successful intermodalism is a relatively new phenomena. It is growing despite obstacles erected by proponents of the individual modes and by public policy. Nonetheless, intermodalism is becoming successful because of its inherent advantages in an economy that has become truly global, and because shippers and receivers of goods are increasingly requiring a higher quality of service, often tailored to their unique distribution needs. The intermodal approach offers the flexibility to efficiently meet those needs. Traditionally, transportation offerings have been based on a single mode with little or no regard for trading off the costs and benefits of combining the appropriate aspects of various modes. This stems largely from the fact that most transportation companies are "pure play companies" offering only one mode. Accordingly, most public policy and legislative efforts have been modal based rather than integrated across a variety of modes with an eye towards markets.

Successful future systems will cut across any mode's specific bias to provide the best service and price to each customer. Each mode should be allowed to exercise its natural advantages, but more particularly there should be no inhibitions on the ability of any intermodal system to combine the best that each mode has to offer. Only in this way can American shippers and Consignees be provided with world class, competitive transportation service.

It appears to us that public policy should encourage the private sector to make the necessary trade-offs of the costs and benefits of individual modes when considering modal alternatives, and that public policy should discourage pockets of artificially high factor costs or artificially low productivity.

More specifically, to encourage an increase in the workload of the Nation's highways seems foolish at a time when highway capacity is strained but the Nation's rail capacity is underutilized. To encourage increased fuel consumption by encouraging more trucks on long-haul corridors at the expense of a fuel-efficient rail mode seem shortsighted. To encourage increased truck sizes as a solution to an unproven shortage of truck drivers seems counterproductive, particularly when fewer persons are necessary to move a comparable number of units via an intermodal transportation system. It seems unwise to invest current public dollars in more highway capacity when significantly under-used rail capacity exists or can be accessed by relatively modest, private investment.

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In other words, a modally-biased transportation system fails to allow the necessary trade offs between modes. Short-sighted public policies frequently may inhibit these trade-offs, in spite of emerging social and economic considerations which may encourage shifts from one mode to another to take advantage of particular modal characteristics.

In our judgment, what has to be done is to honor the existing linehaul economics. Double-stack, rail-based systems are more economical than truck for longer lengths of haul and are service competitive. Shippers ought to be encouraged to consider placing those long-haul loads into an intermodal system, and they will find that encouragement in the economic and service factors themselves. These factors should not be distorted by regulatory or legislative barriers.

There is a place for new legislation designed to support some of the socio-economic realities of the 1990's. Such legislation would recognize and encourage the social and environmental benefits of intermodalism that have not to date been adequately recognized because of the narrowly focused modal orientation of our transportation tlaws, regulations and governmental organizations.

We believe that the true advantages of intermodalism are only beginning to become evident. They are emerging despite some of the handicaps that any one mode might face because intermodalists are constantly looking across the modes to take advantage of the best that each has to offer. And, because U.S. shippers and consignees are starting to recognize and demand the improved efficiencies and economics that intermodal system provides customers are providing the guidance and goals we need to optimize America's transportation system.

If external incentives, such as an unbalanced surface transportation bill unduly tilted towards highways, were to create incentives to take the loads that we currently put into U.S. rail service and suddenly put them into an all highway service, it would put a serious incremental burden on the highway system. Its conceivable that public policy and the new highway bill could cause a drift in that direction -- and although we know that you and your fellow subcommittee members are mindful of the need to fully recover all costs associated with increased productivity of trucking, many intermodalists are concerned that a full recovery is unlikely.

Conversely, to take the long-haul loads in North America that today move all highway and divert them into a truck-rail-truck system, taking advantage of the benefits that each mode has to offer in its "natural state", may well tax some aspects of the infrastructure temporarily. However, at the same time it would produce a number of benefits that are definitely for the social good. We believe the benefits of increased intermodal use would be reduced congestion, reduced pollution, fewer accidents, increased competitiveness in the global marketplace, and a private transportation system that would continue to be unparalleled in the world in terms of efficiency and productive utilization of assets.

Mr. Chairman that ends my testimony. Perhaps I should have prefaced my remarks by saying that I have spent my career in a variety of trucking and rail companies, and feel a deep commitment to America's transportation system. I'd be glad to answer any questions you may have at this time and would like to again commend you for holding these hearings. American President Companies looks forward to providing whatever assistance we can during your deliberations in the months to come.

STATEMENT OF RONALD G. PELZEL

EXECUTIVE VICE PRESIDENT

VIKING FREIGHT, INC.

Before the

Subcommittee on Surface Transportation

Reauthorization of the Post-Interstate
Surface Transportation Programs

July 5, 1990

San Jose, California

Good morning Mr. Chairman and members of the Subcommittee.

My name is Ron Pelzel and I am the Executive Vice President of Viking Freight, Inc. of San Jose, California. Viking Freight, Inc. is a certifcated ICC motor carrier of general commodities freight. Viking's operations are primarily in the western United States. Currently Viking operates in excess of 1400 power units and 4600 trailers and employs approximately 4000 people. In 1989, Viking trucks travelled over 58 million miles on the highways.

I am here today to present to the Committee our perspective on the reauthorization of our nation's highway program. While our concerns cover virtually all aspects of the high-way program, I will limit my comments to three areas. First, the need to continue a strong federal role in our highway system. Second, the need to maintain the integrity of the Highway Trust Fund and the taxes supporting that Fund. Finally, the need to address the problem of urban congestion through greater federal, state and local cooperation on incident management programs.

I don't think anyone today seriously questions the important role that transportation and specifically highway trans-portation plays in maintaining our nation's economic well being. In the introductory statement accompanying his national transportation policy initiative, DOT Secretary Sam Skinner stated that "no industry in the nation is more important to U.S. economic growth and international competitiveness than transportation".

While we might expect such words from a Transportation Secretary, further evidence was offered from a source not normally associated with highways and

transportation. Mr. David Aschauer, a senior economist at the Federal Reserve Bank of Chicago, put in very succinctly when he recently stated:

"I have found that there is indeed a strong and robust link between the level of infrastructure investment and the Nation's ability to increase its level of productivity."

Mr. Chairman, the manufacturing, distribution and transportation patterns of this country make it imperative that we continue a highway program that is national in scope and increases overall capacity. While it may be a difficult message to convey, the citizen in California has as much stake in out-of-state highways as he/she does in Interstate 5.

It is our strong belief that the same motivation that went into the development and now completion of the Interstate highway program must continue into the post-Interstate program. Our concern for maintaining a strong federal role in highway transportation is closely aligned with our second concern, maintaining the integrity of the Highway Trust Fund and its supporting taxes.

There certainly are those who can give you a much better analysis of authorizations, obligation ceilings, outlays, and all that other budgetary mumbo-jumbo. From our vantage point, it seems that if OMB spent as much time actually spending the money as it does trying to come up with Rube Goldberg type explanations of how there really is no surplus in the Trust Fund, our highways would be in much better shape.

It will come as no surprise to the Committee that our primary concern with the Trust Fund is the impending debate over raising fuel taxes and whether those taxes should go to deficit reduction rather than the dedicated highway fund. I can think of nothing more damaging to our highway program than allowing fuel taxes to be used for purposes other than highway related programs.

One of the major arguments made in support of using the federal fuel tax for deficit reduction is the fact that the tax is low, particularly relative to the levels of other industrialized nations.

Mr. Chairman, I have a hard time envisioning Japan or Germany willingly eliminating a major competitive advantage which is precisely what we would be doing with transpor-tation costs under such a tax increase.

It also is important to remember that the fuel tax rate is not limited to the federal levy, but also includes state and, in some areas, local taxes as well.

Here in the West, we are subject to state fuel tax levies as high as $0.22. In California, voters just approved an increase of $0.11 phased in over a five year period to be used only for transportation purposes. The pattern is being followed throughout the country as approximately two-thirds of the states have increased fuel taxes in the past three years.

I would be remiss if I did not acknowledge the efforts of this Committee to resist any and all efforts to divert fuel tax increases to general funds. We will help in anyway we can to assist you in the battle ahead.

I would now like to turn to an initiative that we would encourage the Federal Government take on in cooperation with state and even local governments: the development of incident management programs. Incidents is a term that includes accidents and numerous other highway events like stalls, flats, spills, debris on the road and even highway maintenance work.

The American Trucking Associations, through its Trucking Research Institute, recently completed a year long study on the problems associated with urban congestion and how the management -- or non management -- of highway incidents can have substantial impacts.

According to FHWA estimates for 1987, incident congestion cost the nation 1.3 billion vehicle hours of delay at a loss of nearly $10 billion. A dozen large cities - Los Angeles and San Francisco are near the top of the list - account for over 80 percent of freeway congestion cost.

Why are we concerned over congestion and the proper management of freeway incidents? First and foremost, these problems have a direct impact on our service, productivity and ultimately our profitability. As a regional carrier offering next day service for shippers with just-in-time production runs, the margin for error due to delays is very small.

A second concern relates to the unique relationship we have with the public sharing the road. The public's perception that truck incidents are responsible for the growing level of congestion has resulted in demands for truck route restrictions, time of day restrictions, and outright bans on major urban arteries. The irony here is that many, if not all, of these proposals

would result in more truck traffic, greater congestion problems and higher costs.

Th TRI study reviewed the problem of congestion and incident management programs and made the following observations:

-The major impediment to the development of incident management programs is the lack of a clear mandate. Major metropolitan areas and their attendant traffic problems extend far beyond the city limit. For some, like New York City or Washington, D.C., the problem extends even beyond state lines.

-Efforts to develop comprehensive incident management programs have been hamstrung by an inability to coordinate numerous and sometimes conflicting agencies. A small sample of effected agencies would include state police and highway authorities, local police and fire departments, private tow truck operators, hazardous materials specialists, vehicle insurers, environmental agencies and public health officials.

-The costs of incident congestion and therefore the benefits to be gained by reducing incident delay are not well understood. This obviously undermines efforts to encourage cooperation and the development of incident management programs.

Having identified the problems, the TRI study then looked at specific management incident programs in five metropolitan areas and developed these findings:

-Incident management programs are cost effective. It is estimated that Chicago returns about $17 in benefits for each $1 invested in the program.

-There are real world models for developing and implementing effective comprehensive incident management programs. Chicago, Los Angeles, Fort Worth, Minneapolis and New York City all have programs, that can serve as useful models for other cities.

-Incident management programs are developing new tools and techniques for incident management. The development of electronic traffic controls and programs for the dissemination of traffic information show great promise for incident management efforts.

Finally, the TRI study developed a series of recommendations for federal, state, local and even motor carrier initi-atives. At the federal level, the study recommended the following:

-Enacting legislation supporting incident management as a national transportation priority.

-Funding to the states for the development or expansion of comprehensive incident management programs.

-Directing FHWA to focus research demonstration and training efforts on incident management.

-Develop methodologies for the uniform measurement and reporting of recurring congestion, incidents and the congestion impacts of incidents.

Mr. Chairman, that concludes my statement. I would be happy to respond to any questions you or the Committee may have.

UNITED STATES HOUSE OF REPRESENTATIVES

PUBLIC WORKS AND TRANSPORTATION COMMITTEE

Norman Y. Mineta, Chairman

Hearing Testimony

July 5, 1990

San Jose, CA

by

Craig Philip, PhD.

Vice President - Intermodal Division

Southern Pacific Transportation Company

Testimony for Craig Philip

I. INTRODUCTION.

My name is Craig Philip. I am Vice President - Intermodal Division of the Southern Pacific Railroad. The SP system includes 15,000 miles of rail routes and about 22,000 employees in 15 states. We are the largest railroad in California, with 6,377 miles of track and over 9,500 employees.

I would like to express today the Southern Pacific's deep concern with the possibility that the 1991 highway bill will authorize the operation of longer, heavier trucks--so-called longer combination vehicles, or LCVs. Among the LCV combinations being sought by the trucking industry are triple 28' combinations and twin 48s.

You have heard in your Washington hearings from the Association of American Railroads (AAR), our national trade association, that LCVs are literally a matter of life or death for the railroad industry.

For a railroad like the Southern Pacific, the LCV threat is, if anything, even more ominous than for the railroad industry as a whole. Unlike some eastern roads, Southern Pacific does not carry a lot of bulk traffic, insulated from truck competition. Instead, our chief line of business is rail intermodal. We provide the long

haul service for containers and trailers that would otherwise be carried on the highways. Accelerated competition from longer and heavier trucks would take this traffic off the SP and put it on the roads. It is very doubtful that the SP could survive if this were to happen. The consequences for the California transportation system would be disastrous. Not only would the state lose an important part of its rail service, but, in an era of already severe highway congestion, truck traffic would soar. Imagine the half a million containers per year at the ICTF here in Long Beach moved suddenly and permanently onto California's freeway system.

II. SAFETY, POLLUTION AND ENERGY CONSUMPTION WOULD ALL SUFFER AS TRAFFIC MOVED FROM RAIL TO TRUCK.

Safety: Railroads are more than three times safer than current combination trucks on a fatalities per ton-mile basis (Exhibit I). Diverting freight from truck to rail inevitably, therefore, increases accidents on the transportation system as a whole.

And multi-trailer trucks are even less safe than existing combinations. The most recent Federal Highway Administration study found that, on eleven key handling, performance and efficiency criteria, the 1985 study triples performed "much worse" than conventional single 48s on six and "somewhat worse" on a seventh. Twin 48s were "much worse" on five of the eleven; the same on three; and better on only three.

Both accident statistics and public perceptions bear out the FHWA's concerns.

On a fatal accident per vehicle mile travelled (VMT) basis, multi-trailer combinations (including the more common twin 28s as well as LCVs) are significantly less safe than conventional tractor trailers (Exhibit II). Their fatality rate is 5.8 deaths per 100 million miles, while single trailer combinations are responsible for 4.8 deaths per 100 million miles travelled. (Passenger vehicle death rates are 3.4 per 100 million miles).

And in California, where twin 28 double trailer operations are more widespread than in the rest of the country, doubles are involved in 83 percent more fatalities per mile than are single-trailers: a fatality rate of 9.6 deaths per 100 million miles (Exhibit III).

Doubles are particularly dangerous, even more so than conventional combinations, to the passenger vehicles with which they share the highway.

* In 1988, heavy combination trucks were involved in highway accidents that killed 620 heavy truck occupants and 3,781 others--a 6:1 "kill ratio" (Exhibit IV);

* When only collisions between heavy combination trucks and

passenger vehicles are considered, there are 29 others killed for each heavy combination occupant who dies (Exhibit V);

* But when multi-trailer combinations and passenger vehicles collide the "kill ratio" is 45 others killed for each multi-trailer occupant killed (Exhibit VI).

Public attitudes on the wisdom of legalizing LCVs are consistent with the dismal safety record of current multi-trailer combinations.

Eighty-six percent of the public believes that longer trucks would be less safe than current combinations, according to a recent opinion poll on public attitudes toward higher truck sizes and weights, conducted by Frederick/Schneiders Incorporated for the Association of American Railroads (Exhibit VII).

Pollution and Energy Consumption: LCVs raise serious environmental questions, in addition to their effect on safety.

In fact, increased reliance on environmentally superior rail transportation could alleviate the growing environmental problem generated by rapidly rising levels of truck traffic.

For example:

1. Railroads produce far less air pollution than trucks per ton-mile of freight moved, and the relatively self-contained nature of rail facilities tends to lessen other pollution problems (Exhibit VIII).

2. Compared to truck, railroads are nearly three times more fuel efficient (Exhibit IX).

III. DESPITE THE RISKS OF LCVS, THE TRUCKING INDUSTRY AND THE HIGHWAY LOBBY ARE ALREADY MAKING CLAIMS, THAT, IF ACCEPTED AT FACE VALUE, POINT TO A TRUCK SIZE AND WEIGHT LIMIT INCREASE.

The fact that these claims are false has not stopped either interest group from making them.

First, the truckers claim that any increase in truck diesel taxes justifies increases in truck size and weight limits. Second, some highway construction interests and media commentators argue that very large fuel tax increases are necessary to meet highway infrastructure needs. Clearly, these two propositions, if accepted and acted upon, would dictate increased truck size and weight limits.

But in fact:

IV. TRUCKERS ALREADY HAVE A BETTER DEAL THAN OTHER HIGHWAY USERS AND CERTAINLY LACK ANY RIGHTS TO SPECIAL INDUCEMENTS FOR ACCEPTING A HIGHWAY FUEL TAX INCREASE.

A. To Begin With, Heavy Trucks Are Already Imposing Massive Costs On Other Highway Users.

Heavy truck user charge payments are insufficient to pay for the highway damage occasioned by heavy trucks. Consequently, other highway users, such as automobiles and lighter trucks, face an unpalatable dilemma: they can pay more than their fair share of highway costs, or watch as highway quality falls because of inadequate funding. In recent years they have typically experienced some of both.

The problem is substantial. The U.S. DOT has estimated that heavy trucks are paying only about two-thirds of their fair share of federal highway costs. Numerous state studies document the existence of a comparable state-level problem.

The heavy trucks are, therefore, the most favored class of highway users.

B. And A Fuel Tax Increase Would Only Improve The Heavy Trucks' Relative Position.

Per dollar of fuel tax paid, heavy trucks cause much more highway damage than do automobiles. So raising fuel taxes to fund highway repairs actually increases the subsidy from automobile drivers to heavy trucks.

C. *Compare The Positions Of The Two Categories Of Highway Users.*

Consider first automobiles and lighter trucks.

* Because of heavy trucks' underpayment, they pay more than their fair share for subpar highways.

* A fuel tax increase requires them to pay even more in excess of their fair share in exchange for the promise of improved highway quality.

* They are offered no special inducements to offset the costs of increased fuel taxes.

* And they must confront a new generation of truck behemoths, degrading the highway environment and offsetting any roadway improvements.

Contrast this position with the proposal crafted by the heavy truck operators for themselves:

* Their current subsidy is preserved and even increased.

* Their slightly higher fuel tax payments are "leveraged" by a large new infusion of revenue from lighter vehicles, revenues for improving the highways on which the heavy trucks depend.

* In exchange for deigning to pay a pittance more, heavy trucks are to be bribed with a huge increase in lengths and weights.

But even this contrast does not show the full extent of the audacity of the truckers' proposal. To see that requires a glance at recent trends in per-mile heavy truck highway user charge rates.

V. IF 1988 FUEL TAXES FOR BOTH TRUCKS AND AUTOS HAD RISEN JUST ENOUGH TO RESTORE REAL TAX RATES TO 1984 LEVELS, ANNUAL HIGHWAY REVENUES WOULD HAVE INCREASED BY $3.1 BILLION.

A. Between 1984 And 1988, Fuel Economy Gains And Inflation Diminished Real Dollar Federal Diesel Tax Payments By 17.9 Percent For The Typical Rail-Competitive Truck (Exhibit X).

In 1984 the typical rail-competitive truck paid 2.8 cents/mile in federal fuel taxes. By 1988 the effective fuel tax rate had

fallen by almost 18 percent, to 2.3 cents/mile (inflation alone eroded fuel taxes by 11.2 percent).

Inflation and fuel economy gains also affected highway taxes paid by automobiles, further reducing the growth in highway revenue.

B. If 1988 Federal Per-Mile Fuel Tax Rates Alone Were Restored To Their 1984 Levels, Total Highway Tax Revenue Would Have Been $3.1 Billion Higher.

If adjusted for inflation and fuel economy gains, the 1988 federal diesel fuel tax rate would have risen from 15 to 17.9 cents/gallon. The federal gasoline tax rate would have increased from 9 cents/gallon to 11.4 cents/gallon (Exhibit XI).

Total highway tax revenue (including state and local government) would have been $72.1 billion, rather than the $69 billion actually collected in 1988.

VI. IF 1984 REAL DOLLAR PER MILE FUEL TAX RATES ARE RESTORED AND MAINTAINED, THEN CONTINUING RECENT TRENDS IN HIGHWAY TAX REVENUE GROWTH WOULD PRODUCE AND SUSTAIN THE HIGHWAY SPENDING LEVELS RECOMMENDED BY THE AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS (AASHTO).

A. *Even AASHTO Believes That Fairly Moderate Highway Spending Increases Are Adequate.*

AASHTO has suggested that real national highway spending be $80 billion annually (1987 dollars) through the year 2020 in order to maintain the current national highway system. According to AASHTO, real spending of $100 billion annually would not only maintain the current network but allow for its expansion and improvement.

B. *Continuation Of Recent Trends Would Be Enough To Achieve These Spending Targets.*

Traffic growth, combined with increases in state highway tax rates, has been generating a 3.2 percent average annual real increase in highway tax revenues. This rate of increase could be combined with the $3.1 billion increase obtainable by restoring 1984 real dollar federal highway tax rates. The result would be to rapidly reach AASHTO's spending targets.

To illustrate, consider what would have happened if 1988 per-mile federal highway tax rates were equivalent to 1984 levels. Assuming 3 percent real growth in highway revenues were to prevail in subsequent years, revenues would reach the $80 billion target in 1992. Annual spending would reach even the $100 billion level by 2000.

Hence, perfectly adequate highway spending levels are within reach. All that is necessary is for the federal government to restore per mile tax rates to 1984 levels.

Indeed, something even less than that would probably suffice. The federal Highway Trust Fund had an unspent balance of about $10 billion in the highway account at the end of 1989. Spending this money for what it was intended to do, build highways, would further ease the task of generating new highway revenue.

The notion that the highway system's financial health demands swingeing new federal tax increases is pure fantasy.

Two conclusions, therefore, stand out:

* Restoring per-mile diesel fuel taxes to 1984 levels should not obligate the Congress to legalize yet another generation of bigger trucks. The heavy truck operators are already enjoying a very cushy deal at the expense of other highway users. They should not have to be enticed into accepting the same modest fuel tax increase required of everyone else.

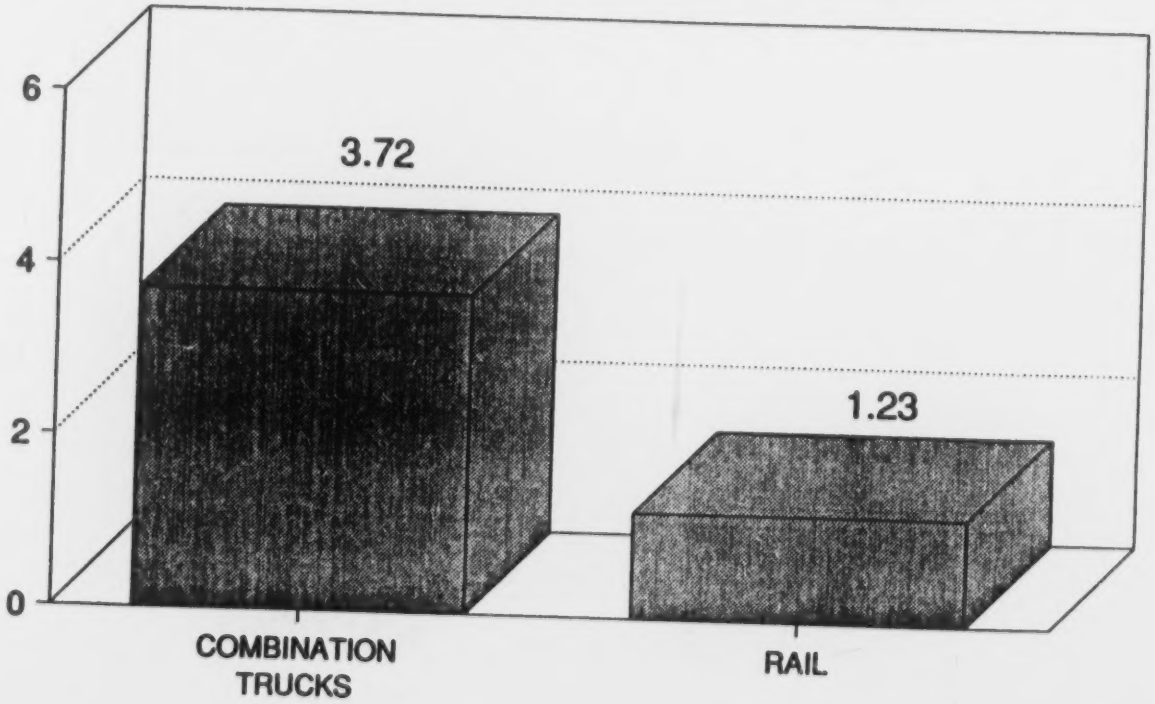
* And, at most, a moderate fuel tax increase is all that is needed. Restoring fuel tax levels to those of 1984 is perfectly adequate to reach the AASHTO spending targets.

And those targets would be reached even earlier if the federal government could be forced to disgorge the Highway Trust Fund revenues that it is currently hoarding.

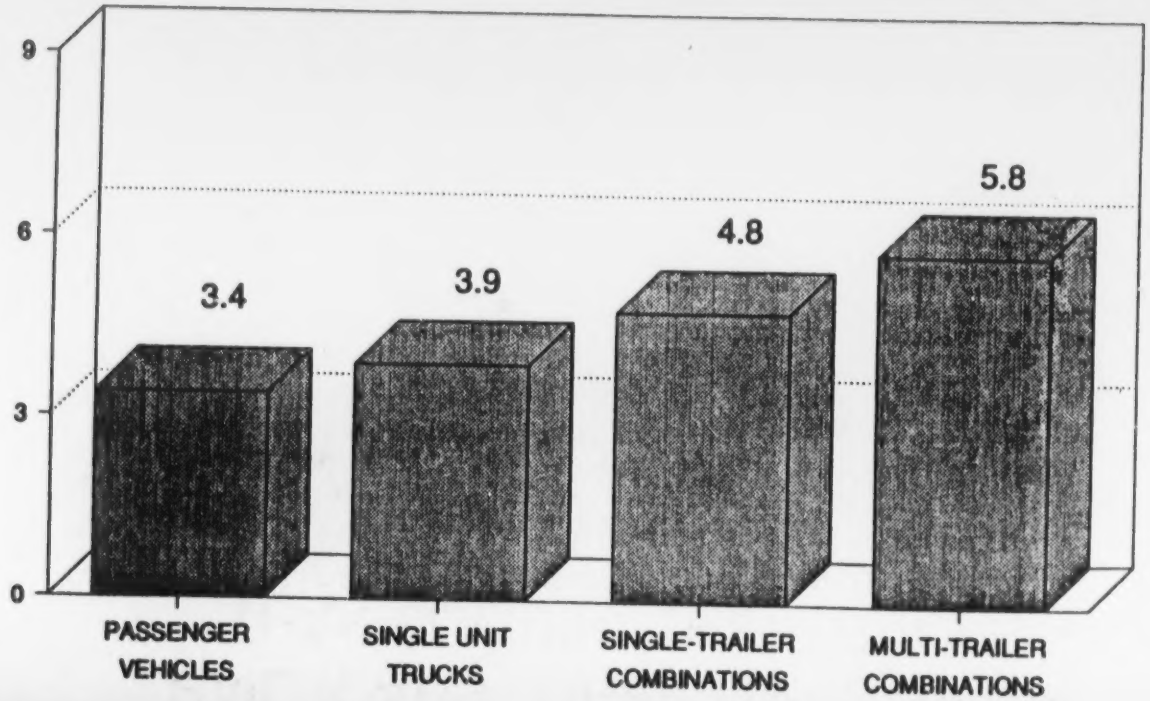
Such a program of, at most, a modest tax increase, would preserve the integrity of the highway system while avoiding the dangers associated with a truck size and weight increase. California, and the nation, would continue to enjoy the safety, environmental, and economic benefits of a balanced transportation system.

RAILROADS THREE TIMES SAFER THAN COMBINATION TRUCKS

(FATALITIES PER BILLION TON-MILES)



HIGHWAY FATALITY INVOLVEMENT RATES
1988 NATIONAL AVERAGE
(FATALITIES PER 100 MILLION MILES)



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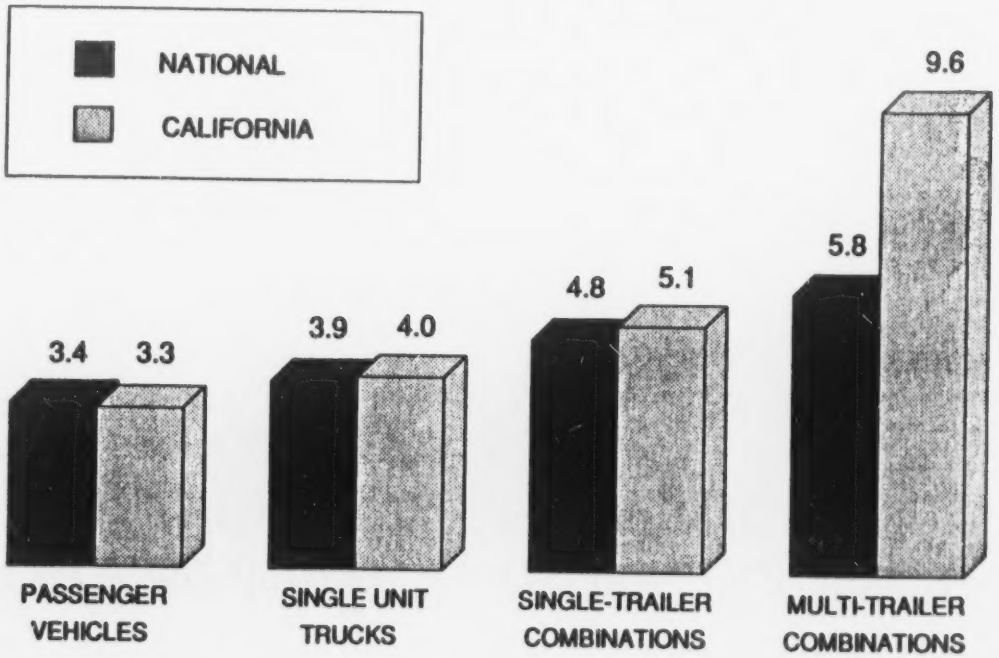
COMPARISON OF HIGHWAY FATALITY INVOLVEMENT RATES
NATIONAL AND CALIFORNIA (1988)



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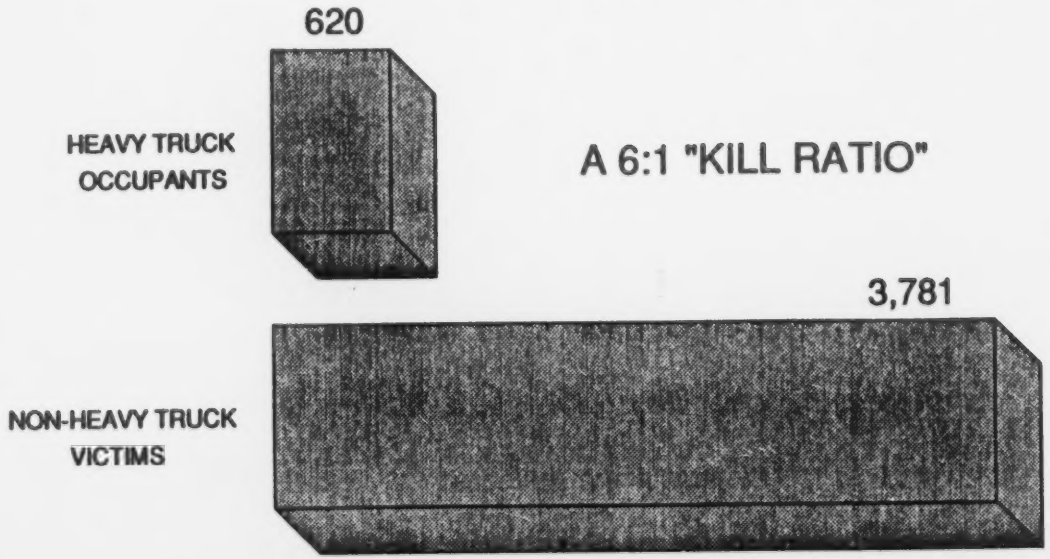
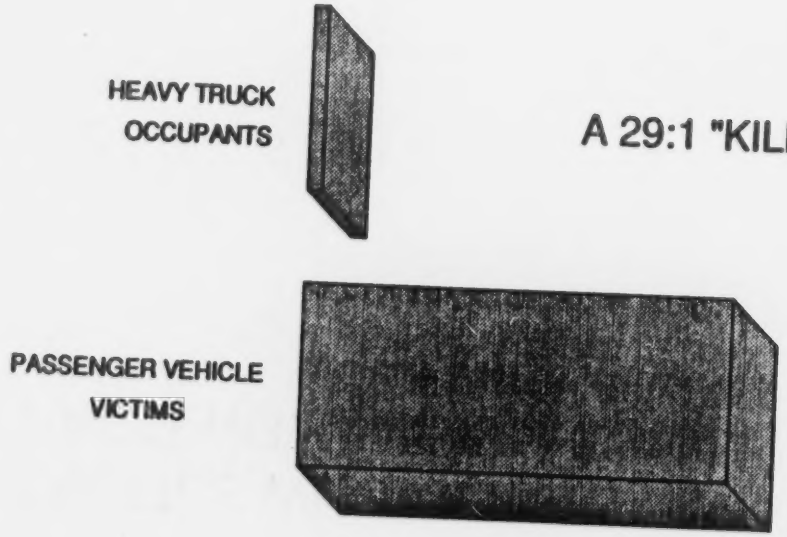
HEAVY COMBINATION TRUCK ACCIDENTS AND HIGHWAY FATALITIES
(1988)

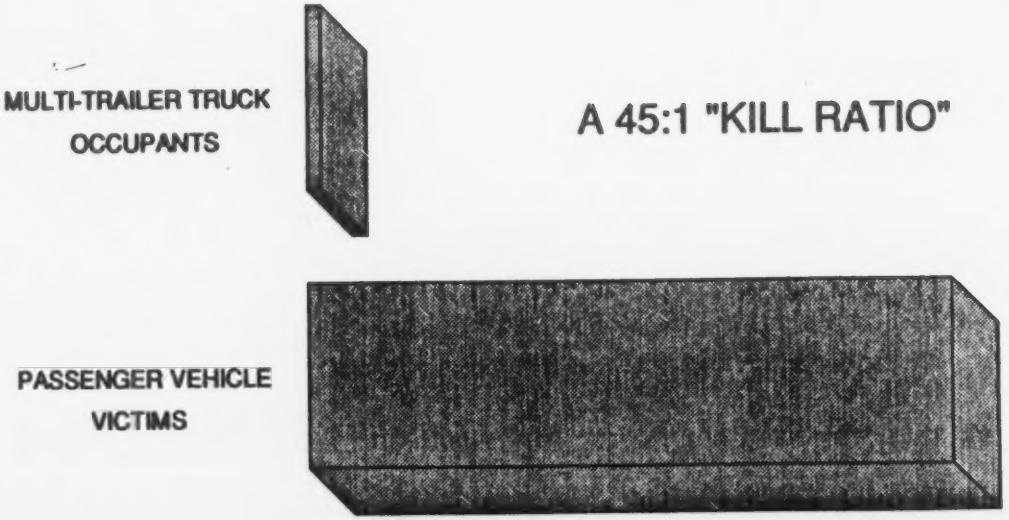


FATALITIES WHEN HEAVY DUTY TRUCKS & PASSENGER VEHICLES ARE INVOLVED
(1988)



A 29:1 "KILL RATIO"

FATALITIES WHEN MULTI-TRAILER TRUCKS & PASSENGER VEHICLES ARE INVOLVED
(1988)



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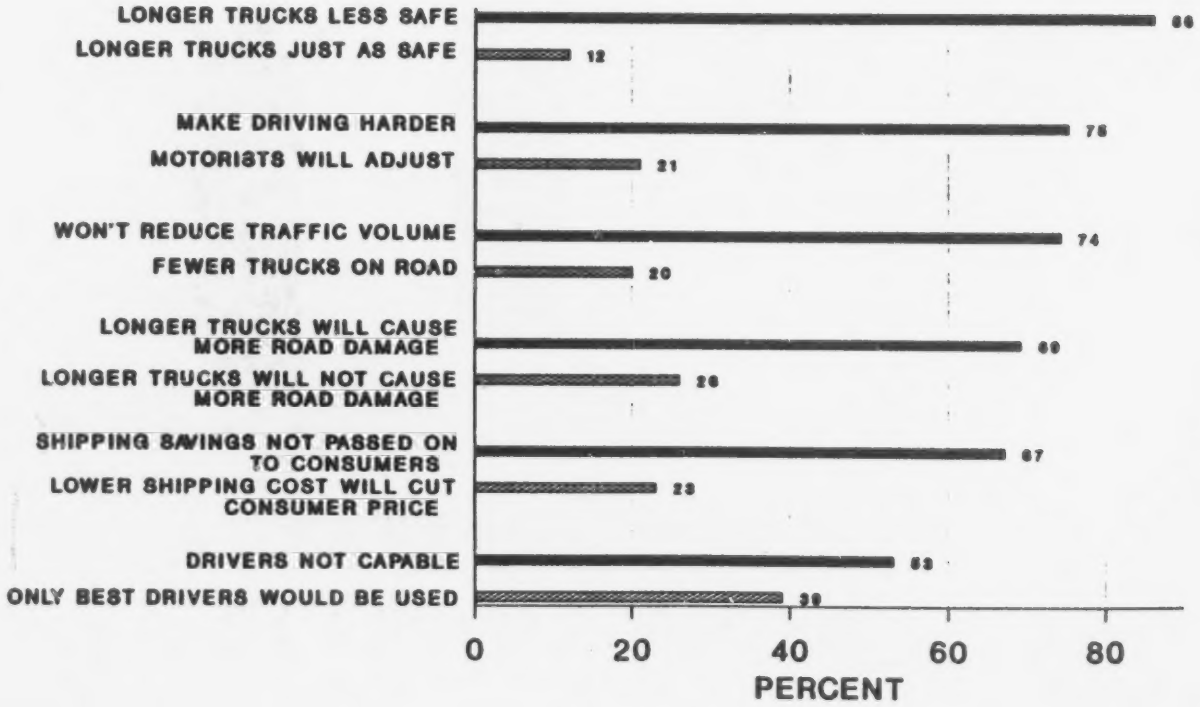
2636

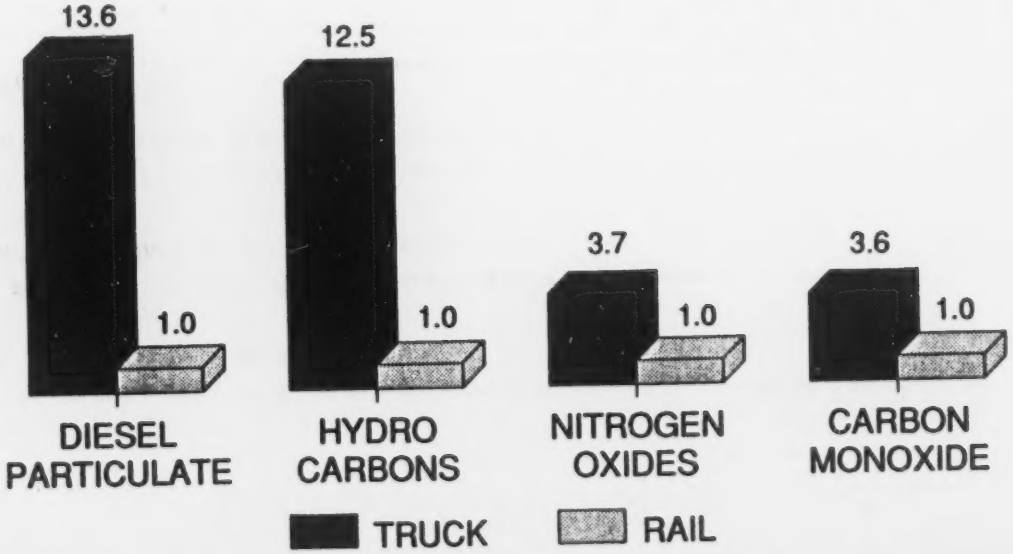
PUBLIC OPINION OF LONGER TRUCKS



2637

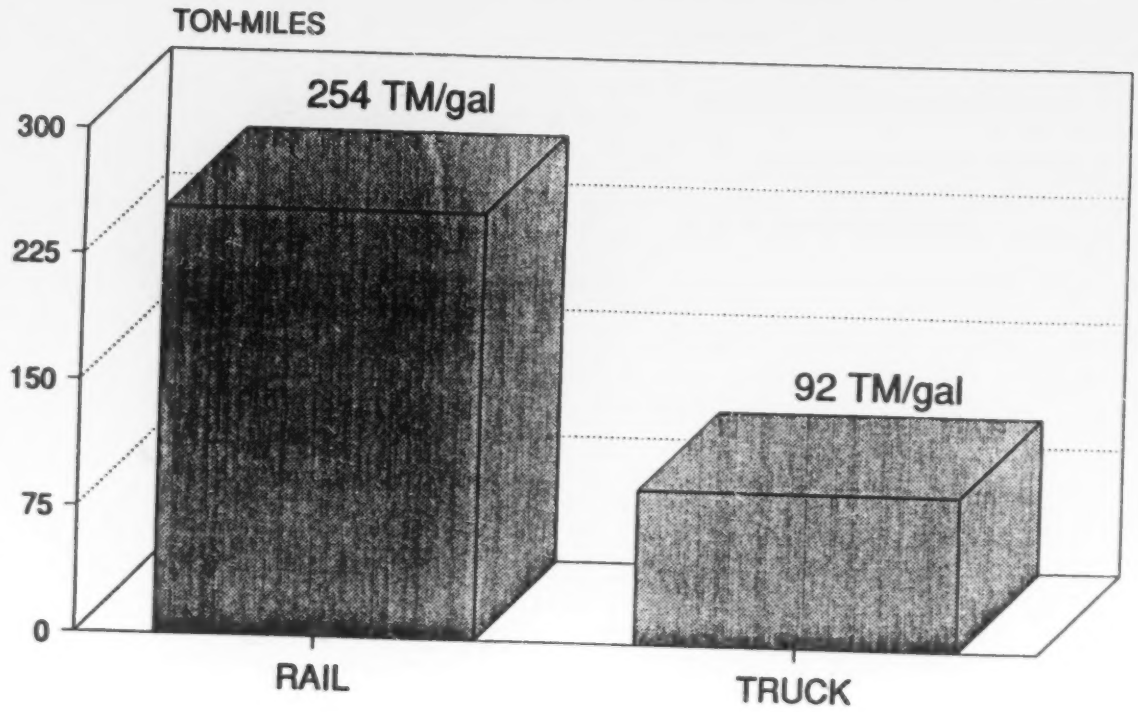
TRUCK AND RAIL POLLUTION

(RELATIVE POLLUTION FACTOR PER TON-MILE)



2638

FUEL EFFICIENCY
REVENUE TON-MILES PER GALLON



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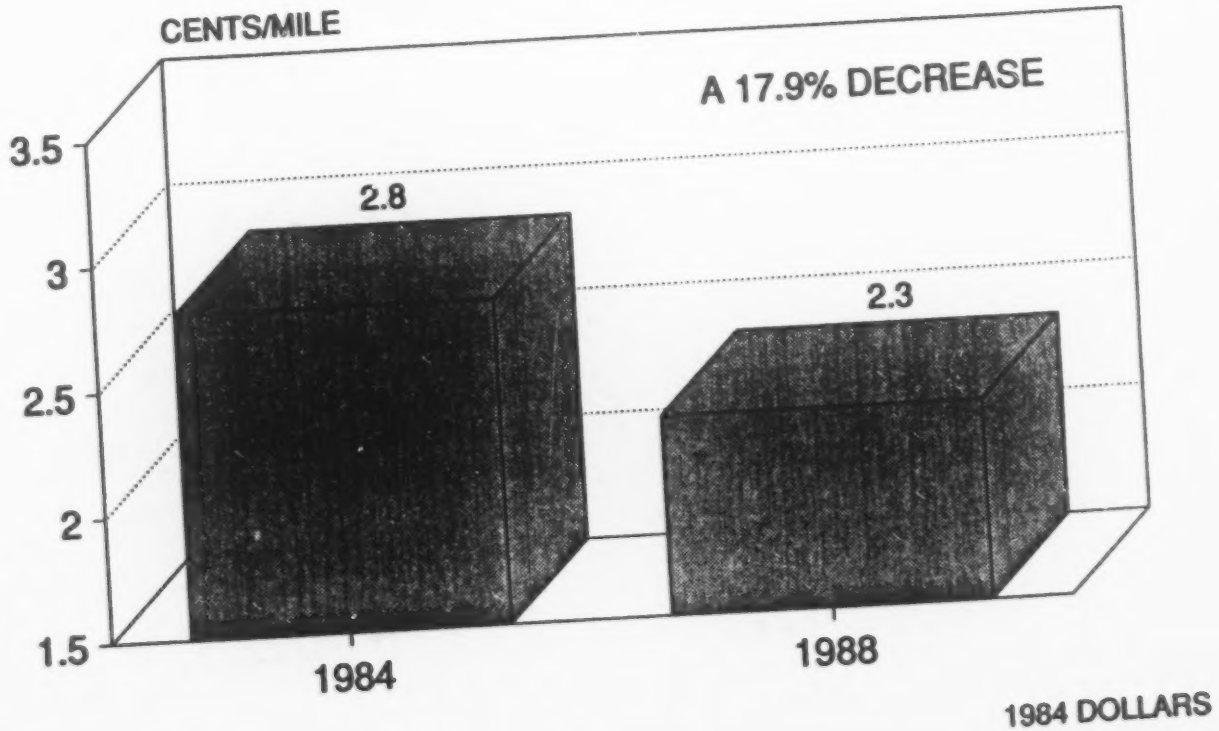
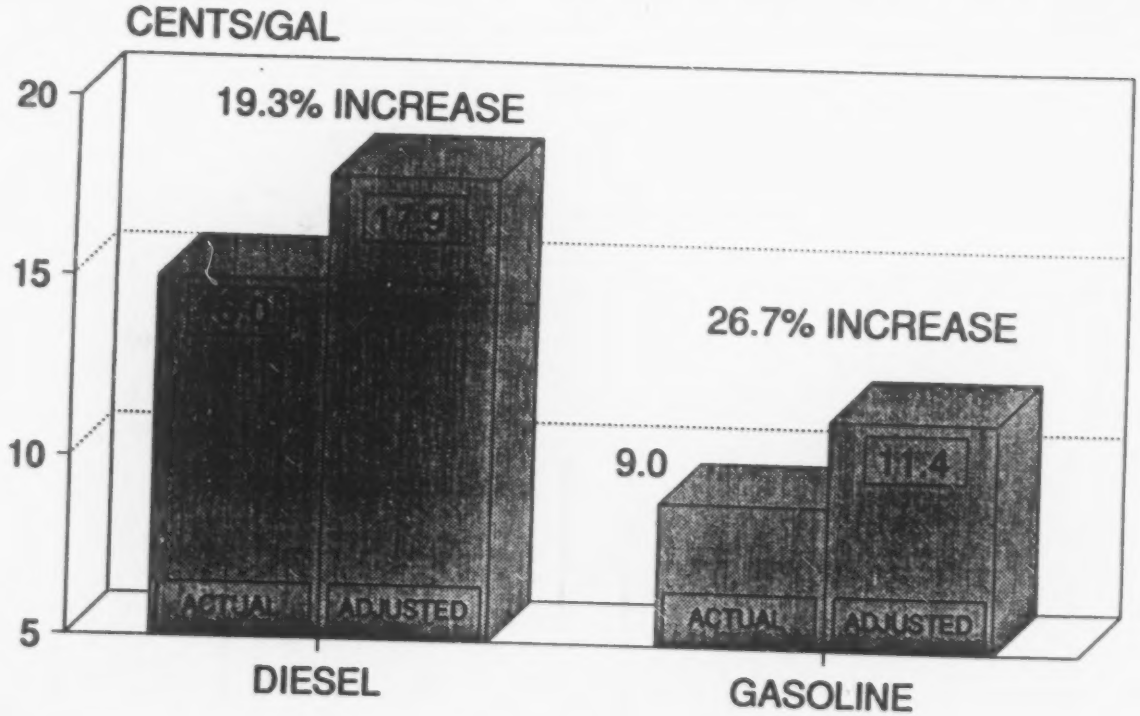
RAIL-COMPETITIVE TRUCK FEDERAL FUEL TAX



1988 FUEL TAXES ADJUSTED FOR INFLATION & FUEL EFFICIENCY GAINS



TESTIMONY TO THE HOUSE COMMITTEE ON
PUBLIC WORKS AND TRANSPORTATION
SUBCOMMITTEE ON SURFACE TRANSPORTATION
SAN JOSE, CALIFORNIA
July 6, 1990

Presented by
BILL PINE, Grays Harbor County Commissioner
Representing the
(Washington) Coastal Highway Coalition
2109 Sumner Avenue, Suite 202
Aberdeen, Washington 98520

Thank you Mr. Chairman and members of the committee for this opportunity to testify today. My name is Bill Pine and I represent the Coastal Highway Coalition in Washington State. The Coalition is composed of members representing counties, cities, ports, economic development councils, transit authorities, planning organizations and others interested in an improved Highway 101 Corridor.

The coastal counties of Washington are facing major impacts to their local economies due to recent environmental decisions. While the former mainstays of our economies are in trouble, coastal Washington acknowledges a shift in the economic focus is needed. We are actively pursuing economic diversity but geologic, economic and social isolation from the major centers of population and commerce hamper our efforts to provide for the future.

Coastal Washington supports a number of communities with diverse weather and different social and economic bases. The common thread between these communities is Highway 101. It is the lifeline in a region removed from the main population center. Improved transportation with the emphasis on providing for all user needs and the enhancement and protection of scenic, historic, recreational and natural resource attributes would increase economic diversification in the region and provide better and more safe access to areas preserved for all citizens.

We believe any planning and improvements to the 101 Corridor should be done in terms of Pacific Coast, not just Washington State. The Coastal Highway Coalition supports the efforts of the Tri-State Highway 101 Council on behalf of improved transportation planning and projects based on the concept of 101 as a single entity.

Last year, Congress directed the Federal Highway Administration to conduct a National Scenic Byways Study calling for the development of guidelines for a National Scenic Byways Program. We are enthusiastic about the potential such a program may have for Highway 101 in California, Oregon and Washington.

The coastal communities in Washington have long relied on their incredibly diversified natural resource base as a source of raw materials for harvest on a sustained yield. With the declining harvest of the mainstays of our economy, namely fish and timber, it is time for the Washington Coast to shift the use of its natural resources in other directions. Tourism, alternate forest products, environmental research, international trade, aquaculture, aerospace manufacturing, marine services, furniture manufacturing and other industries not based on traditional forest products offer the greatest potential for economic growth and diversification. Most of these industries are also highly dependent on good transportation routes and easy access to distribution and raw material markets. The infrastructure must be there for diversification to occur. Current transportation problems threaten to stifle any strides taken toward the brass ring of economic and social survival.

Because of our natural resources, the economic development potential, especially in tourism, is enormous. The Washington coastal region represents a unique and diverse environment. Average rainfall varies from 160 inches per year in the Hoh Rain Forest to 12 inches a year in Sequim. The Olympic National Park, the fifth most visited in the country, is the centerpiece of coastal Washington while the Columbia River, the Pacific coast, the Strait of Juan De Fuca and the Hood Canal frame the amazingly diversified portrait of mountains, glaciers, protected bays and marshes, wide sandy beaches and forbidding wild rocky coastlines that provide a myriad of recreational opportunities.

In our county alone, we have a protected estuary of 100 square miles, seven state parks, five wildlife refuges and habitat management areas, and portions of the Olympic National Forest and Olympic National Park.

Thousands of visitors come to the area every year. The result is a dangerous situation. Chip and log trucks intent on quickly reaching a destination mingle with RV's, bicycles and local traffic with different intentions and driving pace. The roads are mostly two-lane and often twisting with few opportunities for passing or separation of traffic.

Scenic overlooks with pullouts are few, rest areas non-existent, and accidents numerous.

Around Lake Crescent, it is common practice for truckers on 101 to radio each other and warn about cyclists on the roadway. Last year, Highway 101 supported 882,000 Park visits to Lake Crescent alone, or 25 percent of the total Park visits.

Despite limited and hazardous access, the Olympic National Park was visited by 3.36 million people in 1989. Total overnight stays totalled 412,000. The Park is preparing to meet increased use due to the sprawling growth next door in Puget Sound. In order to meet the growing demand and attract more visitors to the area, an improved highway corridor is needed.

With a National Scenic Byways program we could accommodate the growing amount of traffic - including RV's, cyclists and tour buses - along with the heavy industrial traffic and local traffic. All these uses mingle on a winding highway that is predominantly two-lane with few passing opportunities and numerous hazards.

A Scenic Byways Program may also help insure the preservation of the scenic and environmental qualities that make the Pacific Coast a world-class attraction. The only concern we might have with the program would be if the guidelines precluded communities from the development of their road system or other diversification opportunities. When the Federal Highway Adminsitration submits its report to Congress in November, we hope the Committee will review the guidelines with this in mind.

Washington is committed to an improved 101 Transportation Corridor. The Washington State Department of Transportation plans to spend over $150 million in the area during the next six years. A concept plan for Washington's 101 Corridor is currently being developed. The plan will take a comprehensive look at the highway as a whole and develop a strategy and approach for future planning and improvements.

But current efforts are not enough. No mechanism exists for addressing the entire Pacific Coast system and exploring the possibilities in a comprehensive way.

We agree with Oregon that the Federal government has a role to play here. In order to advance a multistage effort, federal leadership is needed in defining, designating, coordinating and planning scenic highway corridors that address a geographic region rather than being fragmented by political lines. We join Oregon in recommending the Committee review the National Scenic Byways Study with this role in mind. Thank you. I'll be pleased to answer any questions the committee may have.

Testimony of
Val Selivanov, M.D.
Director of Trauma Services at Stanford University Hospital
and Associate Professor of Surgery at Stanford University
and
Andrew McGuire
Executive Director of The Trauma Foundation
Board Members of
Citizens for Reliable and Safe Highways
(CRASH)

House Public Works and Transportation Committee
Surface Transportation Subcommittee
San Jose, California -- July 5, 1990

Mr. Chairman, we are pleased and honored to have this opportunity to testify before the Subcommittee on the subject of highway safety.

We are both involved daily in trauma care and prevention.

Dr. Val Selivanov is a trauma surgeon who did research in trauma and burn injuries at the National Institutes of Health. Until two weeks ago, Dr. Selivanov was Associate Director of Trauma at the San Jose Medical Center. Since June 15 he has been Director of Trauma and an Associate Professor of Surgery at Stanford University Hospital.

Andrew McGuire is Executive Director of the Trauma Foundation at San Francisco General Hospital. He has been directly involved in numerous injury prevention issues including burn prevention, drunk driving (former Board Member of Mothers Against Drunk Driving), motorcycle helmet laws and mandatory seatbelt laws. He is also a film maker who won an Emmy for his first film. He is a Lecturer at UCSF and at Johns Hopkins University.

I. NEED FOR PREVENTION

Those of us who work in trauma are frustrated with how little we can do for trauma victims. Even though the trauma surgeon is the last great hope of trauma victims, once their bodies are smashed, there is relatively little we can do for them.

A serious involvement in trauma care thus leads one to an interest

in injury prevention. The focus of prevention is to make the environment safer. We both worry, however, that Congress might make the highway environment more dangerous by authorizing triple trailer trucks and twin 48-foot trailer trucks.

II. CRASH

Our focus on injury prevention prompted us to join the Board of Directors of Citizens for Reliable and Safe Highways (CRASH), a national coalition whose goals are to prevent injuries from truck crashes and reduce highway congestion.

CRASH's injury prevention efforts are focused in four areas:

1. Preventing crashes caused by driver fatigue;
2. Preventing crashes caused by poor truck maintenance;
3. Preventing crashes caused by alcohol and drug abuse; and
4. Preventing crashes that would occur if triple trailer trucks or twin 48-foot trailer trucks were authorized.

Since the trucking industry is already committed to pushing Congress for approval of triples, we are working on this issue first. This statement gives some of the reasons we believe triples are unsafe.

III. ENGINEERING STUDIES

An impressive body of engineering studies lead to the conclusion that triples are inherently unstable and unsafe. Since neither of us is an engineer, however, we will leave a discussion of those studies to others.

IV. FLAWED ACCIDENT STUDIES

The engineering studies lead one to conclude that double trailer trucks are less safe than single trailer trucks and that triples are even more dangerous than doubles. One would therefore expect accident rate studies to confirm the engineering studies.

Instead, conflicting studies abound. Some conclude that double trailer trucks have a better accident rate than single trailer trucks. Some conclude that doubles have only modestly worse accident rates than single trailer trucks.

We do not purport to be experts in accident rate study methodology nor even to have read all relevant studies. Nonetheless, we are aware of expert opinion that concludes that those studies are flawed for a variety of methodological and data shortcomings.[1]

The most serious flaw was the failure of the researchers to ensure that the double trailer trucks and the single trailer trucks that were being compared had been operated on similar roads.

Double trailer trucks are driven predominantly on the relatively safe limited access and divided highways of the interstate system.

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[1] In addition to the methodological flaw discussed by us in our statement, we note the following criticisms of those studies which others have levied:

a. Double trailer trucks are generally found in the fleets of large less-than-truckload (LTL) companies who have relatively good maintenance practices and the most qualified and experienced drivers. This leaves a pool of less qualified, less experienced drivers for single trailer trucks. The worst alcohol and drug abusers, fatigued drivers and dangerously maintained trucks tend to be found in the fleets of the smaller truckload companies that, by and large, tend to have fleets of single trailer trucks. These factors raise the accident rates for single trailer trucks.

b. Where double trailer trucks are broadly used (as in California) their fatal accident rates are much higher than those of single trailer trucks.

c. A number of studies are based on Bureau of Motor Carrier Safety statistics. These data are voluntarily reported by carriers and have been found to be extremely unreliable.

d. Police accident reporting forms frequently do not distinguish between single trailer trucks and double or triple trailer trucks. Often, the forms contain only a write-in section on trailer configuration. These factors make accurate reporting dependent on the investigating officer's efforts to write down detailed information. Thus, many doubles accidents are counted as single trailer truck accidents.

e. Vehicle mile travelled (VMT) data are limited and often inaccurate.

Single trailer trucks are driven a much larger percentage of time on the far less safe state and suburban highways and on city streets. Since the accident rate on state highways is five to seven times the accident rate on interstates, comparing accident rates for doubles and single trailer trucks without controlling for the road travelled is like comparing apples and oranges.

V. DOUBLES OVER-INVOLVED IN ACCIDENTS BY FACTOR OF 2-3

We have reviewed a study by Stein and Jones[2] which carefully controlled for type of road. The study concluded that double trailer trucks were over-involved in accidents by a factor of 2-3.

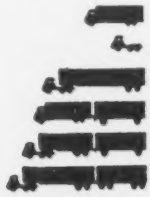
This study is so important that we wish to summarize it in depth.

A. TIME AND PLACE

The study was performed in Washington State over a two-year period from June 1984 through July 1986 primarily on Interstate 5, which runs north-south, and on Interstate 90, which carries east-west traffic. The Washington State Patrol collected the data.

B. TYPES OF TRUCKS

Washington allows the following kinds of trucks:



Single Unit Truck
Tractor
Tractor-Trailer
Truck Trailer
Western Double (twin 28's)
Rocky Mountain Double

Figure 1 -- Truck Configuration. Note: Western doubles were defined as a tractor with two trailer units with the first trailer 35 feet or less in length; nearly all had two 28-foot trailers. Rocky Mountain doubles were tractors hauling two trailers with the

[2] Stein and Jones, "Crash Involvement of Large Trucks by Configuration; A Case-Control Study," American Journal of Public Health, May 1988, Vol. 78 No. 5.

first trailer greater than 35 feet in length; the majority had a first trailer of 40 feet with second trailers of various lengths.

C. METHODOLOGY

The study included all crashes involving trucks with a gross vehicle weight rating greater than 10,000 pounds that occurred on Interstates 5 and 90 and involved personal injury or at least $1,500 of property damage.

Each crash-involved truck was inspected by a state patrolman.

One week after each crash the state patrol conducted a random roadside truck inspection at almost the identical site where the accident occurred. Three comparison control group trucks were randomly selected: one approximately 30 minutes before the time of the one week earlier crash, one at approximately the exact time of the crash, and one 30 minutes after the time of the crash.

The study analyzed 604 large trucks involved in crashes. Three times that number (1,812 trucks) were randomly inspected for the comparison control sample.

The purpose of the randomly selected comparison control sample was to determine (by a random selection process akin to the public opinion polling process) the relevant population for each truck configuration. In other words, the researchers determined that 59% of trucks that were on the same interstates where the accidents occurred were single trailer trucks, 6% were twin 28-foot trailer trucks, 1% were Rocky Mountain doubles, 5% were straight trucks pulling a trailer, 23% were straight trucks with no trailer and 5% were tractors only, with no trailers (bobtails).

D. RESULTS

By comparing the "exposure" percentages of each configuration in the control group (i.e., that configuration's percentage of the total relevant truck population) with the percentage of total crashes in which each configuration was involved, the researchers determined whether a particular configuration is over or under-involved in crashes:

	Single Unit Truck	Tractor only (Bobtail)	Tractor-Single Trailer	Twin 28's	Rocky Mtn. Double	Truck Trailer	Total
Crash Involved	8%	4%	59%	18%	3%	9%	604
Comparison Control Sample	23%	5%	59%	6%	1%	5%	1,812

As would be expected, single unit trucks (which have no articulation joint) had the best record. They were involved in only 8% of the crashes, but made up 23% of the relevant population. Single unit trucks were thus under-involved in crashes by a factor of almost three. That is, they had only one-third the number of accident involvements one would expect if their accident involvement were (on a percentage basis) equal to their percentage of the total population.

Tractors pulling one trailer were neither under nor over-involved. They were involved in 59% of the crashes and made up 59% of the total population.

Twin 28's, however, were over-involved by a factor of three. They were involved in 18% of the crashes, but only made up 6% of the relevant truck population.

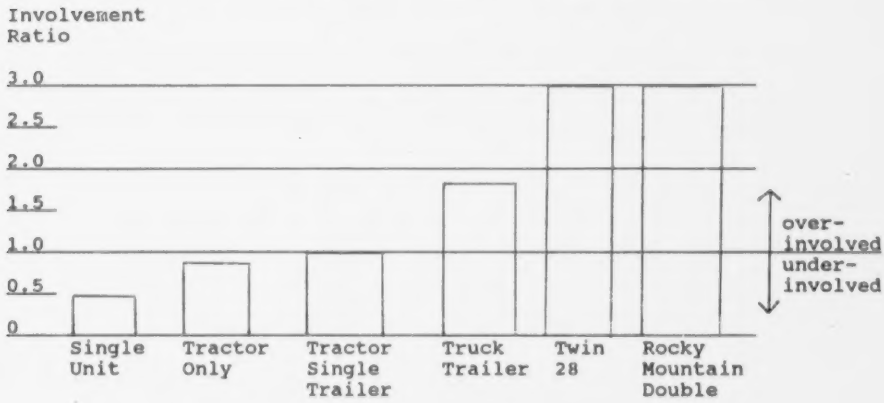
Rocky Mountain Doubles were also over-involved by a factor of three. They were involved in 3% of the crashes, but only made up 1% of

the relevant truck population.

Single unit trucks hauling a trailer were over-involved by a factor of almost two. They were involved in 9% of the crashes, but made up only 5% of the total population.

Thus, the authors conclude that doubles (i.e., twin 28's, Rocky Mountain doubles and truck-trailers) are over-involved in crashes by a factor of two to three.

These results can be depicted graphically as follows:



VI. CALIFORNIA HIGHWAY PATROL STUDY[3]

Stein and Jones are not the only researchers to find doubles over-involved in accidents. A one-year study of tank truck crashes by the California Highway Patrol suggests double tank trucks are substantially more dangerous than single trailer tankers.

Tank truck accidents are extraordinarily severe. The number of persons killed per tank truck crash is four times the number killed per

[3] W.M. Heath, Chief Engineer, "California Tank Truck Accident Survey," California Highway Patrol, 1981.

casualty accident for other types of truck crashes.

Rollovers of tank trucks are particularly dangerous.

The proportion of fatal accidents in tank truck rollover accidents are more than double the proportion of fatal accidents in tank truck accidents not involving rollover.

Ninety-five percent of the persons killed in tank truck accidents were in rollover accidents. Sixty-two of the persons injured in tank truck accidents were in rollover accidents.

Spills occurred in 79% of the overturns and in only 16% of the non-overturn accidents.

Double trailer tank trucks had a significantly greater proportion of crashes involving overturns than did single trailer tank trucks: tank straight trucks and tractor single trailers overturned in 50% of their crashes; straight trucks pulling a single trailer overturned in 60% of their crashes; and tank trucks with double trailers had overturns in 70% of their crashes.

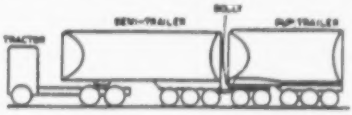
Of particular importance were the number of doubles crashes involving overturns of the last trailer:

> The last trailer in a set of doubles was particularly susceptible to overturn. The rear trailer was the only vehicle that overturned in almost two-thirds of the overturns involving sets of doubles and in close to half of the overturns involving trucks and full trailers.

It is likely that these accidents involving overturn of only the second trailer would not have occurred had the involved tractor been hauling only one trailer.

VII. UNIVERSITY OF MICHIGAN STUDY[4]

A study of the huge double trailer tank trucks used in Michigan is particularly significant since the vagaries of the federal grandfather clause which is part of the federal truck weight statute allows Michigan to run tank trucks that weigh as much as 165,000 pounds and look like this:



The researchers concluded that these double trailer trucks "should not be permitted to operate on the Michigan highway system for reasons of public safety."

VIII. AS TRUCKS GET HEAVIER, ACCIDENTS BECOME MORE SEVERE

It is intuitively obvious that if truck weights are increased from 80,000 pounds (which is the current limit with some exceptions) to 135,000 pounds, truck crashes involving passenger cars will result in more deaths and more severe injuries.

The data supports this intuitive conclusion.

When a car collides with another vehicle, what happens to the occupants is worse if they hit a heavy car and many times worse if they hit a truck.[5]

A study of 1977 truck crashes in Maryland found that one out of 80 crashes involved a fatality. For cars, the ratio is only one out of 400.

An analysis of fatalities reported in NHTSA's Fatal Accident

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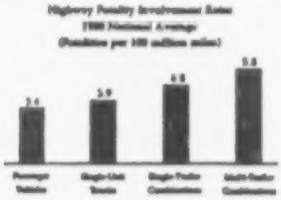
[4] Ervin et al., "Ad-hoc Study of Certain Safety-Related Aspects of Double-Bottom Tankers," Highway Safety Research Institute, University of Michigan, 1978.

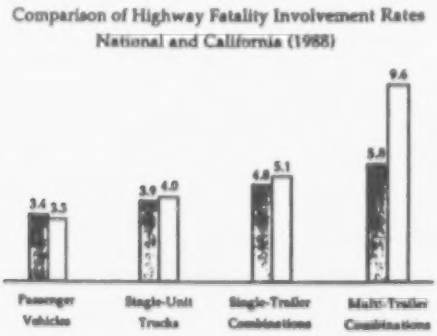
[5] L.S. Robertson and S.P. Baker, "Motor Vehicle Sizes in 1,440 Fatal Crashes," Accident Analysis and Prevention, Vol. 8, pp. 167-175, 1976.

Reporting System and FHWA's adjusted state vehicle mile traveled data shows that multi-trailer trucks (i.e., twin 28's, Rocky Mountain doubles, truck-trailers and triples) in 1988 had involvement in 23% more fatalities per mile of travel than single trailer trucks.



We note, however, that multi-trailer trucks are relatively new for most of the country. Except in California, where doubles have been widely used for decades, doubles use tends to be limited to larger companies with better maintenance practices and better drivers.

It is therefore instructive to note that in California, where double trailer truck use is more widespread, double trailer trucks are involved in 83% more fatalities per mile than are single trailer trucks.



This data suggests that as doubles use becomes more widespread and is no longer limited to large, careful companies, accident rate records of doubles and single trailer trucks become more comparable and the

innate instabilities of doubles identified in the engineering studies become more evident in the accident rate record.

It is well known that passenger car victims are more likely to die in car/truck crashes than the truck driver. In 1988 combination trucks were involved in highway accidents that killed 620 truck occupants and 3,781 others -- a 6:1 ratio.

Many of the truck drivers died in single vehicle accidents not involving passenger vehicle occupants. When only collisions in 198' between combination trucks and passenger vehicles are considered, there are 29 others killed for each truck occupant killed.

The greater severity of double trailer truck accidents becomes apparent when only collisions between multi-combination trucks and passenger vehicles are considered: 45 others are killed for every truck occupant killed.

We emphasize that almost all of the multi-trailer trucks referred to above were twin 28-foot doubles weighing only 80,000 pounds. If triples weighing 115,000 pounds or twin 48's weighing 135,000 pounds are permitted nationwide use, the severity of those accidents should increase dramatically.

IX. MULTIPLE VICTIM ACCIDENTS OVERLOAD EMERGENCY ROOMS AND TRAUMA CENTERS

We believe the data indicate that congressional authorization of triples or twin 48's will result in many more multiple victim crashes.

Dr. Selivanov has personally experienced the near catastrophic consequences of multi-victim accidents overloading our emergency room and trauma center capacity.

We sincerely hope that Congress will act to prevent those accidents from ever occurring. We, therefore, urge the Subcommittee to resist the

trucking industry's efforts to force longer and heavier truck on our nation's roads. It is, after all, a matter of life and death.

MTC
METROPOLITAN TRANSPORTATION COMMISSION

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Testimony of Jim Spering
Mayor of Suisun City
Vice-Chair of SACOG/MTC Strategic
Transportation Planning Study

on behalf of the

Metropolitan Transportation Commission
Oakland, CA

before the

Subcommittee on Surface Transportation
Committee on Public Works
United State House of Representatives

July 5, 1990
San Jose, California

Joseph P. Bort MetroCenter • 101 Eighth Street • Oakland, CA 94607-4700 • 415/464-7700 • FAX 415/464-7848

Mr. Chairman and members, I am Jim Spering - Mayor of Suisun City in Solano County, member of the Metropolitan Transportation Commission, Vice-Chair of the Policy Advisory Committee for the joint MTC/SACOG Strategic Transportation Planning Study.

I believe Helen Thomson has summarized the thrust of the study very well.

Let me add just these few thoughts.

The study opened the door for some new thinking by all of us involved - suggesting that the time is right for breaking new ground in the reauthorization bill as well. Further the reauthorization should provide program incentives to stimulate further thinking about new opportunities for solving our transportation problems.

We opened an inter-regional dialogue that was very healthy. This suggests to me that state and local governments can build on the past planning partnerships to create even more productive future ventures.

And finally, our study finds the need for a strong and continuing federal program - but clearly recognizes that we must carry our own local load as well - the threat of ever increasing congestion on a few federally adopted routes is all too clear. Every partner must bear his share in devising a broader based solution.

Thank you for providing this opportunity to review the results of this strategic planning study.

(0091Q)

TESTIMONY PRESENTED TO THE SUBCOMMITTEE ON SURFACE TRANSPORTATION OF THE PUBLIC WORK AND TRANSPORTATION COMMITTEE U.S. HOUSE OF REPRESENTATIVES

BY

KATHERINE A. STREHL
MANAGER OF GOVERNMENT AND COMMUNITY RELATIONS
LOCKHEED MISSILES & SPACE COMPANY, INC.
P.O. Box 3504; 24-01/101
Sunnyvale, CA 94088-3504

SAN JOSE, CALIFORNIA
July 5, 1990

Chairman Mineta and Members of the Committee, thank you for the opportunity to provide testimony to the Subcommittee on Surface Transportation. My name is Katherine Strehl and I am the Government and Community Relations Manager of Lockheed Missiles & Space Company. We appreciate these regional hearings on the Reauthorization of the Post-Interstate Surface Transportation program---it is a topic of vital concern to business in California.

At the outset, let me say that Santa Clara County has consistently supported transportation. Voters have taxed themselves to fund transit and highway improvements, providing roughly $200 million per year in local funds. And most recently California voters approved a package (including doubling the state gas tax) that will provide nearly $20 billion in transportation funding over the next 10 years. Still, it is not enough. With California's population increasing each year by some 700,000 new residents our transportation infrastructure simply cannot keep pace with anticipated growth.

For a company like Lockheed, this is **not** an inconsequential matter. With 23,000 employees located in Santa Clara County, Lockheed Missiles & Space Company is the largest industrial employer in Northern California. Our employees commute from all parts of the region--from Sacramento and Sonoma Counties to San Bonito and Monterey (and everywhere in-between). Given the shortage of affordable housing in proximity to jobs, our employees are moving out to the Central Valley and beyond. For instance, 260 Lockheed employees live in Sacramento and San Joaquin Counties, facing one way commutes of 90-120 miles and up to three hours.

It is fair to say that transportation is a critical issue for this and other companies in Santa Clara County. It affects our ability to recruit and retain qualified labor **and** to remain competitive in the national and international market place. Importantly, **the transportation issue is now inextricably linked to environmental quality.** Under the mandates of the California Clean Air Act, the Bay Area must reduce auto emissions by roughly 35% in the next seven years to meet State air quality standards.

To achieve these standards businesses will be asked **(if not required)** to implement comprehensive ridesharing programs for their employees. Lockheed has had such a program in place since the energy crisis of the early

'70s. While I won't detail the particulars of the program, it is fair to say that it is considered to be a successful, full-service program that has served as a model. In spite of a substantial investment of resources and personnel, however, Lockheed's ridesharing participation rate stands at 25%--a long way from the 35% to be required by State law. We are hopeful that the Bay Area will be able to avoid the regulatory approach adopted by Southern California in its effort to meet federal and state air quality standards. But, to do so, we need all of the help we can get.

The Post-Interstate national program can help in a variety of ways. Specifically:

* * **Continue and increase federal funding** -- Current and future funding sources at the local and state level simply cannot keep pace with the increased demand for transportation facilities. Federal investment in California's transportation infrastructure is a critical element in sustaining this state's economic vitality. Without such investment there is little hope that we will reduce congestion and achieve air quality standards.

* * **Adopt federal funding guidelines which allow for regional planning and implementation of transportation priorities** -- No two states have identical transportation funding needs. Similarly, regional needs vary widely throughout this state (and the nation). Federal funding should **not** dictate regional priorities. Rather, the national agenda should be broad enough to allow metropolitan, urban areas to tailor their transportation program to meet the area's specific needs..

* * **Establish national programs which provide maximum funding flexibility** -- Regions should be encouraged to take a "systems" approach and spend federal dollars according to the area's needs, regardless of mode or ownership. Taken together, it is interstate and state highways, local arterials, bus and rail transit operations and a regional network of HOV lanes and Park and Ride lots that constitute the transportation **"system."** Categorical funding rewards one element of that system over another...at the expense of the whole.

* * **Enact federal policies which promote and reward intra- and inter-regional cooperation** -- Commuters do not recognize jurisdictional boundaries when travelling on a roadway, be it an interstate, state highway or local arterial. Federal policy should ensure that regions coordinate their transportation plans. National policy should also ensure coordination (rather

than competition) between transit agencies in all aspects of their operations (routes, transfers/linkages between systems, marketing, public information, maintenance and fare structures).

* * **Implement national policies which provide incentives to reduce congestion and vehicular emissions** -- Achieving air quality standards requires the full participation of both the public and private sectors and employers and individuals alike. To foster that participation, federal policy should provide a comprehensive package of incentives. Tax credits for employer investment in commute alternatives will demonstrate a partnership with government and encourage greater private sector participation. These incentives are particularly important for smaller companies which employ the majority of commuters. Similarly, tax laws should provide greater incentives to commuters. For instance, a larger portion of an employee's transportation subsidy should be excluded from income tax calculations than what current law provides. In addition, federal policy should address the liability concerns private employers face when sponsoring commute programs.

I would now like to shift gears and give an example of the importance of federal funding to regional planning. The **Tassman Corridor Study** is of enormous importance to the South Bay. Light rail in this corridor will connect with the Guadalupe Light Rail and eventually with BART in the East Bay. The project will provide an essential link between housing located in South San Jose and in Alameda and Contra Costa Counties with jobs located in the northern part of Santa Clara County. The Tassman Corridor project, as well as expansion of the BART system on both sides of the San Francisco Bay, cannot happen soon enough and requires federal funding to bring them to fruition. Without sufficient federal funds, our efforts to reduce congestion and improve air quality will be crippled. I should confess that there is some self interest in this project as it will directly serve many of the 23,000 Lockheed employees.

Again, I would like to thank you for the opportunity to comment on future federal transportation policy. We hope that you will call upon us in the future as you continue this deliberation.

REMARKS OF HELEN THOMSON
YOLO COUNTY SUPERVISOR
CONCERNING THE RESULTS OF

SACOG/MTC STRATEGIC TRANSPORTATION PLANNING STUDY
AND INDICATIONS FOR NATIONAL POLICY

THURSDAY, JULY 5, 1990

HEARING OF THE SURFACE TRANSPORTATION SUB COMMITTEE,
HOUSE COMMITEE ON PUBLIC WORKS

Good day. I am Helen Thomson, a Supervisor in Yolo County and the Chair of the Policy Advisory Committee for the joint MTC/SACOG Strategic Transportation Planning Study.

This joint study involved representatives of two regional planning organizations and local elected officials from six counties along the Interstate 80 Corridor. Representatives from three Districts of the California Department of Transportation were also on the Policy Advisory Committee.

While major concerns for congestion were expressed by representatives of the western and central portions of the corridor, the representatives of the eastern portion of the corridor expressed concerns for air quality improvement as well. In the end, air quality emerged as a primary objective.

Our study made it clear that many improvements will be needed over the next twenty-five years if potential congestion and environmental problems are to be mitigated. The study discusses over $7 billion in improvements throughout the corridor - well beyond presently projected transportation resources, even considering California's recent successful initiatives doubling the fuel tax and authorizing $3 billion in mass transit bonding. It is clear that the additional funds must be raised at all levels - local, state and federal - each jurisdiction has a role to play in sustaining the quality of life that our citizens have come to expect.

The needs will not be met with additional funds alone. The funds must be applied in the most cost-effective manner to meet our objectives. This means that we must be able to apply funds to projects based upon achieving desired results - not upon arbitrary categorical programs or to achieve the best federal/local matching ratio. In order to accomplish this, federal funds should have consistent matching ratio requirements and should be able to be used upon highway capacity, parallel arterial, or mass transit projects based upon results achievable. The key word describing this approach is "flexibility".

The results should be focused upon the problems being addressed, for example, urban and suburban congestion and air quality. Measurement of results then would become a necessary capability, and for this reason, a legitimate focus of federal concern. Developing the means to reduce vehicle emissions, to evaluate the air quality impacts of transportation projects, and to identify the most effective approaches to the variety of transportation problems we face should be the focus of federally funded research and development activities.

Finally, if we at the local level are to be partners with the state and federal governments in financing transportation facilities and services, we will have to make programming decisions with confidence. The funding levels and the rules regulating the appli-cation of funds must be predictable. Transportation projects are characterized by very long decision processes. A major transportation improvement will span several budget cycles and, often, many funding partners' budgets. Predictable federal programs will assist in long term commitments at the state and local level.

In closing, we recognize that maintenance of our considerable investment in transportation systems and facilities is a basic priority. This existing system is the basis upon which we build improvements which, together with what we now have, will address the needs of the next two or three decades. This is our advice to you for a new federal program: adequate funding, flexibly applied, and focused upon results. This is what the 21st century will demand.

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SACOG / MTC

Strategic Transportation Planning Study

SUMMARY REPORT
June 1, 1989

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SACOG/MTC

STRATEGIC TRANSPORTATION PLANNING STUDY

SUMMARY REPORT

JUNE 1, 1989

The contents of this report reflect the views of the Policy Advisory Committee for the study. The project's Steering Committee or consultant are responsible for the presentation of facts and the accuracy of the data presented herein. The contents do not necessarily reflect the official views or policies of the SACOG, the MTC, Caltrans, or the U.S. Department of Transportation. This report does not constitute a standard, specification, or regulation.

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I. INTRODUCTION

In the 1988 Department of Transportation Appropriations Act, Congress directed the U.S. Department of Transportation to conduct the National Strategic Transportation Planning Study (NSTPS). The study will provide Congress with information and recommendations concerning the federal government's role in meeting the nation's future transportation needs.

This study provides an opportunity to address Congress on certain important issues that will be considered in the early 1990's:

- the role of the federal government in financing future transportation improvements once the 43,000 mile interstate highway system is completed, somewhere around 1991; important issues concern the extent of federal involvement in maintaining and expanding the highway system; the need to increase the federal gas tax; the need to reshape current programs to better address future mobility problems; and obstacles that current programs create for making good investment choices; and

- the system of highway, transit, arterial, and traffic management improvements that will best serve economic and mobility needs in the corridor in the year 2015.

The San Francisco-Sacramento urban complex was chosen as one of five case studies, with a focus on the long-range transportation issues within the approximately 100 mile I-80 corridor that links these two regions. Within this corridor is a diversity of land uses and development, including the following:

- the northern end of the San Francisco-Oakland-San Jose urban complex, the fourth largest metropolitan area in the country (the southern end of the corridor is anchored by the busiest freeway interchange in the country outside Los Angeles);

- sparsely settled farming areas in eastern Solano and Yolo counties, undergoing increasing development pressures;

- the medium-sized Sacramento metropolitan area, rapidly growing in part due to its strategic crossroads location at the junction of I-80, I-5, and numerous state freeways;

- old Sierra mining communities such as Auburn, which are developing a second life as they fall within the growing Sacramento commutershed.

These areas are served by a wide array of transportation systems, from state highways and local arterials to BART and the new Sacramento light rail system (RT), to express bus service into the Bay Area and Sacramento, ferry service from Vallejo to San Francisco and intercity AMTRAK passenger service. A number of public transit systems also operate up and down the corridor.

The study is a cooperative regional planning effort among the Sacramento Area Council of Governments (SACOG), the Metropolitan Transportation Commission (MTC), and the California Department of Transportation (Caltrans). This study arrangement is somewhat unique in that it involves joint problem definition and resolution by a diverse set of governments with a common transportation bond--the I-80 Corridor. Land use decisions in one jurisdiction will have ramifications throughout other parts of the corridor, creating a common set of interests for all participants.

The Policy Advisory Committee (PAC), consisting of five members appointed by MTC, five members appointed by SACOG, and three Caltrans representatives, was created to oversee the study. The primary responsibilities of the PAC were to review and comment on work in progress and the direction of the study, and recommend objectives and alternatives to enhance the study's responsiveness to the transportation concerns within the study area. A Steering Committee, consisting of representatives from SACOG, MTC, and Caltrans, was responsible for coordinating and managing the study.

The main body of technical work on the study was conducted by DKS Associates of Oakland, California. During the course of the study, four working papers were presented to the Policy Advisory Committee:

- Background and Issues
- Demographics and Economics
- Transportation Forecasts
- Evaluation of Alternatives

A Final Report, prepared by the consultant and based on the information and data presented in these working papers, provides a background of technical information and study details that support the conclusions presented in this Summary Report.

II. DESCRIPTION OF CORRIDOR

Figure 1 illustrates the regional setting of the STPS study area. The study focuses on the I-80 corridor between the San Francisco-Oakland Bay Bridge and Auburn in Placer County. Figure 1 also shows the three segments into which the corridor was divided. The segmentation allowed the study to focus on critical issues within different areas of the corridor, as well as to identify issues (such as air quality) that were of concern throughout the study area. Brief descriptions of the segments of the corridor are presented below:

Western Segment: This segment, stretching from the Bay Bridge to the Carquinez Bridge, is the most heavily developed portion of the corridor. Through here, I-80 carries its highest traffic volumes. Although some additional growth is expected to occur, primarily north of Richmond, the segment is projected to have the lowest rate of growth of any portion of the study area over the next 25 years.

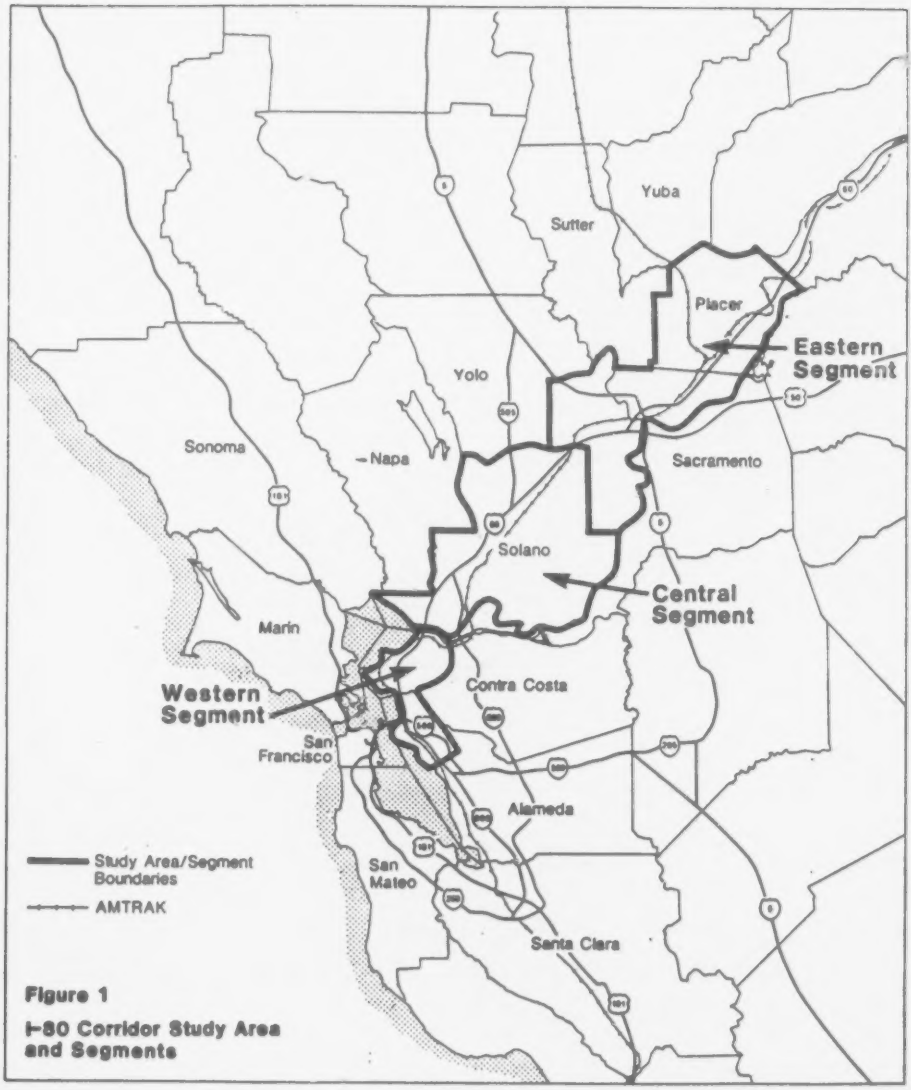

Figure 1

I-80 Corridor Study Area and Segments

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Central Segment: This segment incorporates all of Solano County, plus a small undeveloped portion of Napa County. Solano is currently undergoing a metamorphosis from rural to urban/suburban, as growth pressures from the Bay Area (and, to a lesser extent, Sacramento) result in increasing residential and commercial development in this portion of the Corridor. Currently, the major urbanized areas are Vallejo, at the northern end of the Carquinez Strait, and central Solano County. Eastern Solano County, from Vacaville to the Yolo County line, is the most sparsely developed portion of the I-80 Corridor.

Eastern Segment: This segment includes much of the Sacramento metropolitan area, from the City of Sacramento itself, to booming suburban locales such as Rocklin and Roseville, to more distant communities, such as Auburn, just beginning to enter the Sacramento commutershed. Like the Central Segment, this portion of the Corridor is expected to experience rapid growth between 1985 and 2015, particularly in Placer and Sacramento counties at the east end of the Corridor.

Growth projections for different regions of the Corridor indicate the likely pressure points on the year 2015 transportation system (See Chapters III and IV of the Final Report). The most rapidly growing portion of the Corridor will be in Placer and Sacramento counties in the Eastern Segment, followed by Central/Eastern Solano County. The Western Segment will have a relatively low rate of growth. Commute traffic is expected to increase most heavily in the high growth areas of western Placer County (221%) and central/eastern Solano County (127%). The smallest percentage increase will occur in northwestern Alameda County (29%). Much of the commute traffic will be local; employed residents in one section of the corridor are most likely to work in that section. Outside of local commutes, the main commute direction will be to the southwest in the morning (into job centers in San Francisco, Oakland, Berkeley, and Sacramento) and northeast in the afternoon. Yolo County is the exception to this general pattern, with morning commute traffic traveling east to Sacramento. Additional traffic impacts will be discussed in the Evaluation of Alternatives section which follows.

Planning Issues and Objectives

Planning issues in the I-80 corridor are as diverse as the land use and development patterns described earlier. Several of the more prominent issues are:

- lengthening commute periods, resulting in congested portions of I-80, particularly in the Western Segment, for much of the day from dawn to dusk;
- a transportation network which because of traffic loads is increasingly sensitive to accidents and other traffic "incidents" which can create significant back-ups and delays;
- increasing recreational and truck traffic which adds to the normal commute period traffic load on I-80;
- increasing congestion of local roadways, connecting to the freeway which, in some cases, serve as reliever routes for short trips that would normally use the freeways;
- uncertainty of funding support from federal and state sources, particularly after the current federal highway act expires in 1991.

In order to provide a framework for dealing with the large number of planning issues in the Corridor, a set of 10 planning objectives was developed and submitted to the Policy Advisory Committee. The Committee subsequently added improved air quality as an objective to reflect the potential role transportation decisions could have on air quality standards.

The Committee's action was based on the recognition that neither the Bay Area nor Sacramento Metropolitan Area are in compliance with the national ambient air quality standards for ozone and carbon monoxide. Air quality planning in California is currently being directed by the recently passed California Clean Air Act (Sher, AB 2595). This Act requires the air quality districts in California to develop air quality plans to achieve and maintain State and federal air quality standards. (The state standard for both ozone and carbon monoxide are more stringent than the federal standard.) The State Act further directs that the local air quality plans contain transportation control measures that address emissions from mobile sources. These control measures frequently emphasize ridesharing programs, HOV facilities, and expansion of local transit systems as a means to reduce automobile emissions. Development of transportation improvement proposals for the I-80 corridor must therefore be considered in the context of air quality objectives in addition to the transportation objectives.

Committee members then ranked the objectives in each segment according to their relative importance. Two objectives - maintaining the existing system and improving system safety - were judged to be "givens" in that Caltrans' policy is to provide adequate resources for maintenance and for safety improvements before considering capacity enhancements. Three objectives - improving air quality, managing travel demand, and managing freeway/street operations - were ranked as primary objectives in all three segments. A complete list of the objectives, including associated strategies and their relative rankings, is presented in Table 1. Because of the study's focus on the future federal role in transportation funding, the table also describes for the first time the Post-Interstate funding implications of the objectives and strategies.

Following the development of objectives and strategies, specific highway, transit, and arterial projects were listed that would help achieve these objectives. The following section describes the process and results of testing these projects for efficiency and effectiveness in handling the projected year 2015 traffic congestion.

TABLE 1
Objectives And Strategies

Objectives	Strategies	Relative Importance of Objective by Segment*	Post- Interstate Funding Implications
1. Improve Air Quality	o Reduce vehicle miles traveled o Reduce vehicle hours of delay o Reduce vehicle trips o Encourage ridesharing and transit use	Primary Objective in all Segments	Motor vehicle emissions contribute to air pollution problems to varying degrees in different locations in the I-80 corridor (in the Sacramento area 60 to 70% of emissions are from motor vehicles). Federal transportation programs should include ridesharing and transit support. Flexibility to direct more resources into these programs should be available so areas with severe air pollution can address this problem. More federal support is needed in the areas of research and planning. There is limited federal financial support to assist the planning efforts of local communities as they attempt to respond to federal standards and sanctions. Federal research of alternative transportation technology and clean fuels needs to be increased.
2. Maintain Existing Interstate/ State Highways, and local streets and roads	o Provide adequate funding for resurfacing, restoration and reconstruction (3 R) o Provide adequate state and local funding for maintenance o Adopt improved maintenance strategies	Primary Objective in all segments	There has been a major federal commitment to build the interstate system. A continuing federal investment to sustain and rehabilitate this system should have a high priority in a post-interstate program. State funding for maintenance should continue to have a high priority. Local maintenance is significantly under-funded and should be addressed on a statewide level.

*Objectives were ranked by the Policy Advisory Committee:

NOTE: P = Primary Objectives were those judged to be of major importance to the corridor segment.
S = Secondary Objectives were those judged to be of moderate importance.
L = Least Important Objectives were those judged to be of less importance within the context of this study.

TABLE 1

Objectives And Strategies

Objectives	Strategies	Relative Importance of Objective by Segment	Post- Interstate Funding Implications
3. Improve Highway Safety	o Construct essential safety projects (i.e., median barriers, widened shoulders, striping, etc.)	Primary Objective in all Segments	Federal, state and local guidelines for project selection should continue to address safety improvements. The federal government could encourage these projects only through continued involvement in a highway program.
4: Manage Travel Demand	o Promote ridesharing and provide support services o Implement employer flextime programs o Provide park and ride lots at appropriate locations o Designate company transportation coordinators o Promote Telecommuting	Primary Objective in all Segments	Federal programs should be flexible enough to support local ridesharing efforts, particularly those of areawide ridesharing agencies. Federally sponsored research could evaluate the potential telecommuting has for resolving congestion and air quality problems.
5. Manage Highway and Street Operations	o Implement Transportation Operation System (TOS) strategies o Ramp metering, with HOV bypass lanes o Provide HOV lanes	Primary Objective in all Segments	An increased level of State and Federal funding is required for operational projects which improve traffic flow on congested freeways. A new post-interstate program should allow for expanded application of these traffic management measures which provide a cost-effective alternative to constructing additional freeway capacity.

TABLE 1

Objectives And Strategies

Objectives	Strategies	Relative Importance of Objective by Segment	Post- Interstate Funding Implications
6. Improve commute to Metropolitan Areas/Relieve Gateway Congestion	o Provide/improve express bus service o Maintain/improve ferry services	Western: S Central: P Eastern: P	Operating expenses for express bus and ferry services should continue to be supported at adequate levels from a combination of federal, state and local programs.
	o Construct HOV (High Occupancy Vehicle) lanes		The optimum location for HOV lanes needs to be determined on a system basis and not piece-meal, depending on the availability of federal and state funding for certain categories of freeway. A new post-interstate transportation program should provide required flexibility to integrate HOV lanes where they make the most sense for congestion relief.
	o Widen freeways and bridges o Improve alternate routes		A comprehensive congestion relief program could entail widening existing freeways and bridges or developing alternative routes that may be a more cost-effective investment. Under the present program of categorical funding there is limited opportunity to develop alternative routes.

TABLE 1

Objectives And Strategies

Objectives	Strategies	Relative Importance of Objective by Segment	Post- Interstate Funding Implications
6. Improve commute to Metropolitan Areas/Relieve Gateway Congestion (Cont'd)	o Extend transit service to urban fringe		The bulk of the transit financing for new rail projects comes from UMTA's Section 3 Rail Mod/New Starts Program. This program is partially funded by a penny of the 9¢ federal gas tax. Consideration should be given to merging funding for major transit and highway investments which could lead to better corridor investment decisons.
7. Improve System Interconnections	o Upgrade interchanges to interconnect local street system and freeways o Improve arterials to provide better interconnections o Integrate park and ride lots with corridor express bus and carpool services o Integrate feeder bus and rail systems	Western: S Central: P Eastern: S	An investment in one part of the system should be coordinated with investments on other parts so that the system works together. This investment strategy require flexibility in the use of funds irrespective of system ownership. Definition of a metropolitan transportation system will assist in coordinating investments.
8. Facilitate Traffic Traveling Through Entire Corridor	o Designate and upgrade appropriate local arterials and transit systems to relieve freeways of short distance commute trips o Widen Freeways o Upgrade interchanges o Ugrade alternate routes o Install auxiliary lanes o Improve rail service	Western: S Central: P Eastern: S	Designation of major local arterials and expressways as part of a new metropolitan transportation system could direct future transportation funds to local facilities which relieve adjacent freeways. Transit system upgrades could also pull short trips off of freeways. Existing federal categories would have to be changed to permit this flexibility.

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TABLE 1

Objectives And Strategies

Objectives	Strategies	Relative Importance of Objective by Segment	Post- Interstate Funding Implications
9. Support Local Development	o Connect new activity centers with improved arterial/expressway systems o Provide new and improved interchanges to connect new development to freeway systems where consistent with local land use decisions o Expand local transit services	Western: S Central: L Eastern: S	There should be a continued federal interest, and therefore, a continued federal transportation program, to support urban and rural economic and mobility needs. Existing categorical funding impedes coordination of federally assisted transportation programs with local development decisions. Similarly, state programs should encourage better linkages between development decisions and state investment.
10. Improve Service for Goods Movement	o Implement operational improvements for truck traffic o Construct intermodal transfer facilities (truck to rail) in Bay Area and Sacramento o Improve rail freight facilities o Implement truck to barge service o Improve alternate routes	Western: L Central: S Eastern: S	The movement of goods is largely a private sector activity, but this activity benefits from public investment in highways, port facilities, and airports. Capital investments in the highway system to expedite truck travel, improve safety of freeways for truck operators and develop safety standards for trucks and their drivers should be encouraged in federal transportation programs.
11. Facilitate Recreational Traffic	o Upgrade facilities at "bottlenecks" o Identify and improve alternate routes o Improve bus service to recreational areas o Improve rail service to recreational areas	Least Important Objective in all Segments	Though considered as a "Least Important Objective" in the Corridor, this objective would be aided by post-Interstate strategies requiring greater flexibility in the use of funding.

III. TRANSPORTATION OPTIONS FOR 2015

Definition of Alternatives

Traditional corridor studies evaluate the effect of proposed transportation improvements on corridor mobility by forecasting future traffic and comparing traffic conditions under a range of improvement scenarios. This corridor study followed the same process by postulating different combinations of highway/ highway operations, transit, arterial upgrade, and travel demand management strategies for further analysis. The alternative components were then developed to form complementary and mutually supportive multi-modal measures in a "systems" approach. The principal ordering of alternatives relied on the Policy Committee's assessment of the relative importance of various objectives as discussed earlier. None of the alternatives represents a preferred strategy in and of itself; rather they are intended to measure differences in corridor mobility given increasingly more capital-intensive solutions to the transportation problem evidenced in year 2015 (e.g. travel demand management and highway operations strategies are initially evaluated followed by more extensive investment in new rail lines and freeways which would be necessary to alleviate chronic congestion).

The performance of each of the following alternatives was compared against the performance of the 2015 "Base Case" system -- which assumes completion of projects included in the current 5 year State Transportation Improvement Program (STIP).

- Alternative 1 was designed to meet the objectives of primary importance for each segment of the Corridor, as described above. Improving air quality, managing travel demand, and managing freeway/street operations were emphasized in all three segments, with additional objectives included in the Central and Eastern segments.

- Alternative 2 included all objectives and projects from Alternative 1, and added those projects that satisfied secondary objectives in each segment.

- Alternative 3 provided an opportunity to determine the incremental effects of additional capital investment, particularly in the Central and Eastern segments.

- Alternative 4 added further capital investments; this alternative represents the most comprehensive and intensive set of transportation projects evaluated for the I-80 Corridor.

Several of the transportation projects embodied in the alternatives, particularly new freeway proposals, have the potential to reshape and redirect regional growth patterns in the corridor. Although local governments exert control over land use adjacent to these new facilities, there will undoubtedly be pressure for development once such facilities are constructed. This study did not address the issue of whether or not additional traffic would be "induced" by these facilities, although a number of Policy Committee members felt that this would be the case.

Evaluation of Alternatives

The alternatives were evaluated and compared to the 2015 Base Case according to a number of criteria: impacts on freeway levels of service (LOS) and travel time, changes in High-Occupancy Vehicle (HOV) use, reductions in congested miles on freeways and arterials, changes in transit use and transit travel times, impacts on air quality as measured by reductions in Vehicle Miles Traveled (VMT) and Vehicle Hours of Delay (VHD), and other environmental impacts. Capital and operating/maintenance costs were also developed for each alternative. Transportation conditions and proposed improvements vary considerably among segments; therefore, impacts of each alternative were analyzed on a segment-by-segment basis; major findings of this analysis are presented in Table 2, and described briefly below (See Chapter VI of the Final Report):

Western Segment:

- o I-80 west of Route 4 will continue to be heavily congested (LOS "F") under all alternatives for the peak hour, but congestion will lessen at other hours; the worst periods of congestion will not last as long.

- o Ridesharing to work would increase by at least 5900 carpoolers under all alternatives, due to the new HOV lanes, but some of this increase would be drawn from transit users as well as people who drive alone.

- o Total transit use by residents of the Western Segment would not increase significantly with commuter rail service or extensions of BART, as this segment is already well-served by transit. However, more Solano County residents would be traveling into or through the Western segment by transit.

- o Under Alternative 4, total vehicle delay would be reduced by one-third, the largest reduction of any alternative. This reduction would largely be due to the high levels of transit service (commuter rail, BART to Solano County) that would remove a significant number of Solano County vehicles from I-80.

Central Segment:

- o Much of I-80 between Vallejo and Fairfield will continue to experience LOS "F" under all alternatives, but traffic east of Fairfield, and particularly east of Vacaville, will become less congested under all alternatives. Despite poor peak hour service levels, vehicle delay and travel times will decrease substantially, due to a shortening of the duration of congestion in this segment of the corridor.

- o Carpooling would increase substantially (4200-7500 new carpoolers) under all Alternatives except 4; BART to Fairfield would draw off new carpoolers in the latter alternative.

- o Transit usage would increase steadily from Alternative 1 to Alternative 4, with a large increase in Alternative 3 (BART to Vallejo) and another increase in Alternative 4 (BART to Fairfield).

Table 2
SACOG/MTC STRATEGIC TRANSPORTATION PLANNING STUDY
Summary - Evaluation of Alternatives (as Compared to Year 2015 Base Case)

WESTERN SEGMENT

	Alternative 1	Alternative 2	Alternative 3	Alternative 4
Objectives	Serves Primary Objectives: • Improve air quality • Manage travel demand • Manage freeway & street operations	• Expand on Alternative 1 to achieve primary and secondary objectives.	• Same as Alternatives 1 & 2 plus adds new facilities	• Most capital intensive, adds remaining candidate projects.
The System				
Freeways	I-80: Replace westbound span of Carquinez Bridge			Construct Route 84 freeway between Sunol and Antioch
HOV Lanes	I-80: Bay Bridge to Carquinez Bridge I-680: Willow Pass Rd. to Benicia-Martinez Bridge			
Arterials	San Pablo Avenue upgrade			
Transit	• Express bus service from Solano County • Upgrade Vallejo ferry service	• BART to Hercules • Commuter rail between Sacramento and Oakland	• BART to Vallejo	• BART to Fairfield
TOS	Ramp metering south of Carquinez Bridge			
Environmental Analysis				
Air Quality	• Reduces VMT 4% and VHD 16% • potential reductions in emissions	• Reduces VMT 4% and VHD 17% • potential reductions in emissions	• Reduces VMT 7% and VHD 23% • potential reductions in emissions	• Reduces VMT 12% and VHD 34% • potential reductions in emissions
Other	• No major impacts	• BART to Hercules: • possible displacements of homes/businesses	• BART to Vallejo: • possible displacements of homes/businesses • possible impacts on wetlands	• Route 84 Freeway: • possible displacements of homes/businesses • potential for induced growth
Transportation Analysis				
Freeways	• Reduces VHD by 15% • I-80 LOS "F" except north of Route 4 • Auto travel time decreases 16 min - Bay Bridge to Carquinez Bridge	• Reduces VHD by 16% • I-80 LOS "F" except north of Route 4 • Auto travel time decreases 20 min - Bay Bridge to Carquinez Bridge	• Reduces VHD by 22% • I-80 LOS "F" except north of Route 4 • Auto travel time decreases 17 min - Bay Bridge to Carquinez Bridge	• Reduces VHD by 33% • I-80 LOS "F" except north of Route 4 • Auto travel time decreases 20 min - Bay Bridge to Carquinez Bridge
HOV	6,600 new carpoolers (6.7% increase)	5,900 new carpoolers (6.0% increase)	6,000 new carpoolers (6.1% increase)	6,900 new carpoolers (6.6% increase)
Arterials	• Reduces VHD by 18% • Congested lane-miles reduced 22%	• Reduces VHD by 18% • Congested lane-miles reduced 22%	• Reduces VHD by 30% • Congested lane-miles reduced 23%	• Reduces VHD by 35% • Congested lane-miles reduced 23%
Transit	• 106,600 total daily commuters • 18.1% share • No change in Oakland to Vallejo travel time	• 107,700 total daily commuters • 18.2% share • No change in Oakland to Vallejo travel time	• 107,700 total daily commuters • 18.2% share • 12 min less travel time Oakland to Vallejo	• 107,700 total daily commuters • 18.2% share • 12 min less travel time Oakland to Vallejo
Funding Requirements				
Capital Freeway/Arterials Transit TOS *TOTAL*	$604 million 0 20 $624 million	[illegible] million 640< 20 $1,064 million	$604 million 560 20 $1,184 million	$1,204 million 680 20 $1,904 million
Annual Opr./Maint. Freeway/Arterials Transit *TOTAL*	$0.4 million 1.1 $1.5 million	$0.4 million 10.1 $10.5 million	$0.4 million 14.1 $14.5 million	$3.0 million 21.6 $24.6 million

Table 2 (continued)
BACCOG/MTC STRATEGIC TRANSPORTATION PLANNING STUDY
Summary - Evaluation of Alternatives (as Compared to Year 2015 Base Case)

CENTRAL SEGMENT

	Alternative 1	Alternative 2	Alternative 3	Alternative 4
Objectives	Seven Primary Objectives: • Improve air quality • Improve system interconnections • Improve connections to Metro area/inter gateway congestion • Facilitate through traffic • Manage travel demand • Manage highway & transit operations	Expand on Alternative 1 to achieve primary and secondary objectives	Same as Alternatives 1 & 2 plus add new facilities	More capital intensive, adds remaining candidate projects
The System				
Freeways	• Widen I-80: Meridian to Pedrick • Widen I-680: Benicia-Martinez Bridge to I-80	• Widen I-80: I-680 to Air Base Parkway	• Construct Route 113 Freeway from Aaron's to Dixie	
HOV Lanes	• Extend HOV lanes across the Carquinez and Benicia-Martinez Bridges to I-780	• Extend I-80 HOV lane from I-780 to Route 37 • Extend I-680 HOV lane from I-780 to I-80		
Arterials	• Widen Cordelia Road • Widen Walters Road • Widen Peabody Road			
Transit	• Express bus service from Solano Co. to Bay Area and Sacramento • Upgrade Vallejo ferry service	• Commuter rail from Solano Co. to Oakland and Sacramento	• BART to Vallejo	• BART to Fairfield
TOS	• Ramp metering at selected locations			
Environmental Analysis				
Air Quality	• Reduces VMT by 17% and VHD 46% • potential reductions in emissions	• Reduces VMT by 10% and VHD 35% • potential reductions in emissions	• Reduces VMT by 11% and VHD 32% • potential reductions in emissions	• Reduces VMT by 22% and VHD 64% • potential reductions in emissions
Other	• Cordelia Rd. widening/ mitigation - possible impacts on wetlands and Old Cordelia area	• I-80 HOV lane - I-780 to Route 37 • potential for major displacements: homes/businesses	• Route 113 Freeway: - possible wetlands impacts - potential for major displacements of homes/ businesses - potential for induced growth	• BART to Fairfield: - possible displacements of homes/businesses - possible wetlands impacts
Transportation Analysis				
Freeways	• Reduces VHD by 60% • I-80 LOS "D-F" Carquinez Bridge to I-505 • Auto travel time decreases 16 min - Carquinez Bridge to Davis	• Reduces VHD by 68% • I-80 LOS "D-F" Carquinez Bridge to I-505 • Auto travel time decreases 20 min - Carquinez Bridge to Davis	• Reduces VHD by 69% • I-80 LOS "D-F" Carquinez Bridge to I-505 • Auto travel time decreases 11 min - Carquinez Bridge to Davis	• Reduces VHD by 75% • I-80 LOS "D-F" Carquinez Bridge to I-505 • Auto travel time decreases 23 min - Carquinez Bridge to Davis
HOV	5,400 new carpoolers (6.2% increase)	7,200 new carpoolers (8.4% increase)	4,200 new carpoolers (4.9% increase)	900 new carpoolers (1.0% increase)
Arterials	• Reduces VHD by 37% • Congested lane-miles decrease by 9%	• Reduces VHD by 49% • Congested lane-miles reduced 10%	• Reduces VHD by 53% • Congested lane-miles reduced 23%	• Reduces VHD by 66% • Congested lane-miles reduced 30%
Transit	• 6,500 total daily commuters (53% increase) • 1.9% share	• 7,300 total daily commuters (60% increase) • 2.1% share	• 12,100 total daily commuters (100% increase) • 3.6% share	• 17,400 total daily commuters (143% increase) • 5.1% share
Funding Requirements				
Capital				
Freeway/Arterials	$87 million	$727 million	$1,437 million	$1,477 million
Transit	30	50	230	560
TOS	30	30	30	30
TOTAL	$127 million	$807 million	$1,697 million	$2,067 million
Annual Opr./Maint.				
Freeway/Arterials	$2.4 million	$8.7 million	$1.7 million	$8.6 million
Transit	3.6	4.1	10.6	11.7
TOTAL	$6.0 million	$12.8 million	$12.3 million	$20.3 million

Table 2 (continued)

SACOG/MTC STRATEGIC TRANSPORTATION PLANNING STUDY

Summary - Evaluation of Alternatives (as Compared to Year 2015 Base Case)

EASTERN SEGMENT

	Alternative 1	Alternative 2	Alternative 3	Alternative 4
Objectives	Seven Primary Objectives • Improve air quality • Improve mobility to Metro areas; relieve growth congestion • Manage travel demand • Manage highway & street operations	• Expand on Alternative 1 to achieve primary and and secondary objectives.	• Same as Alternatives 1 & 2 plus adds new facilities	• Minor capital enhance. adds widening roadway projects
The System				
Freeways			• Construct Route 102 from I-80 east of Auburn to I-5 near airport • Widen I-5: airport to Woodland • Widen 113: I-80 to I-5	• Extend Route 102 across Yolo Bypass to I-80 (with no widening of Rt. 113) • Widen Rt. 51: E St. to I-80 • Construct Beltway (beyond from I-80 near Roseville to Route 113 near Davis)
HOV Lanes	I-80: Add HOV lanes from Davis to Hwy. 50 and from I-5 to Roseville	• Extend HOV lanes from Roseville to Loomis	• I-5: Add HOV lanes from Route 102 to I-80	
Arterials	• Widen Roseville Road • Widen Auburn Boulevard • Widen Elkhorn Boulevard		• Widen Stanford Road • Widen Elverta Road • Extend Truxel Road across I-80 to downtown	• Extend Roseville Rd. from Harrison Ave. to Richards Blvd. crossing
Transit	• Extend LRT to Antelope • Upgrade/extend express bus service from Davis, Woodland and Auburn to Sacramento	• Extend LRT to Roseville • Commuter rail service from Oakland and Auburn to Sacramento	• Extend LRT to North Natomas and West Sacramento	• Extend LRT to Davis and Woodland
TOS	• Ramp metering on elevated freeways			
Environmental Analysis				
Air Quality	• Reduces VMT 6% and VHD 13% • Potential reductions in emissions	• Reduces VMT 7% and VHD 15% • Potential reductions in emissions	• Reduces VMT 5% and VHD 25% • Potential reductions in emissions	• Reduces VMT 9% and VHD 32% • Potential reductions in emissions
Other	Widening of arterials • possible displacement of homes/ businesses		Widen I-5 to Woodland • potential impacts on sensitive areas Route 102: potential for inducing growth LRT to North Natomas: • possible impacts on sensitive areas (bridge over American River and Parking)	Beltway freeway • potential for major displacement of homes/ businesses • possible impacts on sensitive areas • potential for inducing growth Route 51: potential for major displacement of homes/ businesses
Transportation Analysis				
Freeways	• Reduces VHD by 21% • I-80 LOS "F" Davis to Auburn • Auto travel time decreases 21 min. - Davis to Auburn	• Reduces VHD by 23% • I-80 LOS "F" Davis to Auburn • Auto travel time decreases 22 min - Davis to Auburn	• Reduces VHD by 26% • I-80 LOS "F" Davis to Hwy. 50 and I-5 to Auburn • Auto travel time decreases 33 min - Davis to Auburn	• Reduces VHD by 32% • I-80 LOS "E-F" I-5 to Auburn • Auto travel time decreases 46 min - Davis to Auburn
HOV	10,600 new carpoolers (4.7% increase)	9,900 new carpoolers (4.4% increase)	7,000 new carpoolers (3.3% increase)	6,600 new carpoolers (2.9% increase)
Arterials	• Reduces VHD by 13% • Congested lane-miles reduced 1%	• Reduces VHD by 16% • Congested lane-miles reduce the same	• Reduces VHD by 26% • Congested lane-miles reduce the same	• Reduces VHD by 32% • Congested lane-miles reduced 7%
Transit	• 38,900 total daily commuters (13% increase) • 3.9% share	• 47,300 total daily commuters (17% increase) • 5.0% share	• 58,100 total daily commuters (27% increase) • 6.2% share	• 63,600 total daily commuters (29% increase) • 6.4% share
Funding Requirements				
Capital				
Freeway/Arterials	$135 million	$220 million	$700 million	$2,310 million
Transit	100	180	410	700
TOS	20	20	20	20
TOTAL	$250 million	$420 million	$1,110 million	$3,070 million
Annual Opr./Maint.				
Freeway/Arterials	$0.5 million	$0.6 million	$3.4 million	$4.1 million
Transit	3.6	4.8	5.7	6.8
TOTAL	$4.1 million	$5.4 million	$9.1 million	$10.9 million

- The transit extensions, HOV lane widenings, and ferry service upgrades in the Central Segment will help reduce vehicle miles of travel by 11-22% compared to the 2015 Base Case. Vehicle hours of delay will drop 46-64%, due to the transit, ferry and HOV improvements, the new Route 113 freeway, widenings of I-80 and I-680, and arterial upgrades.

Eastern Segment:

- Under Alternatives 1 and 2, I-80 would experience severe congestion (LOS F) in the peak hour from Davis to Auburn.

- In Alternative 3, congestion on I-80 would be reduced somewhat between Route 50 and I-5. In Alternative 4, due mainly to the Route 102 extension to I-80 and construction of the Beltway freeway congestion would be cleared between Davis and Sacramento and the duration of severe congestion between I-5 and Auburn would be lessened.

- In Alternatives 3 and 4, auto travel times decrease substantially due to Route 102, LRT extensions, and HOV lanes; the alternatives provide reductions in vehicle delay ranging from 21 to 33%.

- All alternatives would increase carpooling by at least 6600 new users; Alternative 1 would add 10,600 new carpoolers.

- Transit usage would increase substantially (37-43%) in Alternatives 3 and 4 with extensions of light rail to Roseville, North Natomas, West Sacramento, Davis, and Woodland, plus commuter rail service from Oakland through Sacramento to Auburn.

Despite the scale of transportation improvements envisioned in Alternative 4 -- approximately $7 billion in transit expansion, new freeways, HOV lanes, highway operational strategies and new reliever routes -- adequate levels of service are not achieved for much of the corridor. Rather, what occurs is a lessening of the duration of serious congestion which is reflected in the reduced vehicle delay hours. This situation has prompted the Policy Advisory Committee to note that additional solutions -- as yet undefined -- will need to be considered to address the growth in person trips and goods movement forecasted for 2015. Greater emphasis must be placed on land use decisions that ensure that transportation congestion problems are not exacerbated.

Definition of a "Systems" Approach in the I-80 Corridor

In order for the transportation "system" in the I-80 corridor to function in the future, different elements of the system must be linked together in a network that works for the system's users. In other words, the highways, major arterials, transit lines, intercity rail services, and transportation demand measures should be developed in a complementary and mutually supportive manner.

The evaluation of alternatives suggests some promising directions for future investment in the corridor, even though this investment would be insufficient to address the growth in travel projected to take place over the next 30 years. The key elements of an I-80 transportation strategy can be defined and specific projects selected to facilitate this strategy.

Western Segment. The Carquinez and Benicia bridges should function as "gateways" into the more heavily urbanized and congested portion of the Bay Area. Strong inducements for HOV formation should be provided at the bridge approaches such that vehicle occupancy is increased (e.g., HOV bypass lanes, toll free passage, etc.). South of the Carquinez Bridge ramp metering and improvement of San Pablo Ave. as a reliever arterial facility will enhance whatever I-80 upgrade design is ultimately implemented by CalTrans. The systems approach to this segment of the corridor also suggests that a range of transit options would be needed to best serve the commuter -- express buses from Solano County, BART extensions and/or commuter rail service upgrades in the I-80 corridor, and ferry services, such as the Vallejo ferry. The Carquinez Bridge and new Benicia Bridge should be designed to accommodate possible rail extensions, even if this occurs at a much later date.

Central Segment. The Central segment will continue to export commuters to job opportunities beyond its borders. Heavy local, truck and recreational traffic demand will add to peak period congestion on I-80, suggesting a need for a comprehensive arterial/reliever route network to allow local trips to avoid the freeway during peak traffic periods. A comprehensive flextime program for local employers, coupled with a Traffic Operation System (ramp metering and incident management), would also be extremely valuable in enhancing the performance of the I-80 facility. In the short term, express bus service to the metropolitan job centers in the Bay Area and Sacramento will be the most appropriate transit enhancement; the feasibility of commuter rail service between the Western and Eastern segments still needs to be addressed through the ACR 132 Auburn to San Jose Rail Corridor Upgrade Study. Intercity rail service between Sacramento and the Bay Area, if scheduled at the right times, could provide additional commute period transit capacity. Another potential system improvement would be the development of a new freeway/expressway/railway corridor linking Rt. 84 through eastern Contra Costa County with Rt. 113 in Solano County; this corridor would allow trips from the Bay Area to avoid the entire western portion of I-80 by traveling through Livermore, Antioch and Dixon.

Eastern Segment. The Eastern segment would initially consider a gateway strategy emphasizing HOV treatment at the Causeway from Davis to Sacramento. In addition, continuous HOV lanes and ramp metering would be provided along I-80 from Sacramento to Roseville and Rocklin, where rapid development is occurring and new residential areas are under construction. The traffic analysis shows the potential for reliever route development in the Sacramento area to accommodate local trips (Roseville Road, Auburn Blvd., Elkhorn Blvd.). Express bus service from Davis, Woodland, and Auburn and incremental LRT extensions to Roseville, North Natomas and West Sacramento would extend transit service to the metropolitan fringes and expand the market potential of the existing LRT system. Express bus service in LRT corridors would be directed to serve employment centers not directly served by LRT. Major new highway facilities, such as Route 102 and the Beltway freeway, were found to have a beneficial effect on corridor congestion in 2015 as compared to the Base Case, but raise other environmental and growth management issues which were not addressed during the limited timeframe of this study.

Projects that Complement the System

While this study did not fully evaluate specific transit and highway transportation projects in the corridor, the definition of the system approach described above can be used as a guide for project and program selection. Completion of this study represents just the first step in the long process of addressing transportation problems in the I-80 corridor. There is a need to continue efforts to see that specific recommendations are implemented and additional planning work is undertaken to examine issues that remain unresolved and pursue opportunities that were not fully explored during the course of the study.

Appendix A identifies projects that are committed for funding, and suggests projects that are "Promising" as well as projects "Needing Further Study". The "Promising" projects were assessed by the MTC/SACOG/Caltrans Steering Committee as being both consistent with the system corridor concept and logical candidates for implementation consideration. Also included in Appendix A is a list of projects that were not included in any of the alternatives because of their limited benefits to the corridor. These projects respond more directly to transportation problems in areas beyond the limits of the I-80 corridor.

Appendix B provides the rationale for including projects in one category or another. Further evaluation of these projects will be required before consensus can be fully achieved on how they should be categorized.

The Policy Advisory Committee recommended that criteria used to evaluate corridor level alternatives also be applied to the candidate projects. These criteria are listed in Appendix B and include both transportation and environmental assessments.

IV. FUNDING ISSUES

Growth and infrastructure must go hand-in-hand or corridor mobility will decline. Unfortunately, many local governments are relying on past investment in transportation infrastructure to serve new population and job growth because of shrinking transportation funding. In the long term, it will be essential to replenish transportation capacity in order to preserve mobility, retain existing jobs, and attract new jobs to the corridor. There are major threats to transportation funds that could further erode the funding base for future transportation improvements and frustrate local and regional transportation interests. However, this is also a time of opportunity to seek out new directions at both the federal and state levels. Funding concerns and opportunities are described below:

Concerns at the Federal Level

- Interest in using the federal gas tax (8¢ for highway and 1¢ for transit) for deficit reduction; this tax generates about $13 billion per year.

- A decline in federal obligational authority, resulting in a accumulated surplus in the Highway Trust Fund of about $10 billion; reduced obligational authority is used to control spending so that the "surplus" becomes a means to balance the federal budget.

- A 50% decline in federal formula funds (UMTA Section 9) to operate and maintain existing transit systems over the past 4 years.

- Rising construction costs which eat away at the purchasing power of the federal 9¢ per gallon tax.

- A 57% decrease in federal support for the nation's passenger rail system (AMTRAK) measured in constant dollars since 1978.

- A "categorical" approach to highway funding which restricts funds to certain "cookie jars"--Federal Aid Interstate (FAI), Federal Aid Primary (FAP), Federal Aid Urban (FAU), and Federal Aid Secondary (FAS). These categories channel federal dollars to certain types of facilities which may not be the most effective transportation improvement for a particular metropolitan or rural area. For example, federal priorities, particularly those associated with the Interstate system, have resulted in approximately 20% of California's annual federal funding allocation going to non-Interstate highways even through these highways constitute 70% of the States' total mileage.

Concerns at the State Level

- The current state 9¢ gas tax is inadequate to meet the needs of even a basic transportation program for the State. The current State Transportation Improvement Program (STIP), which has a total cost of $6.5 billion, is underfunded by approximately $4.5 billion.

- Like the federal 9¢ gas tax, the state tax is not designed to keep pace with inflation. The purchasing power of the state's highway program is approximately one fourth (1/4) what it used to be in the early 1970's.

- The states' shrinking resources are now almost exclusively dedicated to maintaining the existing state highway system and matching federal highway dollars with a major focus on completing the Interstate System within the State.

- State operating assistance for mass transit (the STA program) has all but dried up.

- State transit assistance for capital programs (TCI and Article XIX) is not increasing and is therefore being reduced in actual purchasing power due to inflation.

- California's highway financing crisis has resulted in the virtual cessation of planning activities necessary for advanced route determination and right-of-way protection.

Concerns at the Local Level

- The estimated annual cost of maintaining the corridor's existing and programmed major arterials is $6 million. This locally borne expenditure is only a fraction of the total cost, however, as portions of the corridor, Alameda and Placer counties in particular, have incurred large backlogs of deferred maintenance costs. Maintenance costs, in addition to those identified above, will be substantial as new projects are added to the corridor's arterial system.

- Subventions of 4.39¢ of the 9¢ state motor vehicle fuel tax are returned to counties and cities for the construction and maintenance of local arterials. Not only is this amount inadequate to meet current, deferred and anticipated needs, but the purchasing power of these revenues has been significantly eroded by inflation.

New Opportunities

The very factors that threaten highway and transit financing have also created a powerful consortium of public and private interest groups which see renewed transportation investment as the key to the future of the State. At the federal level, the Interstate Highway System will be completed by 1991, finishing a three-decade-long project to connect the nation's cities and rural areas. The near completion of this landmark system has generated extensive discussion about future federal involvement in transportation funding and the fate of the 9¢ federal gas tax. Groups such as the American Association of State Highway Officials (AASHTO), the American Public Transit Association (APTA), the California Transportation Commission (CTC), National Association of Counties (NaCO), and National League of Cities (NLC) are all formulating advocacy positions relating to a new federal transportation program. The Governor and various Legislators have proposed varying solutions to the States' financial transportation crisis.

This study suggests several basic concepts which would need to be embodied in new federal and state funding initiatives, in effect, principles of negotiation. These principles would be beneficial to the I-80 Corridor in that they would allow for continuing definition of transit and highway programs, and provide assurances that these programs would eventually fit into either a federal or state program at the appropriate time.

- The Case for Enhanced Revenues. Clearly the scale of the improvements envisioned in the Western, Central, and Eastern segments of the corridor (over $7 billion in Alternative 4) indicates the inadequacy of current federal and state gas tax revenues as a means of financing major new programs. As large as the capital outlays are for the I-80 Corridor, they would still be insufficient to eliminate congestion from the I-80 Corridor suggesting that even further improvements may be required to serve projected growth. If the I-80 Corridor is in fact a microcosm of other areas in the country, both the 9¢ federal gas tax and the 9¢ state gas tax must be increased by substantial amounts to hold any potential for seriously addressing this country's mobility needs. Increased gas taxes provide a double benefit--increasing revenues and moderating auto travel.

- The Case for Flexibility. Categorical programs need to change in recognition of changing travel demand, air quality concerns, and transportation solutions. Urban areas may need investments in non-Interstate highway projects and arterials that can relieve freeways when further highway expansion is impossible or the costs are prohibitive. Expansion of bus and rail transit (including commuter rail) systems may also provide a more logical and politically acceptable solution in some corridors when compared to alternative highway investments. Finally, federal highway funds are not available for traffic operation strategies (surveillance, message signs, ramp metering and improvements to local streets to accommodate ramp meters, etc.) which can maximize the capacity of existing facilities and smooth their operation. Overall, added flexibility will encourage the most-effective investments rather than the investments for which categorical funding is available.

  To promote good decision making and ensure that the flexibility produces the intended results, a further refinement should be considered in the federal program. This refinement would be to establish uniform local matching ratios for all programs so that investment decisions are not directed at achieving the most favorable match requirement, but rather are aimed at providing the most productive transportation investment for the corridor.

- The Case for Maintaining the Existing Transportation System. While the focus of most transportation studies is on capacity issues, a large and growing problem is occurring in the maintenance of the existing investment. This problem is well recognized by many cities and counties struggling to maintain their streets and roads, but it also applies to the State Highway System and to regional transit systems. For example, the cost to maintain the I-80 Corridor study's Base Case freeway system is estimated to be about $15 million annually ($8,000 per lane mile), and maintaining the existing and planned major arterials will cost about $6 million annually ($3,000 per lane mile). Transit operators face a similar predicament--they must allocate sufficient funds to replace worn out rolling stock and rehabilitate their systems at various intervals. Expansion of transportation systems will add to this base case maintenance burden.

  All parties, therefore, are in favor of placing some of the current gas tax revenues for highways in a separate fund in an amount adequate for necessary restoration, reconstruction, resurfacing and rehabilitation of the multi-billion dollar Interstate System. Likewise, the federal formula funding program for operating and maintaining public transit systems should be preserved and the burden shifted from the federal General Fund to a gas tax supported fund.

- The Case for Predictable Funding. Transportation programs are long-term, taking many years to conceive, plan and construct. Yet these plans are usually made in a financial vacuum in that a substantial portion of the needed funds may not be identifiable or the decision on the use of funds is influenced through a process outside local control. Therefore, in order to enhance the local budgeting and programming process, transportation funds should flow in a predictable manner, probably directed by a formula such as the current "county minimums" formulas which is used to provide each county with its fair share of highway funds.

- The Case for Expanded Local Funding. Increased local contributions to the transportation system have been much in evidence in recent years. This local government response has been concurrent with diminishing state and federal transportation commitments; however local governments universally view these new commitments as an augmentation rather than replacement of federal and state funds. This augmentation role will undoubtedly need to be pursued with even more vigor given the scale of transportation improvements necessary to make a dent in I-80 corridor congestion.

  New strategies to augment conventional transportation funding sources at the regional, county and city levels are also emerging. Three counties in the corridor, (Alameda, Contra Costa and Sacramento) have passed one-half cent sales tax increases in support of transportation; part of these sales tax revenues are returned to the counties and their cities to finance arterial maintenance costs. Portions of the revenue derived from recently raised tolls on the state owned Bay Bridges will be used to fund rail transit, ferry and bicycle facilities and new Carquinez and Benicia spans. A bond issue (AB 973, Costa) is being considered to expand rail service in the State, including service in the corridor. In parts of the state, roadway improvements are being financed from revenues derived from special assessment districts and from developer fees. Toll road strategies may be an appropriate means of funding new facilities under consideration in the corridor (e.g., Route 113, Route 102). Other funding strategies that may have potential to augment the transportation funding base include a regional gas tax, joint development/value capture arrangements, increased vehicle registration fees and vendor fees. (See Table 4 for listing of possible future funding options).

- The Case for Federal Funding of Research and Development to Improve Transportation Technology, Decision Making, and Environmental Quality. Given federal and state clean air violations in the corridor and automobile usage as the primary cause of these violations, the federal agencies responsible for transportation should fund research and development:
  1. cleaner fuels and other less-polluting technologies,
  2. tools to evaluate the air quality impacts of potential transportation projects,
  3. incentives to ensure coordination of transportation and land use decisions,
  4. other strategies to achieve federal air quality standards.

V. RECOMMENDATIONS AND NEW DIRECTIONS

The I-80 Corridor Strategic Transportation Planning Study provides a framework for recommending future directions for the federal transportation program; it also defines the next steps in the transportation planning process for the I-80 Corridor itself.

A Federal Transportation Program for the 90's

Formulation of post-interstate transportation policy should be based on common national, state and local interests. It should be shaped by the need to achieve six objectives:

- Maintain a strong federal commitment to transportation, including planning, funding, and research

TABLE 4

FUNDING CORRIDOR TRANSPORTATION IMPROVEMENTS

SYSTEM IMPROVEMENTS	CURRENT FUNDING SOURCES	FUTURE FUNDING OPTIONS
1. FREEWAYS/HIGHWAYS	Federal/State (gas tax)	o Increase gas tax
o Capacity (new facilities, (widenings, interchanges, etc)	o Federal Aid Systems (FAI, FAP, FAU, FAS)	o Federal/State flexible funding o Toll Roads
o Operational (auxiliary lanes restripping, etc.)	Local o County sales tax	o Toll roads
o HOV Lanes/Park-n-Ride Lots	o Special assessment districts	
o Traffic operation systems	o Developer fees	
o Maintenance	State (State Highway Account)	o Federal/State set-aside
2. BRIDGES		
o Construction/operation	State (tolls)	
o Maintenance	State (State Highway Account)	
3. LOCAL ARTERIALS	Federal (FAU)	o Federal/State flexible funding
o Construction/operation	Regional/Local o State gas tax subventions o County sales tax o Special assessment districts o Developer fees	o County sales tax where not currently imposed o Regional/County gas tax
o Maintenance	State (State Highway Account)	o County/City set aside
4. TRANSIT	Federal (gas tax, General Fund)	o Federal/State flexible funding
o Capital	o UMTA (Sections 3, 9) State (Fuel tax) o State Transit Assistance Program (STA) o Transit Capital Improvement Program (TCI) o Article XIX o Tolls o Bonds Regional/Local (taxes) o TDA (1/4¢ sales tax on gasoline) o County (1/2¢ sales tax, dedicated/undedicated) o Property o County/City general fund	o County sales tax where not currently imposed o Regional/County gas tax o Joint development fees
o Operating	Federal (General Fund) o UMTA (Section 9) State (fuel tax) o STA Regional/Local (sales tax) o TDA o County o Fares	o Federal/State set aside o County sales tax where not currently imposed o Regional/County gas tax o Joint development fees
5. RAIL	Federal (General Fund)	o Federal/State flexible funding
o Capital	o Amtrak State (fuel tax) o STA o Article XIX o TCI o Bonds Regional/Local (sales tax) o TDA o County	o County sales tax where not currently imposed o Regional/County gas tax
o Operating	Federal (General Fund) o Amtrak State (fuel tax) o STA o Fares Regional/Local o County sales tax	o Federal/State set aside

- Maintain a strong federal commitment to the development of new technologies, including alternative transportation technology and cleaner fuels, to mitigate transportation and air quality problems.

- Provide an equitable distribution of funds to ensure that the interstate system is maintained, and urban and suburban congestion and air quality problems are addressed. Although this study focused on urban and suburban commute congestion, and not rural needs, a federal program should also ensure that rural economic and transportation needs are met.

- Provide better decision making based on more predictable funding levels and flexibility in funding. This will allow the expenditure of funds based on transportation needs, rather than available categorical funding. Integrated decision making also requires that decisions on capacity expansion be tied to local decisions about land use and development and that decisions on maintenance and rehabilitation be tied to the owners and operators of the transportation system. Transportation investments should include those strategies which are consistent with local air quality plans and are designed to assist in achieving and maintaining state and federal air quality standards.

- Encourage cooperation at all levels of government in the planning and implementation of transportation improvements with the recognition that the funding of needed improvements is a shared responsibility.

- Encourage development of incentives in the federal transportation program for coordinating local land use and transportation decisions.

Specific principles recommended to achieve these objectives are as follows:

- Federal and State gas tax increases are needed to sustain and improve the national surface transportation system. These increases should be dedicated solely for transportation purposes.

- The surplus in the federal Highway Trust Fund should be expended and used to address the current critical transportation funding shortfall in the state.

- The Federal Government should have as its highest priority maintaining the Interstate System.

- The Federal Government should make a similar strong commitment to the maintenance and operation of the nation's public transit systems, including Amtrak.

- Federal and State funding should be predictable and distributed using equitable formulas.

- Federal transportation programs should support local efforts to mitigate air quality problems.

- Recognizing that coordinating land use decisions of area governments is the key to solving transportation and air quality problems, the federal program should assist local and state governments in expanding their capability to perform long range land use and transportation planning.

- A metropolitan transportation system should be defined through the existing federal, state and local partnership, and serve as the basis for future funding eligibility. System options should include freeways, expressways, major transit facilities, arterials, and operational improvements.

- Federal and state governments should encourage cost-effective investments by blending major transit and capital highway funding available for system expansion.

- Federal matching requirements should be uniform for investments in new or expanded highway and transit facilities, so as not to bias decision-making.

- Sufficient funds should be dedicated from local funding sources to adequately maintain city streets and county roads.

- Additional local funding initiatives should be pursued to augment federal and state sources, including county sales taxes, regional/county gasoline taxes, bonds, assessment districts, and developer fees.

Growth Management and Other Issues

- Growth Management. As this study clearly indicates, growth issues are surfacing as major determinants in the location and amount of transportation investment. Air quality concerns expressed by the Policy Advisory Committee are also traceable, in part, to the effect of growth rather than the effect of the transportation improvements. Given the transportation capacity "shortfall" in the year 2015, attention must be directed to the growth issue. This is a formidable task given the extent of the corridor and the number of separate city and county governments and agencies. Local governments do have it in their power to guide the scale and location of development, if not actual levels of growth. Development decisions that place housing, shopping and employment areas closer together; intensify land uses around transit lines; make offices and housing more accessible to transit service; and stage growth in concert with the provision of transportation services all have potential to improve transportation service. Integration of land use planning and transportation planning should be pursued throughout the corridor, but especially in the developing areas of the Central and Eastern segments. A flexible federal transportation program, as recommended above, will enhance local and regional agencies' ability to integrate land use and transportation decisions.

- Development of Local Arterial and Transit Systems to Complement Freeways. Certain portions of the corridor must rely almost exclusively on I-80 for their trips. As I-80 becomes more congested, particularly in high growth areas of the corridor (e.g., Solano County), a system of local arterials, expressways and transitways may provide an alternative for shorter, local trips. This system could link residential and employment centers and serve as a basis for co-development of transitways, open space, and industrial parks--both intensifying land uses and preserving open space where appropriate. In rapid growth areas, advanced planning and right-of-way protection for these systems will be essential.

- Recreational Travel. One of the significant congestion factors in the corridor is recreational trips that create weekend bottlenecks, especially at the bridges. This is a difficult problem and one which the study addressed only superficially. Strategies deserving consideration include special transit services (ski trains and buses) and more widespread adoption of flextime at places of work.

- Goods Movement. Like recreational trips, truck traffic creates problems for freeway traffic (chemical spills, accidents, etc.) that are not easily solved and that were not directly addressed in the study. The prohibition or regulation of trucks to reduce their presence on corridor freeways during peak periods would probably produce little overall improvement to the traffic flow. Other studies, such as the Urban Freeway Gridlock Study recently prepared for Caltrans, show the large amount of delay statewide caused by truck incidents. Strategies aimed at incident management and improvement in truck and driver performance should be pursued. Further work in this area should focus on the potential use of alternative modes for transporting freight. The concept of intermodal terminals at strategic locations, both within and outside the corridor, to facilitate the integration of freight collection and distribution by rail, truck, and barge is particularly worth pursuing.

- New Funding Sources. Previous sections of this report identified a number of non-traditional or unique funding mechanisms that emphasize "self help" or "local contribution". The extent to which a study proposal remains an unimplemented recommendation rather than a facility or service in place may depend on how successful efforts are to implement some of these funding strategies. Three such strategies would seem to have special appeal when considering funding needs in this corridor:

  - county sales taxes
  - toll roads
  - joint development/value capture.

  One of these strategies, raising county sales taxes by one-half cent to fund specific transportation improvements, already has been approved by the voters in Alameda, Contra Costa and Sacramento counties; it warrants consideration by the other counties in the corridor.

  Experience has shown, however, that not all counties have been able to pass local sales taxes for transportation purposes. Relatively rural counties (such as Placer County) may have a difficult time passing transportation sales taxes, or generating significant amounts of revenue through such taxes. In such instances, additional revenue sources must be pursued.

  The passage of SB 1403 (Seymour), which permits the construction of three toll roads in Southern California, has established a precedent for considering this funding mechanism in the I-80 corridor. Potential new freeways, such as Route 113/84 and Route 102, may be fundable employing some form of toll strategy.

Joint development/value capture arrangements, whereby tax revenues are generated from the joint use of a transit station site by both the transit operators and a real estate developer, have the potential to not only develop revenues for the operation of the transit service, but also to generate transit patronage. This strategy should be evaluated as plans to extend rail transit service are developed.

Building on the National Strategic Transportation Planning Study

What should be done next? This is the question usually faced at the end of an important planning study. Two areas of future activity should be highlighted:

- Support for a New Post-Interstate Federal Transportation Program. There will be increasing debate about the future federal transportation program as 1991 approaches. The principles of support as outlined in this study are sound and worth vigorously pursuing in the face of other interest groups which may argue for a different course of action. In particular, they offer corridor communities the opportunity to chart their own course with respect to the right mixture of transit, highway, HOV lane treatment and arterial improvement strategies. The flexible funding concept will not rule out any reasonable set of choices that address a particular transportation/environmental problem. Under a restructured transportation program a project emphasis will be replaced with a more deliberate and useful "systems approach" to corridor planning which will emphasize the ability of local decisionmakers to make land use, transportation and environmental/air quality decisions that are in the best interest of their communties.

- Further Corridor Project Definition. This study illustrates the difficulty of putting many complex and difficult decisions into the proper perspective within a short time frame. This is not a shortcoming of the study but a recognition of the complex process of relating transportation decisions to other important concerns -- growth, land use, the economy, and the environment. More time is needed to further explore the merit of individual projects in these contexts; to develop a corridor implementation plan; and to suggest financial planning that will complement the corridor strategy. Mechanisms to continue this consensus building process should be explored. The Policy Advisory Committee will stand ready to meet on call of the Chair to address issues that may be raised by SACOG, MTC, Caltrans, FHWA, or the Office of the Secretary of Transportation, or to assist Congressman Fazio as needed.

APPENDIX A

APPENDIX A

Suggested Project Categorizations

While this study did not fully evaluate specific transit and highway transportation projects in the corridor, the definition of the system approach described in Section III can be used as a guide for project and program selection. Completion of this study represents just the first step in the long process of addressing transportation problems in the I-80 corridor. The project categorizations presented below are suggested as a starting point in developing a program for the I-80 corridor facilities improvements. This breakdown reflects the results of the travel forecasts together with the professional judgement of the consultants and Steering Committee. Additional steps that will need to be taken with respect to these projects include environmental impact assessments, approval by appropriate agencies at both the local and the regional level, and programming in the STIP or some other commitment of funds.

"Committed" - Projects that were fully or partially programmed in the 1988 STIP, or have some other source of committed funding.

"Promising" - The next logical increment of project beyond those programmed in the STIP. Projects in this category have demonstrated their usefulness in reducing congestion or improving travel in the corridor; funding uncertainty will definitely affect programming these projects in the STIP.

"Needing Further Study" - Projects which may help relieve congestion and/or improve transportation service in the corridor, but which require further analysis or study, for one or more of a number of reasons:

- o completion of on-going work (e.g., ACR 132)
- o further estimates of demand/patronage (to determine project sizing and cost effectiveness)
- o engineering feasibility
- o further definition of project (including determination of alignment)
- o evaluataion in systems context beyond scope of STPS (e.g., determination of appropriate mix of express bus/BART/commuter rail in corridor)
- o evaluation in systems context beyond geographic boundary of STPS (e.g., Route 84 from Antioch to Fremont)
- o Potential environmental impacts

"Limited Benefit to Corridor" o Some projects initially included in the study were judged, prior to modeling, to be only marginally involved with conditions in the I-80 corridor. Although many of these projects would likely provide significant benefits to other parts of the MTC or SACOG regions, they were determined to provide only limited benefit in this corridor.

Table A-1 provides a classification for each project, by segment and type of project.

TABLE A-1
CLASSIFICATION OF COMPONENT PROJECTS

	WESTERN SEGMENT	CENTRAL SEGMENT	EASTERN SEGMENT
COMMITTED			
Highways/ HOV Lanes:	I-80 Operational Impr. Proj. I-580/Knox Freeway Upgrade I-680 widening from Willow Pass Road to Benicia-Martinez Bridge (4 to 6 lanes) North Richmond Bypass	I-80 widening from I-505 to Meridian Road Route 12 widening from Marina Blvd. to Scandia Road I-80 interchange construction at Kidwell Road I-80 interchange reconstruction at Alamo Drive and Air Base Parkway I-80 interchange modification at Redwood Street and Leisure Town Road.	Route 113 freeway bypass construction from north of Davis to I-5
Bridges:	Benicia-Martinez Bridge widening Benicia-Martinez Bridge second span	Carquinez Bridge toll plaza improvements	
PROMISING			
Transit:	Express bus service from Solano County BART/LRT from Richmond to Hercules BART/LRT from Hercules to Rodeo/Crockett	Express bus service to Bay Area Vallejo ferry service upgrade	LRT extension to Antelope Express bus service from Auburn/Roseville and Davis/Woodland to Sacramento
Highways/ HOV Lanes:	I-80 widening from Route 4 to Carquinez Bridge (HOV lanes)* I-680 widening from Willow Pass Rd. to Benicia-Martinez Bridge (6 to 8 lanes; HOV lanes) Route 84 from Fremont to Antioch: right-of-way protection for freeway/ expressway and potential rail.	I-80 widening from Carquinez Bridge to Route 37 (HOV lanes) I-80 widening from I-680 to Air Base Parkway I-80 widening from Meridian Road to Pedrick Road Route 113 widening from Dixon to I-80 I-680 widening from Benicia-Martinez Bridge to I-80 (4 to 6 lanes) I-80 interchange reconstruction at N. Texas St. and W. Texas St. & Red Top Rd. I-80 overcross widening at Suisun Valley Rd. and Green Valley Rd. I-680 interchange construction at Red Top Road. I-680 overcross widening at Gold Hill Road Route 113 from Dixon to Antioch: right-of-way protection for freeway/ expressway and potential rail.	I-80 widening from Davis to east end of Yolo Causeway (HOV lanes) I-80 widening from I-5 to Roseville (HOV lanes) I-5 widening from I-80 to Sacramento Airport (HOV lanes) I-80 interchange improvements at Business 80 (HOV lanes) I-80 interchange reconstruction at Richards and Mace Blvd. Route 113: add NB to EB and WB to SB connectors to I-5

* This study's analysis of future highway conditions clearly demonstrated a need for HOV lanes in specific locations. These are identified in this table. It is federal policy that when highways are widened the use of additional capacity by HOV's be considered. Therefore, all highway widenings in this corridor have HOV potential.

TABLE A-1
(Cont'd)

	WESTERN SEGMENT	CENTRAL SEGMENT	EASTERN SEGMENT
TOS/TSM:	Ramp metering/TOS at selected locations Develop local TSM programs Expand ridesharing programs	Ramp metering/TOS at selected locations Develop local TSM programs Expand ridesharing programs	Ramp metering/TOS at selected locations Develop local TSM programs Expand ridesharing programs.
Bridges:	Carquinez Bridge: replacement of westbound span		
Arterials:	San Pablo Avenue widening and signal coordination	Peabody Road widening Walters Road widening Cordelia Road widening	Elkhorn Road widening Roseville Road widening Old Auburn Road widening El Camino Ave. widening Arden/Garden Connector
NEEDING FURTHER STUDY			
Transit:	AMTRAK service and facilities upgrade between San Jose and Auburn BART/LRT from Rodeo/Crockett to Vallejo BART/LRT from Concord to Benicia/Fairfield	AMTRAK service and facilities upgrade between San Jose and Auburn	AMTRAK service and facilities upgrade between San Jose and Auburn LRT extension from Antelope to Roseville LRT extensions to North Natomas, Airport, West Sacramento, Woodland, and Davis
Highways/ HOV Lanes:	Route 84 freeway/expressway construction from Fremont to Antioch (with possible rail)	I-680 widening from Benicia-Martinez Bridge to I-80 (6 to 8 lanes; HOV lanes) I-80 interchange revisions at American Canyon Road and Pedrick Road Route 113 freeway/expressway construction from Dixon to Antioch (with possible rail)	I-80 widening between Roseville and Loomis for (HOV lanes) I-5 widening between 113 and Sacramento Metro Airport Route 113 widening between I-80 and I-5 Business 80 (Route 51) widening between E Street and Route 160 and I-80 Route 102 construction from north of Auburn to near Sacramento Airport Route 102 extension west of I-5 to I-80 or Route 113 near Dixon Beltway freeway construction from I-5 to I-80 near Roseville. Beltway extension from I-5 to Route 113 near Dixon
TOS/TSM:	Operational improvements for truck traffic at selected locations	Operational improvements for for truck traffic at selected locations	Operational improvements for truck traffic at selected locations

TABLE A-1
(Cont'd)

	WESTERN SEGMENT	CENTRAL SEGMENT	EASTERN SEGMENT
Bridges:	Carquinez Bridge: restripe to add fourth lane (HOV option)		
Arterials:			Baseline Road widening Truxel Road extension (HOV potential) Roseville Road extension (HOV potential) Elverta Road widening
LIMITED BENEFIT TO CORRIDOR			
Transit:			LRT extensions along Route 102 corridor.
Highways/ HOV Lanes:	Route 4 widening from I-80 to I-680	Route 37 widening from Diablo Street to Napa River Bridge I-505 widening from I-80 to Vaca Valley Parkway I-780 widening from I-680 to I-80 Route 12 widening from Church Street to Sacramento River Bridge (Rio Vista) Route 12 widening from I-80 to Route 29 Route 12 widening from I-5 to Rio Vista I-780 interchange modification at Glen Cove Road I-505 overpass construction at Vaca Valley Parkway	I-80 widening from Route 50 to I-5. I-5 widening from I Street to I-80 I-5 interchange construction at Sacramento Airport Routes 50/51/99 interchange reconstruction.
TOS/TSM:	Ban 3+ axle trucks during peak hours		

APPENDIX B

APPENDIX B

This Appendix provides the rationale for the categorization of projects presented in Table A-1. In general, projects in the "Promising" category exhibited strong potential for relieving congestion in the I-80 Corridor. Projects "Needing Further Study" either indicated less potential for reducing corridor congestion or simply were not yet well-enough defined for their potential impacts on the I-80 corridor to be assessed. Projects judged to be of "Limited Benefit" to the I-80 Corridor were largely projects perpendicular to or somewhat removed from I-80 itself; although many of these projects have significant merit in their own right, their implementation would provide only limited benefit to the I-80 Corridor. From a system management basis, however, some of the perpendicular facilities have potential to benefit the corridor by providing reliever routes for use in the event of major delays on or closure of I-80 or other corridor highways.

Following the project rationale is Table B-1, which lists the criteria used to evaluate the corridor-level alternatives. These criteria can be used to evaluate the specific projects described on the following pages.

PROMISING PROJECTS

- Express bus service from Solano County: This project would provide expanded express bus capacity from Vallejo into Alameda and Contra Costa Counties, and extend express bus service into central Solano County. These buses would utilize the HOV lanes on I-80 to achieve a significant time savings over vehicles in mixed-flow lanes.

- BART/LRT from Richmond to Hercules and Rodeo/Crockett: BART identified alternative alignments for portions of this corridor in 1981, and will soon undertake a station site location study. BART policy has recently identified Crockett as the northern terminus of this corridor. A BART extension north of Richmond, in conjunction with additional park-ride capacity in the corridor, would likely divert a significant amount of traffic from I-80.

- I-80 widening from Route 4 to Carquinez Bridge (HOV lanes): This project is the next logical increment of HOV expansion after the I-80 Operational Improvement Project, and will result in continuous HOV lanes from the Bay Bridge to the Carquinez Bridge.

- I-80 widening from Carquinez Bridge to Route 37 (HOV lanes): The construction of the new span of the Carquinez Bridge will require this widening as a necessary improvement in maintaining an adequate traffic flow north of the new bridge span. Caltrans' analysis of this project indicates that it is feasible from an engineering perspective. Right-of-way is restricted through this segment of the I-80 corridor, and this project may require the displacement of homes and businesses.

- I-680 widening from Willow Pass Road to Benicia-Martinez Bridge (HOV lanes): The programmed second span of the Bridge will necessitate additional capacity on I-680 south of the Bridge.

- Route 84 freeway/expressway from Fremont to Antioch: Although the project itself is classified as needing further study (see below), right-of-way for this project (which may include a rail line) should be preserved to protect it from development.

- Ramp metering/TOS at selected locations along I-80: These projects will promote a smooth flow of traffic along I-80, by metering access at entrance ramps and utilizing increased roadway surveillance to identify accidents, breakdowns, etc. Specific locations for ramp metering and other features of the Traffic Operations System will be forthcoming from Caltrans.

- Develop local TSM programs: By increasing opportunities for ridesharing, flextime, and other TSM strategies, local governments and employers in the I-80 corridor can help reduce single-driver commuting.

- Expand ridesharing programs: MTC, SACOG, Caltrans, and other appropriate agencies will work with RIDES, Solano Rideshare, and local cities in the corridor to ensure maximum utilization of the planned and proposed HOV lanes.

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- Carquinez Bridge replacement of second span: Funding for this project will be provided by Regional Measure #1.

- San Pablo Avenue widening and signal coordination: This project provides increased capacity for local trips that would otherwise use I-80.

- Vallejo ferry service upgrade: This project, along with rail extensions and increased express bus services, will provide additional transit capacity in the I-80 corridor.

- I-80 Overcross Widening at Suisun Valley Road and Green Valley Road, and I-80 Interchange Revision at Red Top Road: These projects are included in Caltrans' Master Interchange Plan for the I-80, I-680, and Rt. 12 interchange relocation. As part of the overall interchange relocation project, traffic flow will be enhanced on I-80, I-680, and local arterials in proximity to this interchange.

- I-80 widening from I-680 to Air Base Parkway: This is projected to be the most congested segment of I-80 in Solano County by 2015. (Travel forecasts indicated that 12 to 16 lanes would be need on this stretch of I-80 to achieve acceptable levels of service during the peak commute hour; however, the study assumes that a cetain number of trips will be shifted to transit and arterials, and that widening to 10 lanes should be sufficient.) This project should be done in conjunction with the I-680 widening to 6 lanes (described below) and the reconstruction of the I-80/I-680 interchange.

- I-80 widening from Meridian Road to Pedrick Road: This project will widen the remaining 6-lane stretch of I-80 between Vallejo and the Yolo Causeway to 8 lanes to provide route continuity. The forecasted lane requirement for this segment is 6 to 8 lanes during the peak commute hour.

- Route 113 widening from Dixon to I-80: This project will provide improved access from Dixon to I-80 along the major route into and out of the city.

- I-680 widening from Benicia-Martinez Bridge to I-80 (4 to 6 lanes): This segment of I-680 is being studied as part of Caltrans' Benicia-Martinez Bridge Study. Expansion of I-680 will provide additional capacity that is expected to be needed upon construction of the Bridge's second span. This project shall be done in conjunction with the widening of I-80 from I-680 to Air Base Parkway (described above) and the construction of the I-80/I-680 interchange.

- I-80 interchange reconstruction at North Texas Street and West Texas Street. These projects will provide increased access between I-80 and downtown Fairfield.

- I-680 overcross widening at Gold Hill Road: This project will provide additional capacity across I-680 in the rapidly-growing Cordelia area.

- I-680 interchange construction at Red Top Road: This project will enhance access between I-680 and Cordelia/Fairfield.

- Route 113 freeway from Dixon to Antioch: Although the project itself is classified as needing further study (see below), right-of-way for this project (which may include a rail line) should be preserved to protect it from development.

- Peabody Road/Walters Road/Cordelia Road widenings: These projects, along with the programmed widening of Route 12 between Marina Boulevard and Scandia Road, would provide an arterial bypass of I-80 from Vacaville to the I-680/I-80 interchange. This bypass would provide additional capacity for local trips in central Solano County, removing many of them from I-80.

- LRT extension to Antelope: This extension directly parallels congested portions of I-80 and is currently under study by the Sacramento Regional Transit District.

- Express bus service from Auburn/Roseville and Davis/Woodland to Sacramento: This project would provide expanded express bus capacity from Roseville and from Davis/Woodland to Sacramento and extend service to Auburn. These buses would use the HOV lanes on I-80 to achieve a significant time savings over vehicles in mixed flow lanes.

- I-80 widening from Davis to east end of Yolo Causeway for HOV lanes: This segment currently operates near capacity;. As an HOV facility this widening will enhance express bus service and begin to develop demand for eventual LRT extension to Davis.

- I-80 widening from I-5 to Roseville for HOV lanes: Volumes on portions of this segment currently exceed capacity; as an HOV facility, this widening will enhance express bus services which will be oriented toward employment destinations not directly served by LRT.

- I-5 widening from I-80 to Sacramento Airport for HOV lanes: Project would ensure easy access to Metro Airport, especially for HOVs, and would enhance express bus service from Woodland.

- I-80 interchange improvements at Business 80 for HOV lanes: This project would allow HOVs, including express buses, to bypass morning peak hour bottleneck and advance to head of queue on Business 80.

- I-80 interchange reconstruction at Richards Blvd. and Mace Blvd. in Davis: Geometric and height restrictions at Richards and capacity deficiencies at Mace will be resolved.

- Route 113, add NB to EB and WB to SB connectors to I-5: These connections are missing from design of Route 113 freeway, now under construction.

- Elkhorn Road/Roseville Road/Old Auburn Road/El Camino Avenue widenings: These projects would provide additional capacity for local trips parallel to I-80 in north Sacramento County.

- Arden/Garden Connector: This project will provide more direct routing of certain local trips parallel to I-80.

PROJECTS NEEDING FURTHER STUDY

- Passenger rail upgrade between San Jose and Auburn: Specific recommendations for this rail corridor await the outcome of the ACR 132 Rail Corridor Upgrade Study, scheduled for completion in September, 1989. Initial service upgrades would likely take the form of intercity rail service, rather than commuter service.

- BART/LRT from Rodeo/Crockett to Vallejo: Implementation of this project would require further patronage estimation, including a cost/effectiveness analysis comparing the extension with express bus service. The replacement span at the Carquinez Bridge should be designed with consideration for possible future transit use.

- BART/LRT from Concord to Benicia/Fairfield: This alternative would be fairly costly. Analysis would require consideration of commuter rail along the Southern Pacific right-of-way.

- Route 84 freeway/expressway from Fremont to Antioch: This project requires further definition of alignment and traffic volumes. A systems approach should be used to address possible benefits to I-880, I-680, I-580, and I-5 in the Central Valley. This project may include construction of a rail corridor within the right-of-way.

- Carquinez Bridge restriping of eastbound span to add fourth lane (possible HOV): Implementation of this project should be considered in congunction with possible toll booth relocation/expansion and the construction of HOV lanes through Vallejo.

- Operational improvements for truck traffic at selected locations: Further definition of the specific improvements and proposed locations are needed.

- I-680 widening from Benicia-Martinez Bridge to I-80 (6 to 8 lanes, with possible HOV lanes): This project requires further estimation of HOV demand and evaluation in an HOV systems context.

- I-80 interchange revisions at American Canyon Road and Pedrick Road: These projects require further estimation of future travel demand.

- Route 113 freeway/expressway construction from Dixon to Antioch: This project requires further definition of alignment, particularly with regards to proposed river crossings. The impacts of this project should be addressed in a systems context. This project may include construction of a rail corridor within the right-of-way.

- I-80 widening between Roseville and Loomis for HOV lanes: Right-of-way is restricted through this segment; engineering feasiblity will need to be evaluated. HOV demand will be assessed in SACOG's HOV System Plan, now under development.

- I-5 widening between Route 113 and Sacramento Metro Airport: This project would be clearly needed if Route 102 is constructed only as far west as I-5; the need for the project would require further evaluation if Route 102 is to be constructed west to Route 113.

- Route 113 widening between I-80 and I-5: same concern as with project listed immediately above.

- Business 80 (Route 51) widening between E Street and I-80: Right-of-way is extremely restricted; river crossing and railroad trestle raise questions of engineering feasibility. Sacramento Transportation Authority has allocated funds for a special study.

- Baseline Road widening: This project will need to be evaluated in a systems context as part of Caltrans' Route 102 Feasibility Study.

- Truxel Road extension (HOV potential): By providing an option for South and North Natomas residents to travel to downtown Sacramento, this project will relieve I-5, allowing more capacity for I-80 (and Route 102, if built) traffic destined for downtown Sacramento. SACOG's Metro Study is evaluating the project. Potential environmental impacts of American River Parkway crossing will need to be evaluated.

- Roseville Road extension (HOV potential): This project has potential as an alternative to Business 80 widening and should be evaluated in the study funded by the Sacramento Transportation Authority. Potential environmental impacts of American River Parkway crossing will need to be evaluated.

- Elverta Road widening: This project should be evaluated in a systems context as part of Caltrans' Route 102 Feasibility Study.

- LRT extension from Antelope to Roseville: This extension goes beyond RT's 20 year plan, but is being evaluated by SACOG's Metro Study.

- LRT extension to North Natomas and Airport: This project is to be evaluated in RT's System Planning Study, now underway.

- LRT extension to West Sacramento, Davis, and Woodland: Further estimates of demand will be needed to determine cost effectiveness; feasibility of using existing I-80 causeway for this service should be assessed. Potential environmental impacts of Sacramento River crossing need to assess engineering feasibility.

- Route 102 construction from north of Auburn to near Sacramento Airport: Caltrans' Route 102 Feasibility Study will assess engineering constraints and potential environmental impacts.

- Route 102 extension west of I-5 to I-80 or Route 113: New Sacramento River Bridge and causeway raise engineering feasibility and environmental impact questions which may be addressed by Caltrans Route 102 feasibility study.

- Beltway freeway construction from I-5 to I-80 near Roseville: This project is currently being evaluated by SACOG's Metro Study.

- Beltway extension from I-5 to Route 113 near Dixon: New Sacramento River Bridge and causeway raise engineering feasibility and environmental impact questions that are not being addressed by any current studies.

PROJECTS OF LIMITED BENEFIT TO I-80 CORRIDOR

- Route 4 widening from I-80 to I-680: This project is perpendicular to the I-80 corridor. Although the project would likely benefit other portions of the MTC region, it would have only limited benefit to the I-80 corridor.

- Ban 3+ axle trucks during the peak period: The Urban Freeway Gridlock Study, recently completed by Caltrans, indicates that this strategy would be ineffective in significantly reducing peak period congestion.

- Route 37 widening from Diablo Street to Napa River Bridge: Although this project is partially funded in the STIP, it is perpendicular to the corridor, and would have only limited benefit to the I-80 corridor.

- I-505 widening from I-80 to the Vaca Valley Parkway: This project would improve local access, but would provide no improvement to the corridor.

- I-780 widening from I-680 to I-80: This project is perpendicular to the I-80 corridor; as such, it would have only limited benefit to the corridor.

- Route 12 widening from Church Street to Sacramento River Bridge (Rio Vista): This project would likely be beneficial to other portions of the MTC and SACOG regions, but is outside the I-80 corridor.

- Route 12 widening from I-80 to Route 29: This project is perpendicular to the I-80 corridor, and would only have limited beneift to the corridor.

- Route 12 widening from I-5 to Rio Vista: This project would likely be beneficial to other portions of the MTC and SACOG regions, but is outside the I-80 corridor.

- I-780 interchange modification at Glen Cove Road: This project would improve local access, but would provide no improvement to the corridor.

- I-505 overpass construction at Vaca Valley Parkway: This project would improve local access, but would provide no improvement to the corridor.

- LRT extensions along Route 102 corridor: Need for this project was determined to be beyond the time horizon of this study. This will be evaluated as part of Caltrans Route 102 feasibility study.

- I-80 widening from Route 50 to I-5: This project may not be needed if Route 102 is extended across the Yolo Bypass.

- I-5 widening from I Street to I-80: Demand on this segment would increase with construction of Route 102. Off-ramps into downtown Sacramento are already congested and no feasible solutions have been identified. The Truxel Road extension is intended to relieve I-5 and would provide a new entrance from the north into downtown.

- I-5 interchange construction at Sacramento Airport: This project would be beneficial to the SACOG region as a whole, but not to the I-80 corridor.

- Routes 50/51/99 interchange reconstruction: This project would be beneficial to the SACOG region as a whole, but not to the I-80 corridor.

TABLE B-1
Evaluation Criteria

A. Environmental

1. Impacts on Air Quality
2. Removal of Existing Developments
3. Impacts on Sensitive Areas
4. Potential for Inducing Growth
5. Compatibility with local/regional land use plans

B. Economics

1. Capital Cost ($ millions)

   a. Highway
   b. Transit
   c. TSM/HOV

2. Operating/Maintenance Costs
   ($ millions per year)

   a. Highway
   b. Transit
   c. TSM/HOV

C. Transportation Service

1. Daily Commute Trips (Study Area)

   a. Transit person trips
   b. Auto person trips
   c. Total person trips

2. Daily Vehicle Miles Traveled (Study Area)

3. Comparative Travel Times (PM Peak Hour) between selected locations in each Corridor segment

   a. Highway (via I-80)
   b. Transit

4. Level of Service (PM Peak Hour) for sections of I-80

5. Vehicle Hours of Delay (PM Peak Hour)

6. Lane-miles of Congestion (PM Peak Hour)

   a. Freeways
   b. Major Arterials

7. Regional Accessibility

   a. Service to major generator
   b. Facilitates key travel movements

8. Facilitates Urban Goods Movements

CREDITS

POLICY ADVISORY COMMITTEE

Helen Thomson (Chair) - Yolo County
James Spering (Vice-Chair) - Solano County
Burch Bachtold - Caltrans District 4
James Borden - Caltrans District 10
Illa Collin - Sacramento County
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STEERING COMMITTEE

Kenneth Hough (Project Manager) - SACOG
Chris Brittle - MTC
Larry Wieman - Caltrans

SACOG Staff

Michelle Britt
Beverly Budig
Leilani Giongco

MTC Staff

John McCallum
Chuck Purvis
John Shaw
Ron West

Caltrans Staff

Mitchell Baker
Tremain Downey
Jerry Erwin
George Gray
Don MacVicker
Brad McAllester
Robert O'Loughlin
Stan Randolph
Richard Rogers
Brian Smith

Consultants:

DKS Associates:

William Dietrich - Principal-in-Charge
John Long - Project Manager
Michael Aronson
Jose Farran
Derek Bell
Inger Knox
Tom Huggett
Ali Ebtekar

Recht Hausrath & Associates

Linda Hausrath
Sally Nielson
Les Bowman

COMSIS

Larry Seiders

STATEMENT OF RICHARD D. WELTON
DIRECTOR OF PUBLIC WORKS & DEVELOPMENT SERVICES DEPARTMENT
FRESNO COUNTY, CALIFORNIA

AND

PRESIDENT OF COUNTY ENGINEERS ASSOCIATION OF CALIFORNIA

ON

REAUTHORIZATION OF THE POST-INTERSTATE SURFACE TRANSPORTATION PROGRAMS

BEFORE THE

SUBCOMMITTEE ON SURFACE TRANSPORTATION
OF THE HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE

ON BEHALF OF THE

COUNTY ENGINEERS ASSOCIATION OF CALIFORNIA

THURSDAY, JULY 5, 1990

SAN JOSE, CALIFORNIA

Mr Chairman:

My name is Richard D. Welton. I am the Director of the Fresno County Public Works & Development Services Department and President of the County Engineers Association of California (CEAC). On behalf of the Association we thank you for the opportunity to appear today before the House Surface Transportation Subcommittee to discuss the reauthorization of the Federal Surface Transportation Program.

We are here because we know the critical role transportation has in everybody's daily life. Transportation has a major role not only in the freedom of mobility, but also in the areas of economics, health, safety, and the protection of our environment. We know the Federal Government must provide visionary leadership for all levels of government--State, City, and County.

This is the most critical time for the Congress to obtain input from local and State transportation providers. Policy is being formulated and positions have not yet polarized across the country. We have always enjoyed a strong partnership among the levels of government, and we would like to strengthen even more that relationship. I am including as a part of my testimony a copy of the County Engineers Association of California Policy regarding the Federal Surface Transportation Act in the Post Interstate Era dated April, 1990. I will only summarize the major points made in this policy paper.

The fiscal requirements to simply maintain and rehabilitate California's city and County road facilities is staggering. Counties are responsible for over 70,000 miles of roads in California. A recent California Senate Transportation Committee Study documented that funding deficiencies for maintaining, rehabilitating, and reconstructing County roads alone stood at $6.9 billion.

A recent statewide gas tax measure approved by California voters will provide $1.5 billion over a ten-year period toward reducing the Counties' deficiency. This means $5.4 billion will remain unfunded and contribute to health and safety problems for our taxpayers as well as contribute to a decline of our economy. The voters in several California Counties have imposed local sales tax transportation measures and others Counties will be considering measures in the near future. Even with the revenues generated by these measures, they will still fall short of meeting the needs without the continued financial commitment of our Federal partner. In fact, these measures, as in the case in Fresno County, rely on continued Federal support to carry out a complete transportation system.

There are six major areas we offer comments on:

SUPPORT ADEQUATE LEVELS OF FUNDING

Expend the $13.5 billion trust fund, maintain current matching rates for needed construction and increase funding to meet inflation.

MAINTENANCE AND REHABILITATION

Protect the existing investment by assigning a high funding priority to the maintenance and rehabilitation of the existing National Transportation System.

EXPEDITE PROJECT DELIVERY

Establish performance standards to reduce overly restrictive design standards, certify local agencies for direct pass-through of funds, and certify State environmental review processes in lieu of the Environmental Protection Act process.

SUPPORT LOCAL BLOCK GRANT FUNDING

Maintain existing Federal participation, allocate funds based on categorical programs, and allow expenditures to be made by local decisions.

URBAN CONGESTION/RURAL ACCESS

Emphasis should be given to solutions to solve urban/suburban congestion and for access to the National system of highways in the rural areas in a cost effective manner.

SUPPORT USER FEES

Ensure that transportation uses bear the maximum practical and appropriate share of the costs of services and facilities they use (i.e., truck weight fees, fuel tax).

In conclusion, our mutual objective should be to provide a diverse transportation network which is sensitive to the environment and considers safety as a high priority. The necessary balance must be struck to provide a multi-modal system, including intercity rail, commuter bus and rail for urban areas. In addition, we believe it is imperative to protect the investment that has been made to our transportation systems.

Thank you for this opportunity. The County Supervisors Association of California (CSAC) and the County Engineers Association of California (CEAC) are looking forward to working with you and other interest groups to provide a local perspective in the development of the most effective and efficient transportation system for the Federal, State and local levels of government.

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Attachments

CSAC/CEAC POLICY REGARDING THE FEDERAL SURFACE TRANSPORTATION ACT IN THE POST INTERSTATE ERA
APRIL 1990

The County Supervisors Association of California (CSAC) and the County Engineers Association of California (CEAC) have developed this policy paper to address crucial issues currently being debated in the area of transportation.

As completion of the interstate highway system comes to an end, the development of a comprehensive national program for the future of our transportation system will have a profound impact on the state of California. The Road Information Program (TRIP) paints a bleak picture for California motorists in the coming decade. Considering the expected population increase TRIP projects an increase in traffic congestion of 33% on top of the 55% increase experienced between 1980 and 1988. Further, in 1989, 5,949 miles of main roads in California were operating near or at capacity during peak traffic hours – a 45% increase in the past five years. These facts provide some insight into the demand that will be placed on the current system and the investment that will be necessary.

The fiscal requirement to simply maintain and rehabilitate California's city and county road facilities is staggering. Many of these roads are in poor condition and in need of resurfacing or reconstruction. Counties maintain 70,000 miles of roads or 40% of the total mileage of California's roads. A recent study by the California Senate Transportation Committee reveals local transportation funding deficiencies for maintenance, rehabilitation and reconstruction alone at $6.9 billion. In the table attached categorical totals for each county are displayed, including, deficiencies for new construction and transportation systems management. We have concern regarding whether federal policies implemented during the post interstate era will accomodate this need.

We commend the Administration's efforts in developing the comprehensive approach outlined in *Moving America/New Directions, New Opportunities* to address transportation in the Post-Interstate era. This endeavor has generated a focus on the Nation's transportation network which is imperative if we are to meet the future needs that will be required. The Administration's first sweeping proposal seems to embrace the concept of spending down the Highway Trust Fund, however, it fails short of clearly delineating that policy and it fails to recognize the need for an increase in federal financial commitment to the highway system. Over the last 10 years the federal share of the total cost of the highway system has continued to diminish. California has recognized the need for a tremendous increase in highway funding and has before the voters a proposal which will result in doubling the California gas tax. In addition, many local agencies are supplementing state and federal funds through the use of general funds, special assessments and user fees. The voters in several counties have imposed a sales tax for transportation, and several others will be considering a measure in the near future. All of the revenues generated by these measures will fall short of meeting the needs without the continued financial commitment of the federal partner.

CSAC and CEAC feel the following outline provides the core of a proposed program of federal funding for transportation following the completion of the interstate system.

SUPPORT ADEQUATE LEVELS OF FUNDING

- Expend the $13.5 billion Trust Fund and raise the obligation ceiling to a level equal to annual trust fund receipts, including interest. This is needed to meet the Nations's mounting transportation needs. Setting the obligation ceiling at that level would bring about $15 billion to highways for the current fiscal year.
- Maintain current matching rates needed for construction.
- Increase funding to meet inflation and allow projects to proceed as planned.

MAINTENANCE AND REHABILITATION

- Focus the National Transportation Policy in the post-interstate period to recognize and protect the existing investment by assigning a high funding priority to the maintenance and rehabilitation of the existing National transportation system.

EXPEDITE PROJECT DELIVERY

- Establish performance standards to reduce overly restrictive design standards; thereby, achieving potential savings.
- Certify local agencies for direct pass-through of funds to involve only those agencies with a direct role in implementation. This is similar to the Federal government's approach with cities/counties and the Federal Community Development Block Grant Program.
- Certify state environmental review process in lieu of the National Environmental Protection Act process.

SUPPORT LOCAL BLOCK GRANT FUNDING

- Maintain existing federal participation.
  - These programs would be funded by resources no longer needed for the interstate completion projects as a substitute for the FAP, FAS, FAU, HBRR and Hazard Elimination (HE), and after a rehabilitation set aside; and by a minimum allocation program which guarantees 85% return to source at the state level.
- Allocation based on categorical programs.
  - Funds should be allocated to both state and local levels of government. Funding levels should have minimum amounts established for both state and local jurisdictions.
- Expenditures by local decisions.
  - Project funding should be based on transportation plans generated at the local level for the designated system. Project priorities should be determined at the lowest possible level and with the minimum administrative interaction.
  - Local and state government are responsible for the operation, planning and construction of highway and road facilities: therefore they must have the responsibility for project selection in planning and providing these facilities, and a role in the decision making.

URBAN CONGESTION/RURAL ACCESS

- Emphasis should be given to solutions for the urban/suburban congestion and for access to the National system of highways in the rural areas.
- The Federal government should use its capacity to generate revenue and authority to require that transportation funds be expended in the most cost effective manner.

SUPPORT USER FEES

- Ensure that transportation users bear the maximum practical and appropriate share of the costs of services and facilities they use (i.e., truck weight fees, fuel tax).

Our mutual objective should be to provide a diverse transportation network which is sensitive to the environment and considers safety as a high priority. The necessary balance must be struck to provide a multi-modal system, including intercity rail, commuter bus and rail for urban areas. In addition, we believe it is imperative to protect the investment that has been made to our transportation systems. Thank you for this opportunity. CSAC and CEAC are looking forward to working with you and other interest groups in developing the most effective and efficient transportation system for the federal, state and local levels of government.

TABLE 1

SR 46 SUBMITTALS FROM RTPA'S
Millions of dollars of additional revenues needed by the year 2000
Preliminary Figures

COUNTY	LOCAL ROADS			State Highway New Construction	Guideway New Construction	TOTAL
	Maintenance Rehab.	New Construction	TSM			
Alameda	268.7	343.8	29.6	505.0	293.0	1,440.1
Alpine	Pending	---	---	---	---	---
Amador	0	12.6	0	37.2	0	49.8
Butte	123.8	49.5	2.6	74.2	0	250.1
Calaveras	No $ Estimate	---	---	---	---	---
Colusa	5.4	0	0.2	15.8	0	21.4
Contra Costa	184.2	242.2	20.3	293.0	112.0	851.7
Del Norte	2.2	2.6	0	47.8	0	52.6
El Dorado	Pending	---	---	---	---	---
Fresno	253.4	323.7	16.5	447.0	19.5	1,060.1
Glenn	No $ Estimate	---	---	---	---	---
Humboldt	49.1	0	13.7	236.4	0	299.2
Imperial	Pending	---	---	---	---	---
Inyo	No $ Estimate	---	---	---	---	---
Kern	154.1	135.9	12.1	546.6	0	848.7

COUNTY	LOCAL ROADS Maintenance Rehab.	LOCAL ROADS New Construction	LOCAL ROADS TSM	State Highway New Construction	Guideway New Construction	TOTAL
Kings	35.0	38.0	0.6	127.8	0	201.4
Lake	46.7	*	0	21.7	0	68.4
Lassen	5.0	2.1	0	210.0	0	217.1
Los Angeles	1,125.9	123.8	625.0	6,387.0	3,735.0	11,996.7
Madera	183.4	0	0	172.0	0	355.4
Marin	63.3	80.8	7.0	111.0	40.0	302.1
Mariposa	Pending	---	---	---	---	---
Mendocino	32.6	20.9	0	94.0	0	147.5
Merced	224.0	0	0	188.0	0	412.0
Modoc	No $ Estimate:	---	---	---	---	---
Mono	No $ Estimate:	---	---	---	---	---
Monterey	154.1	44.0	2.1	411.0	0	611.2
Napa	36.9	48.6	4.1	49.0	0	138.6
Nevada	63.1	9.3	0	147.3	0	219.7
Orange	588.0	812.0	226.0	1,352.5	260.0	3,238.5
Placer	244.4	15.0	12.0	182.0	121.0	574.4
Plumas	Pending	---	---	---	---	---
Riverside	379.7	650.0	34.2	325.5	50.0	1,439.4

COUNTY	LOCAL ROADS Maintenance Rehab.	LOCAL ROADS New Construction	LOCAL ROADS TSM	State Highway New Construction	Guideway New Construction	TOTAL
Sacramento	112.8	216.5	0	282.1	375.7	987.1
San Benito	3.7	6.1	1.0	8.3	0	19.1
San Bernardino	Pending	---	---	---	---	---
San Diego	615.0	540.0	115.0	1,334.8	922.1	3,526.9
San Francisco	133.4	169.8	14.7	240.0	112.0	669.9
San Joaquin	179.1	276.3	7.6	414.6	34.1	911.7
San Luis Obispo	47.1	94.0	0	109.7	0	250.8
San Mateo	144.0	184.3	15.9	298.0	548.0	1,190.2
Santa Barbara	123.7	87.2	0	214.0	0	424.9
Santa Clara	328.8	419.1	36.3	577.0	1,568.0	2,929.2
Santa Cruz	41.5	66.0	5.5	141.8	79.0	333.8
Shasta	8.6	0	5.8	556.1	0	570.5
Sierra	No $ Estimate	---	---	---	---	---
Siskiyou	9.0	9.0	0	0	0	18.0
Solano	83.8	108.7	9.2	99.0	0	300.7
Sonoma	115.9	170.5	12.8	160.0	20.0	479.2
Stanislaus	156.5	201.1	27.7	117.9	0	503.2
Sutter	83.0	16.8	0.1	138.2	0	238.1

COUNTY	LOCAL ROADS Maintenance Rehab.	LOCAL ROADS New Construction	LOCAL ROADS TSM	State Highway New Construction	Guideway New Construction	TOTAL
Tehama	30.0	56.0	0	0	0	86.0
Trinity	Pending	---	---	---	---	---
Tulare	180.6	139.3	1.6	256.3	0	577.8
Tuolumne	27.1	62.5	0	70.1	0	159.7
Ventura	75.2	400.8	129.1	701.4	3.1	1,309.6
Yolo	75.1	40.9	1.3	27.0	0.1	144.4
Yuba	34.0	11.7	0	147.3	0	193.0
Tahoe Regional Planning Agency						
Placer	14.0	0	0	13.3	0	27.3
El Dorado	27.2	5.4	0	31.3	0	63.9
TOTAL	$6,899.3	$6,242.2	$1,389.6	$17,951.3	$8,292.6	$40,775.0

FOOTNOTES:

Pending = Response incomplete or not received
No $ Estimate = Response received but no $ estimates included
* = Study in progress

HOUSE PUBLIC WORKS TRANSPORTATION COMMITTEE HEARING ON URBAN MASS TRANSIT REAUTHORIZATION BILL

July 5, 1990
San Jose, California

Frank J. Wilson, General Manager
Bay Area Rapid Transit District

Congressman Mineta and members of the Committee on behalf of the BART organization and our broad-based constituency here in Northern California, I thank you for giving us the opportunity to assist you in laying the foundation and framework for the transport systems that will take us into the 21st Century.

As architects of the strategies that will define the character of this Country's urban centers, you will directly and dramatically impact life as it is lived at the local level.

Public transit operating organizations are in a very real sense your contractors. We will have to execute -- build and operate -- the plans you will be setting forth in the Surface Transportation Act.

This Local/Federal partnership, which has evolved over the years, should be acknowledged, strengthened and made permanent.

This, we believe, is best accomplished by:

1. Supporting regional choice and decision-making.

2. Providing financial energy, in the proper form, to perform the function.

3. Encouraging creativity in generating solutions to mobility challenges.

4. Permitting public transit to use all of its inherent advantages to achieve National priorities of environmental preservation, economic development, elderly and disabled mobility, business opportunity for the disenfranchised and more rational energy utilization.

We believe that these critical objectives can best be achieved if the new transportation laws feature new rules and regulations that are as state-of-the art as the technologies that they finance.

We strongly urge you to ensure that the authorization legislation permits public transit to be used as a vehicle for proactive management of both Regional and National agenda and not merely a post crisis act of coping with a hopeless situation.

We need your financial and political support to be on the leading edge of service delivery and urban vitalization and not on the lagging end of stop-gap survival efforts.

The pressures are both immense and immediate here in the Bay Area. We enjoy a vibrant economy. We are experiencing sustained growth in population. One out of every ten new jobs in the Country will be created here.

BART, as a principal transit carrier, is experiencing expanding ridership and growing demands for service. If there needs to be an example of Local determination within an overall Local-Federal partnership, it must be the Bay Area. The voters of this metropolitan area have spoken clearly once again. By approving gas taxes and the sale of bonds for rail system development, we now bring billions to the bargaining table and more than our fair share to the partnership.

Funding for the four BART Extension Projects is nearly the reverse of the traditional 75% Federal, 25% Local commitment.

Our constituents have taxed themselves to build transit systems, taxed themselves to operate transit systems, and at times it appears that we invented the notion of self help. It is now time to look to our partner for help and that help can come in many forms, in addition to more money.

Two such measures would take the form of enlightened techniques in program management and administration.

1. First, the establishment of multi-year contract authority. This would provide an opportunity to fund new rail starts in a way which would permit more Federal money to be applied more rapidly and efficiently than is currently possible under full funding contract procedures, which invite earmarking, hoarding and delayed application of Federal funding.

   We have developed a proposal in this area which we would ask the committee to consider in its deliberations. We believe that it represents an example of a more forward-thinking, aggressive and creative technique that allows flexibility in program implementation.

2. The second measure calls for a more modern and sensitive Federal program that eliminates the artificial classification of transit systems into categories with hard barriers.

   The current approach differentiates between so called "old" systems such as New York, and newer systems such as BART. We oppose such fragmentation of the UMTA program. In terms of age, BART sits between the "old" systems and the new. We have significant extensions needs. At the same time if we do not embark upon a refurbishment program in the near future we will suffer the same deterioration the older systems have experienced. If there must be New Starts and Rail Modernization categories, then we believe all operators must remain eligible for funding from both sources, as their needs dictate.

These are just two examples of how progressive law-making can lead to new ways to solve old problems.

In summary, if we as transit system operators are to be successful in building the transport systems that the Congressional architects envision, then we will need solid partners not silent partners.

SUBMISSIONS FOR THE RECORD

Seniors Can Act Together

S.C.A.T.
IN SOLIDARITY
P.O. BOX 5015
SAN JOSE, CA 95150
(408) 279-0966

SCAT

PRESIDENT: Herb Goldblum

VICE-PRES. CO-CHAIR
RENA MODELL

July 5, 1990

My name is [redacted], President of SENIORS CAN ACT TOGETHER (SCAT), established 1979/80to asist, support & take leadership role for advocacy of 141500 elder persons over 60 years with the AREA AGENCY ON AGING P.S.A.-10, Santa Clara County, California.

I am a member of the policy Board of Directors of the Area Agency On Aging, the Council on Aging, Inc.

2054000 Senior Citizens, reside now (1990) in PSA-10, Santa Clara County By the year 1995, 250000 (one qarter of a million) Elders will have their domicile in this County and will try to maintain their lifestyle.

20% of the Elder's population in SCC will be frail & elderly between the ages of 75-95. *** 50000 *** !!
80% of those Elders will be women.* 40000 *! 80 % of these women will be "single". 32000 !!!!.

In order to stay well (healthy),- obviously they are long survivers, (only 4% of the Aging population reside in institutional facilities), their lifestyle priority is: M O B I L I T Y.
If one takes that away or not consider mobility/transit surface transportation as a prime priority in the Reauthorization of the Transit Act, you could trigger a healthdeterioration of unknown enormity among the most vulnerable Elder's population.

This Committee under the leadership of Chair Congressman Norm Mineta, has to look with special interest (research) into the fate of this specific "group", — as this faction/group will be "THEM".

A plan of reauthorization has to contain mandated Titles of monetary protection for the weak and unprotected,* for children, handicapped of all ages & frail/elderly

Herb Goldblum
P.O. BOX 5015
SAN JOSE, CA 95150
(408) 279-0966

Respectfully submitted: July 5, 1990

SUB-COMMITTEE ON SURFACE TRANSPORTATION OF
THE HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE

TESTIMONY OF GOLDEN GATE BRIDGE, HIGHWAY
AND TRANSPORTATION DISTRICT

July 5, 1990

Good morning. My name is Robert B. Stockwell. I am President of the Golden Gate Bridge, Highway and Transportation District, the regional mass transportation provider for the Golden Gate Corridor and also am a member of the Marin County Board of Supervisors and the Metropolitan Transportation Commission. I am delighted to appear before you today. Also with me this morning are the following prominent regional and local officials:

1. Gary Giacomini, member of the Marin County Board of Supervisors and Bridge District Board; and

2. Jim Harberson, member of the Sonoma County Board of Supervisors and the Bridge District Board.

We are here today to vigorously urge the Congress to adopt legislation reauthorizing the Federal highway and mass transit programs and to appropriate funds at levels well above the modest funding amounts that characterized these programs during the 1980's. Providing mobility for all people, elimination of congestion and gridlock, and improvement of the quality of the air we breathe are among the greatest domestic challenges we face today. Our urban environment, marked by dirty air and by daily traffic jams, is significantly adversely affecting the quality of life for our citizens. For several years, the people of the San Francisco Bay Area have indicated that traffic congestion constitutes the single greatest problem of this region. The people here desire significantly expanded mass

transportation services throughout the region and a markedly improved highway system. The conviction of the people of the Bay Area to solve urban congestion is demonstrated by the repeated willingness of the voters of this area in recent years to approve ballot initiatives that have increased taxes to support mass transportation and highway programs. In the South Bay, on the Peninsula, in the East Bay and in San Francisco, sales tax measures have been adopted in support of specific transportation programs formulated by local officials. It is anticipated that the North Bay counties of Marin and Sonoma will soon follow suit.

On a Statewide basis, the voters of California just last month

reversed the anti-tax crusade of the late 1970's and the 1980's by approving a nine cent increase in the gasoline tax and the issuance of major bond measures in support of mass transportation and highway projects throughout the State. But state and local governments cannot solve our critical urban problems alone. A renewed partnership between the federal government and state and local governments is absolutely critical to solve the nation's transportation problems both in the 90's and as we prepare to enter the 21st Century.

For a few moments, we would like to describe the unique transportation corridor that is served by the Golden Gate Bridge District and of the recent significant steps that have been

taken by the counties of the region and the District to both preserve and expand that corridor. In the late 1960s, automobile congestion was reaching an all time high and the continued future existence of mass transportation providers in the region was seriously in doubt. The post-World War II aubomobile boom was at its apex and few people in the region were riders of mass transportation. Indeed, by that time, the few remaining private transportation companies in the area had launched steps to be relieved of future service obligations.

As a consequence, the Golden Gate Bridge District was directed by the California Legislature to plan and operate a mass transportation system, in concert with the counties of the

region, utilizing surplus bridge tolls as the means for the provision of capital and necessary operating subsidies for the system. In partnership with the Urban Mass Transportation Administration, the District quickly inaugurated a multi-modal transportation system consisting of buses and ferries. In addition, the District became an innovator in the concept of ridesharing, sponsoring van pool and car pool programs for residents of the region. The District's philosophy was simple: provide people with high quality services and give them choices as alternatives to continued single occupant use of their automobiles.

Initial results of the District's efforts were outstanding.

Automobile traffic across the Golden Gate Bridge initially diminished. More significantly, throughout the 1970's, which were marked by significant increases in population in the North Bay region served by the District, automobile traffic on the Golden Gate Bridge remained essentially at 1969 levels. Indeed, by the late 1970's, approximately 50 percent of the commuters between the North Bay and San Francisco were utilizing either buses, ferries, or ridesharing programs provided by the District. Even now, as the District initiates its third decade of regional service, automobile congestion on the Golden Gate Bridge, although severe at times, remains relatively close to the levels that existed during peak hours some 20 years ago.

There is, however, much more that needs to be done to relieve the nightmare that faces many thousands of commuters each day. New and improved transportations systems must be implemented that will significantly lessen the amount of automobile travel in the Golden Gate corridor.

Noteworthy in this respect is the fact that in recent years the most serious congestion problems in the Golden Gate corridor actually have arisen within suburban Marin and Sonoma counties. As housing costs have forced home buyers and renters to move farther and farther away from San Francisco, and as businesses have relocated or new businesses have been established in the suburban communities, suburban congestion has become the

watchword and problem of the day. New transportation programs therefore must be created to accommodate the large number of Golden Gate corridor residents whose home to work patterns are radically different than those that existed 20 years ago.

The center piece of our efforts in recent years to address the acute problem of suburban congestion has been the acquisition of the railroad right of way that runs parallel to US 101 in Marin and Sonoma Counties. An Interagency Task Force, led by Supervisor Bob Roumiguiere of Marin County, was created to pull together the necessary resources and to obtain necessary local concensus to obtain and protect this precious resource. Consisting of representatives of Marin and Sonoma Counties, the

cities of these counties and the Bridge District, the Northwestern Pacific Right of Way Task Force negotiating team undertook appraisal studies, environmental audits, title searches and other due diligence steps over the course of the past seven years. As a result, the Task Force concluded a series of major right of way transactions that will assure a permanent transportation corridor for the region. A short summary of these transactions follows:

1. January 24, 1983 Purchase and Option Agreement. By this initial agreement, the Bridge District, the County of Marin and the Marin County Transist District acquired a two year option to purchase the railroad right of way located between

Tamalpais Drive in Corta Madera and Bellam Boulevard in San Rafael. This step prevented the right of way from being sold off for non-transportation purposes. At the same time, by this transaction, for the sum of $10,000 paid with local funds, the public agencies actually acquired all of the railroad's non-fee interest in the right of way covered by the option.

2. Acquisition of Tamalpais Drive-Bellam Boulevard Right of Way. On December 28, 1984, the fee ownership portion of the right of way covered by the above-mentioned Option Agreement was acquired by the Bridge District. This 1.5 mile segment was purchased for the total sum of $1,100,000. No federal funds were involved in this acquisition. The source of funds was

$700,000 from the State of California and $400,000 from the Bridge District.

3. Acquisition of Barnes Property Station Site. On February 5, 1983, the Bridge District purchased an important projected station site (known as the Barnes site) immediately adjacent to the right of way previously purchased and situated in close proximity to the Bridge District's Larkspur Ferry Terminal. This 1.52 acre parcel was purchased for the sum of $1,285,000. The funding source was 100 percent Bridge District funds.

4. Our most significant right of way transaction to date

was closed just last Friday. An additional 11.25 miles of right of way (approximately 101.84 acres) together with all improvements located between Bellam Boulevard in San Rafael and the center line of Novato Creek in the vicinity of Rowland Boulevard in the City of Novato, was acquired for the sum of $10.1 million. Thanks to the efforts of Congressman Doug Bosco, Congresswoman Barbara Boxer, Chairman Andersen and your own efforts, Mr. Mineta, and those of other key members of the California delegation, this acquisition was made possible largely by virtue of the Federal Demonstration project funded pursuant to H.R. 2 enacted in 1987. This legislation provided $24 million to acquire the right of way situated between San Rafael and the City of Healdsburg. The acquisition

that closed last week fully implements the first phase of the federal program.

5. Conditional Sales Agreements -- Acquisition of Rights of Way from Novato to Willets. As part of the just closed San Rafael to Novato acquisition, conditional sales agreements have been entered into covering two additional critically important segments of the right of way. The first is an approximately 41 mile right of way located between Novato and the City of Healdsburg, including station sites. The second consists of approximately 74.5 miles of right of way generally located from the City of Healdsburg in the County of Sonoma extending north to the City of Willets in the County of Mendocino supplemented

by an approximate 24.23 mile right of way located between the City of Novato in Marin County extending northeast to the railroad point known as Lombard in the County of Napa, including station sites. The parties have agreed upon a total purchase price of $27 million for this additional approximately 140 mile right of way acquisition. Closing is subject to several conditions which will have to be satisfied in a three year period for the Novato to Healdsburg acquisition and a four year period for the Healdsburg to Willets purchase. Among these conditions is the obtaining of necessary funds to close the transaction.

The purchase of the remaining portion of the right of way is vital to the interests of the Golden Gate Corridor. Mr. Chairman and members of the Committee, we are before you today with an appeal to assist us in our efforts to complete the land acquisition program necessary for mass transportation and highway service in the Golden Gate Corridor and ultimately to assist in efforts to implement a transportation system on the right of way. We come before you on a united basis, all of the counties in the region and the Bridge District having joined together to plan for our transportation needs in the 21st Century. And it is the unanimous conviction of the governments of this region that the remaining rights of way must be preserved and protected at the earliest possible date.

We face major transportation problems but have identified solutions based upon regional concensus. We now need the help of the Federal Goverment through the reauthorization and appropriation processes for the highway and transit programs to convert our aspirations and needs into reality. Our specific financial requirements to conclude the right of way purchase and associated due diligence studies is estimated to be $18.5 million. I and my colleagues stand ready to provide additional information and assistance in any way that it may be desired and are at this time prepared to respond to any questions that you or members of the Committee may present. We are most appreciative of this opportunity to address our needs.

REAUTHORIZATION OF THE POST-INTERSTATE SURFACE TRANSPORTATION PROGRAMS

MONDAY, SEPTEMBER 17, 1990

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON SURFACE TRANSPORTATION,
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Altoona, PA.

The Subcommittee met, pursuant to call, at 8:00 a.m., at the Ramada Inn, Altoona, Pennsylvania, Hon. Norman Mineta (Chairman of the Subcommittee) presiding.

Present: Representatives Mineta, Shuster, Anderson, Hammerschmidt, Roe, Clinger, Murtha, McEwen, Packard, Lightfoot, Hastert and Hancock.

Mr. MINETA. The Subcommittee on Surface Transportation of the House Committee on Public Works and Transportation will please come to order.

In the interest of time and to maximize the amount of time afforded all our very distinguished witnesses, I will submit my prepared statement for the record and urge my Committee colleagues to do the same.

I do, however, want to take the time to say that it is very fitting for this Subcommittee on Surface Transportation to have this field hearing here in Altoona, in view of the many contributions made by your Representative in the U.S. Congress, Congressman Bud Shuster. Bud is the ranking Republican on the Subcommittee on Surface Transportation and is essentially, really—his efforts have been essential to the legislative work of the House Committee on Public Works and Transportation. I know how proud you must be of Bud and his accomplishments in the House since his first election in 1972. But from my perspective as a Committee colleague, I can personally vouch for how tirelessly Bud works to improve the well-being of the Ninth Congressional District.

Since I became Chair of the Surface Transportation Subcommittee in February of 1989, Bud has been a great teacher and an inspiration to me, continuously demonstrating his expertise and Pennsylvania know-how on every facet of our Committee's jurisdiction, and especially of course as it relates to surface transportation issues, not only for the Ninth Congressional District, but for our great country.

Bud Shuster was instrumental in the development of the 1987 Surface Transportation Act and rest assured he will continue I know to play a leading role in the development of the new surface

transportation legislation that will affect Pennsylvania and our nation.

Let me thank in advance today's witnesses for their testimony. I apologize that we are going to have to shrink the time that is available for the witnesses. It has become apparent that we are going to have votes on the floor of the House of Representatives today, so rather than spending half a day here in Altoona, as we had originally anticipated, we have had to shrink that time period down to just about an hour and a half to two hours here before we go on to Ebensburg. But I do again want to thank the witnesses for their being here, for their testimony. We will be in touch with you if we have any inquiries or questions to ask of you and ask you to submit your response for the record in writing. And again, I want to pay special thanks to Congressman Bud Shuster for inviting us to the fine city of Altoona and to Pennsylvania's Ninth Congressional District.

[Mr. Mineta's prepared statement follows:]

REGIONAL FIELD HEARING
POST-1991 FEDERAL-AID PROGRAMS FOR HIGHWAYS AND MASS TRANSIT SYSTEMS

OPENING REMARKS BY

NORMAN Y. MINETA, M.C.

CHAIR

SUBCOMMITTEE ON SURFACE TRANSPORTATION

PUBLIC WORKS AND TRANSPORTATION COMMITTEE

U.S. HOUSE OF REPRESENTATIVES

RAMADA INN

ALTOONA, PENNSYLVANIA

SEPTEMBER 17, 1990

8:00 A.M.

Today, the Subcommittee on Surface Transportation continues its field hearings to help determine the sum and substance of the future Federal-aid highway, mass transit, and highway safety programs once the current programs expire on September 30, 1991.

During the past 34 years, Americans have enjoyed a tremendous Federal investment of more than $270 billion in our nation's transportation systems.

We have built more than roads and bridges, Interstates and mass transit systems.

We have built a way of life that has sustained the American people and fortified our economy.

But what of tommorrow -- especially in states like Pennsylvania where transportation plays such a key role?

For tommorrow, we must make certain that Americans can travel safely. We must move people and goods in a way that will improve our economic competitiveness, the quality of our air, and our overall quality of life. And we must leave no doubt in the minds of our children that we will act consistently, and with foresight.

Americans now travel more than 2 trillion miles on our highways each year. In the future, that level will only rise. And yet it is estimated that as a nation we will need to invest more than $95 billion annually just to maintain the current level of service through the year 2020.

The question is: Where will we get the money, and how should we use it?

Clearly, the strong partnership that already exists among the American people, business, industry and all levels of government will be called upon to meet the challenges of building and rebuilding our transportation systems.

But, at the same time, we must never lose sight of the fact that how we spend that money is as important as how much money we spend.

More than a year ago, the Subcommittee on Surface Transportation set a legislative agenda to build the transportation future America wants and needs.

We have conducted hearings in Washington, D.C. We have received expert testimony. But the health and well-being of our transportation network requires more hands-on input than any series of Washington hearings could provide.

This is why we are here today in Pennsylvania.

It is also fitting that we hold a field hearing in Altoona in view of the major role played by your Representative and the Surface Transportation Subcommittee's Ranking Minority Member Bud Shuster.

I know how proud you must be of Bud. As a Committee colleague, I can personally vouch for how tirelessly Bud works to improve the well-being of the 9th Congressional District.

Since I became Chair of the Surface Transportation Subcommittee in February 1989, Bud Shuster has been a great teacher and inspiration for me, continuously demonstrating his expertise and Pennsylvania know-how on every part of the Committee's jurisdiction -- including highways, transit, safety and various regulatory matters.

Bud Shuster was instrumental in the development of the 1987 Surface Transportation Act. And rest assured, he'll play a leading role in the development of new surface transportation legislation that will affect Pennsylvania.

There is much that we need to do in this legislation.

In the 1960s and 1970s, we spent more than 2.3 percent of our annual Gross National Product on our transportation network. In the 1980s, that level shrunk to four-tenths of one percent.

The result has been congestion on our highways, deficient or functionally obsolete bridges, substandard pavement, and decay of our mass transit systems.

And the lesson is clear:

Transportation programs must never again be underfunded as they have been in the recent past.

In the 1990's, I believe the key to finding solutions to our nation's transportation problems will be to define the appropriate Federal role.

I believe that Federal role must take into account state and local needs, program flexibility, and the right of people who have paid taxes into the transportation trust funds to get what they've paid for -- and not see those funds idle away at the same time there's talk of increasing the Federal gas tax.

Through this hearing, I am confident that we will further our efforts to determine what the Federal role should be in the future, and to identify how we get there from where we are today.

Let me thank today's witnesses in advance for their testimony, and offer special thanks to Representative Shuster for inviting the Subcommittee to visit the fine city of Altoona and Pennsylvania's 9th Congressional District.

Mr. MINETA. At this time, let me yield to our host member of Congress, Bud Shuster.

Mr. SHUSTER. Thank you very much, Congressman Mineta, and I want to thank you for being here today, all the way from California, along with all of my colleagues; Congressman Anderson, the Chairman of the full Committee also from California; Congressman Roe, a member of the Committee and Chairman of the Science, Space, and Technology Committee; a good friend and neighbor, Jack Murtha, one of the real leaders of the United States Congress, it is a privilege to be holding hearings jointly with Congressman Murtha; Congressman Hastert, also one of our colleagues on the Committee; and Congressman Hancock of Missouri; Bill Clinger, our neighbor from the north and Congressman McEwen from Ohio; Congressman Packard from California; Congressman Lightfoot from Iowa. All of these distinguished colleagues—somebody said we have more members at this hearing today than we can get in a hearing in Washington. So we are just thrilled to have you all here and thank you so very much.

Mr. MINETA. At this time, I would like to recognize the Chairman of our full Committee on Public Works and Transportation, the very distinguished member from California, Chairman Glenn Anderson.

Mr. ANDERSON. Thank you, Mr. Chairman. It is a pleasure to join you and our distinguished colleague, host and friend, Congressman Bud Shuster, at this important hearing today.

Altoona has historically been a crossroads of commerce within the State of Pennsylvania and virtually all of the recent transportation improvements which support this commerce can be traced to one man, that is Congressman Bud Shuster. In fact, Bud may be the only Congressman who has both a highway and a byway named after him. I cannot think of another Member who is so deserving of this honor. Congressman Shuster works tirelessly on behalf of his constituents and his State in a way which sets a standard of public service that humbles many of the rest of us by comparison. His leadership and in-depth knowledge of transportation issues have proven invaluable to me, both when I was Chairman of the Surface Transportation Subcommittee, of which he was and is the ranking Republican, as well as after I became the Chairman of the full Committee on Public Works and Transportation. Time and again, Congressman Shuster has provided a needed push to highway and transit legislation in order to get a bill enacted into law, and he is a nationally acknowledged expert on surface transportation issues.

The Committee will rely on Bud's proven abilities even more when we begin to draft the next highway and transit reauthorization bill.

Thank you very much, Bud and thank you, Norman.

Mr. MINETA. At this time, I would like to recognize the ranking Republican on the full Committee on Public Works and Transportation, a person I have had the privilege of working with as the ranking Republican when I was chairing the Aviation Subcommittee. Just recently we were in his Congressional District in northwest Arkansas, and I would like to now call on Congressman John Paul Hammerschmidt.

Mr. HAMMERSCHMIDT. Thank you very much, Mr. Chairman.

You know, it has been a great pleasure and honor for me to serve with Bud for close to two decades in the House and on this Public Works Committee. And as we all on this Committee know, no one has more expertise on the issue of surface transportation or done more for the nation's highway program than Bud Shuster. He has been the ranking member on the Subcommittee for the past 15 years and in that time Bud Shuster has made enormous contributions to the nation's highway program. During his nearly 18 years in Congress, Bud Shuster has been a major force in the highway legislation developed by our Committee and enacted into law. He was instrumental in the 1978, 1982 and 1987 Highway Acts, and he will once again, along with Norman Mineta, be taking the lead in development of the next highway legislation in the post-interstate period. Of course that bill will be before the Congress next year.

So again, Mr. Chairman, Altoona is the place to be this morning for highway legislation and I am very pleased to be with you. Thank you.

Mr. MINETA. The congressman from California, Glenn Anderson, is the Chairman of the full Committee on Public Works and Transportation, but the next in seniority is a very distinguished gentleman from New Jersey, who also chairs a full Committee in his own right, and that is the Committee on Science, Space and Technology, a person who has worked very hard on the subjects that are within the jurisdiction of our Committee, Congressman Bob Roe of New Jersey.

Mr. ROE. Thank you, Norman, I appreciate your introduction and all the other members and colleagues who are here. I, too, want to join with our group and mention—in fact, it is amazing if I may share this point with the audience here, and our guests, as pointed out by Bud, if you get 10 or 12 or eight or five or six members at a Committee hearing in Washington, it is a lot. And if you look along here, you have 12 representatives from throughout the entire nation.

Now I think that Bud and I have been very, very good friends, along with Jack Murtha over the years. New Jersey and Pennsylvania have a great deal in common and I just enjoy working with Bud a great deal as one of our great leaders. I would like to add a codicil, Mr. Chairman, if I may to Mr. Anderson, our full ranking Chairman. As we look at the new highway transportation program, I do not know how it is going to affect you here in Pennsylvania, but one thing we in New Jersey are looking into is the cost of energy and cost of operating on highways and what is going to happen as far as gasoline and energy supplies particularly. So I hope that as we develop, with the input of the people from Pennsylvania and under the leadership of Norman Mineta and Bud Shuster, that we develop really a comprehensive program in transportation that is going to be really the milestones of the future of the country.

So I thank you for inviting me. I am honored to be able to join you in Pennsylvania and the great city of Altoona and I am sure that our results today will be very beneficial to the country.

Thank you, Mr. Chairman.

Mr. MINETA. I would like to next introduce the gentleman from Pennsylvania who is to the north of Bud Shuster's district, a person who serves as the highest ranking Republican on the Aviation Subcommittee for our House Committee on Public Works and Transportation, the very distinguished gentleman from Pennsylvania, Bill Clinger. Bill.

Mr. CLINGER. Thank you very much, Mr. Chairman, and I am very pleased and honored to be part of this hearing today and to join with all of you here in Bud Shuster's district. Bud has been my mentor ever since I came to the Congress and I have learned a great deal from him on how to carry out my responsibilities as representative. My goal is to have as good highways in the 23rd Congressional District as Bud has achieved here in the Ninth Congressional District, and we are working on that.

But I think Pennsylvania can be very, very proud that Bud Shuster is going to be an instrumental voice in the fashioning of highway policy in this country for the next 10 to 20 years. Next year is going to be a very critical year in shaping highway policy. It is really the first opportunity we have had in more than 25 years to take a whole, fresh new look at the direction of highway policy. And knowing of Bud's long experience and dedication to the development of a superior transportation system in this country, I think we in Pennsylvania can be extraordinarily proud of the contribution he is going to make. So I am delighted to be here with all of my colleagues this morning.

Mr. MINETA. As many of you know, Congress has a two-track system. We have an authorizing process and then once the legislation authorizing something to get done passes, then you have what is known as the appropriations track to appropriate the money for what has been authorized into law. That combination is I suppose part of the thing that makes Congress a deliberative body. But in any event, our Public Works and Transportation Committee is an authorizing committee.

We have a very, very important member of the Appropriations Committee here with us today, who has the district to the west of Congressman Bud Shuster, and that is Congressman John Murtha, and it is really great to have someone of his caliber with us because frankly we on the Public Works and Transportation Committee have gone to Bud—I mean to Jack, on many occasions to have him help us get the monies that are necessary really to be appropriated by that Committee for the things we authorize into law.

So Jack, it is great to have you with us and I am pleased to introduce you at this time.

Mr. MURTHA. Mr. Chairman, let me just thank all of you for coming, and what everybody has said is a phenomenal tribute, I think, to Bud Shuster, the fact that we have so many members who were willing to take the time from their own busy schedules to come out here to Altoona and to Ebensburg. And I am pleased to host with Bud—Bud is really the premier surface transportation expert in the country and it is a pleasure to be here with him and to see such a turnout from the full Committee. Of course you have 11 of the most distinguished members of Congress from all over the country and I am just delighted and very appreciative of all you

folks coming to Western Pennsylvania. We tried to have the perfect weather and a few leaves turning and so forth.

Mr. MINETA. At this time, I would like to introduce Congressman Bob McEwen of Ohio. Bob.

Mr. MCEWEN. Thank you, Mr. Chairman, and as Henry VIII said to his fifth wife, "I will not be keeping you long."

And as you are moving along here, I just very simply want to add also that I am delighted to be here with Bud. Bud Shuster brings this Committee to his district because he wants all of us from around the country to know what is next on his agenda for the Ninth Congressional District. And people like me come because we want to see how it is done right. Bud Shuster is the kind of Congressman the people in my district wish they had representing them in Washington, and as a result, I am delighted to watch a man who does everything well. What he does, he does precisely and expertly and I just like to move in his wake. But as the last two speakers have just spoken, Pennsylvania does have an especially talented Congressional delegation.

Bud and I have served on the Intelligence Committee together and whenever we are speaking about what is of vital interest to America and when we need to do what is right, the name Jack Murtha constantly comes into the mix because we rely upon him tremendously and I will say more about that at our next hearing. But I also serve on a delegation that is working with the future of Europe with Congressman Bill Clinger, also from Pennsylvania, and there is no one who is more multi-faceted and brings more to the Congress than Bill Clinger does as well, and so it is a delight to be with you and to be in the District of perhaps the finest Congressman in America, Bud Shuster.

Thank you.

Mr. MINETA. Congressman Packard, Ron Packard, of California.

Mr. PACKARD. Thank you. I will be very brief.

One of the most significant public works projects in the history of the globe will be culminating next year just about this time, and that is the interstate system of this country. You can imagine what this country would be like in terms of its economy and moving of goods and people if we did not have the interstate system that now exists. That started 35 years ago and Bud Shuster has played a very important role in the development of that program.

We now are entering into the phase of a replacement program for the next 30 years of this country in developing a transportation system and a maintenance system of the interstate system. There is no question that Mr. Shuster and some of us will be very prominently involved in developing that new plan.

I am looking forward to hearing the witnesses that will outline what Pennsylvania's concerns and interests are in the development of that kind of a plan and certainly this will be a prototype meeting that will apply to the entire country.

It is a pleasure to be with you.

[The prepared statement of Mr. Packard follows:]

STATEMENT OF
THE HONORABLE RONALD C. PACKARD
REPRESENTING THE 43RD DISTRICT OF CALIFORNIA
BEFORE THE SUBCOMMITTEE
ON SURFACE TRANSPORTATION
SERIES OF HEARINGS ON THE
REAUTHORIZATION OF THE
POST-INTERSTATE HIGHWAY PROGRAM
ALTOONA, PENNSYLVANIA
SEPTEMBER 17, 1990

MR. CHAIRMAN:

I JOIN YOU AND CHAIRMAN ANDERSON AND OUR OTHER COLLEAGUES IN STATEMENTS OF HIGH AND MUCH DESERVED PRAISE OF OUR HOST BUD SHUSTER. BUD SHUSTER IS ONE OF THE MOST EFFECTIVE MEMBERS OF CONGRESS. JUST TAKE ONE LOOK AROUND ALTOONA AND YOU REALIZE VERY QUICKLY THE HIGH QUALITY LEVEL OF SERVICE THAT BUD PROVIDES FOR THE NINTH DISTRICT OF PENNSYLVANIA.

THAT, HOWEVER, IS NOT THE SOLE MEASURE OF HIS EFFECTIVENESS AS A CONGRESSMAN. AS THE RANKING MEMBER OF THE SURFACE TRANSPORTATION SUBCOMMITTEE, BUD SHUSTER IS QUITE POSSIBLY THE AUTHORITY ON THE INTRICACIES OF THE HIGHWAY PROGRAM. IN ADDITION, BUD SHUSTER HAS ALWAYS OFFERED HIS TIME AND ASSISTANCE IN SECURING MUCH NEEDED HIGHWAY DOLLARS AND PROJECTS FOR MY DISTRICT. AS I AM SURE HE HAS FOR MANY OTHER MEMBERS HERE TODAY.

AS THE SUBCOMMITTEE TRAVELS AROUND THE NATION ADDRESSING THE NEEDS OF THE NEXT HIGHWAY REAUTHORIZATION, EACH MEMBER OF THE SUBCOMMITTEE, MYSELF INCLUDED, IS KEENLY AWARE THAT OUR NATIONAL TRANSPORTATION SYSTEM IS VITAL TO OUR ECONOMY AND TO OUR INTERNATIONAL COMPETITIVENESS. AS OUR HIGHWAY SYSTEM HAS BECOME OLDER IT HAS BECOME GRIPPED WITH CONGESTION IN MANY AREAS. AS OUR ABILITY TO TRANSPORT GOODS, SERVICES AND PEOPLE FROM ONE PLACE TO ANOTHER BECOMES HAMPERED, OUR ECONOMY SUFFERS.

WITHOUT AN ADEQUATE TRANSPORTATION NETWORK, THIS NATION WILL FALL FARTHER BEHIND IN THE GLOBAL MARKETPLACE. THE ABILITY OF THE UNITED STATES TO EFFECTIVELY COMPETE WITH JAPAN, GERMANY, AND THE REST OF THE WORLD RESTS WITH THE ABILITY TO FORMULATE A HIGHWAY BILL THAT WILL ADEQUATELY ADDRESS OUR TRANSPORTATION NEEDS TODAY AND IN THE FUTURE. WE MUST FORMULATE A PIECE OF LEGISLATION THAT WILL TAKE OUR TRANSPORTATION SYSTEM INTO THE TWENTY-FIRST CENTURY AND BEYOND. I AM CONVINCED THAT WITH THE LEADERSHIP OF CHAIRMAN MINETA AND THE RANKING REPUBLICAN BUD SHUSTER WE WILL ACHIEVE THIS GOAL.

I COMMEND CHAIRMAN MINETA FOR SCHEDULING THESE MOST VITAL HEARINGS AND I LOOK FORWARD TO HEARING THE TESTIMONY OF TODAY'S WITNESSES. I ALSO LOOK FORWARD TO WORKING WITH CHAIRMAN MINETA AND CONGRESSMAN SHUSTER IN FORMULATING THE HIGHWAY BILL.

Mr. MINETA. Congressman Jim Lightfoot of Iowa.

Mr. LIGHTFOOT. Thank you, Mr. Chairman. I too would like to join my colleagues in complimenting Bud Shuster.

When I first got to Congress and was put on the Surface Transportation Subcommittee, of which Bud is the ranking member, I asked Bud what some good advice you would have for a young man from the midwest, and he said, "Well I will give you some words to live by, just remember that breakfast is the most important meal of the day. If you are not home by then, you are in real trouble." [Laughter.]

So we have followed his advice and been able to continue in this position and the marriage has stayed together and everything has worked rather well, thanks to Bud.

But you folks in Pennsylvania are very fortunate to be represented by people like Bud and Jack and Bill. I have a chance to work with Bill, I am on the Aviation Subcommittee with Mr. Clinger, and Jack, we meet in the halls once in awhile, I am not on any of his committees, but as has been said before, he has been very instrumental in helping all of us in various and sundry ways as we move along. So you have got, I think, a group of outstanding members that—they are smart, they are intelligent, they are gentlemen and besides that they all three have a good sense of humor and that is kind of what makes this world go round.

It is a pleasure to be here this morning.

Mr. MINETA. Thanks a million, Jim. Congressman Dennis Hastert of Illinois.

Mr. HASTERT. Thank you, Mr. Chairman. It is certainly also a pleasure to be here. I guess I have to be pretty straight with you folks, this is an important hearing to Bud Shuster and that is why we are here, because Bud Shuster is important in the U.S. Congress. It is a pleasure to work with Mr. Clinger and Mr. Murtha and other distinguished members from Pennsylvania.

I do not know if Bud is reincarnate or not, but the first national road program in this country started here in Pennsylvania and certainly this state is a keystone state and I guess we are here to see how it is done.

So it is certainly a pleasure to be here, and thank you, Mr. Chairman.

Mr. MINETA. At this time, I would like to introduce a first term member of the Congress from Missouri, who is doing a very, very fine job, Congressman Mel Hancock.

Mr. HANCOCK. Thank you very much, Mr. Chairman. At least he did not say the oldest member of the freshman class, that is the way I am normally introduced.

It is a real pleasure to be here. I would like to take this opportunity to express my appreciation to the people of this area for their courtesy and hospitality and the way they welcomed us. You are welcoming a great district and the people from the State of Pennsylvania, the Congressmen from the State of Pennsylvania.

Thank you very much for inviting me.

We are fortunate because in this country and before this Committee, we are literally at the crossroads. We are trying to decide, given the signing of the law back in 1955 by President Eisenhower of the interstate highway and defense system, that we now by the end of 1991 will have completed that system with some 43,000 miles of highways at an investment of some $127 billion.

Now in order to renew this legislation and bring it into law, it not only takes of course the action of the Congress, but also the signing of that law by the President. And we are fortunate in this country to have Secretary of Transportation Sam Skinner. Sam has put together a very, very good team at the Department of Transportation. In fact, one of them is your own from Pennsylvania, a person by the name of Dr. Tom Larson, who was the Secretary of Transportation here in Pennsylvania under Governor Thornburgh at the time. And he has also brought to the Department of Transportation another Pennsylvanian by the name of Brian Climber, from Philadelphia, who was associated with SEPTA, the Southeast Pennsylvania Transportation Agency.

And so we have a very good team at the Department of Transportation and we are fortunate to be able to have also across the country very fine people who serve in transportation positions. And today we are graced to have with us your Secretary of Transportation from the Commonwealth of Pennsylvania—we are pleased to have you with us, Mr. Secretary.

So at this time, I would like to recognize the Secretary of the Pennsylvania Department of Transportation, Howard Yerusalim, who is accompanied by Larry King, who is the assistant to the Deputy Secretary for Planning for Penn DOT. At this time, Mr. Secretary, go ahead. Your full statement will be made a part of the record, and if you would go ahead and proceed in your own fashion.

TESTIMONY OF HOWARD YERUSALIM, SECRETARY, PENNSYLVANIA DEPARTMENT OF TRANSPORTATION

Mr. YERUSALIM. Thank you, Mr. Chairman and Chairman Anderson and distinguished members of this Committee. It is a pleasure to be here this morning, and I think the number of you here today certainly is a tribute to our Congressman Bud Shuster. He certainly is a leader in surface transportation and in many other areas of importance to this country.

On behalf of Governor Casey, I would like to welcome you to Pennsylvania.

As you mentioned, Chairman Mineta, you do have a copy of my testimony and I will not read that testimony, it is quite voluminous and I will stick to my 15 minutes or less.

As Secretary of Transportation and Chairman of the Pennsylvania Turnpike Commission, I am going just to discuss the highlights of that testimony. The Casey administration is proud of our relationship with our Congressional delegation, especially Congressman Clinger, Shuster, Borski, Kolter of this Committee and certainly Congressman Jack Murtha who will be involved in this hearing and the hearing this afternoon in his home territory in Ebensburg. You truly have made a difference in Pennsylvania. Governor Casey and I both thank you for that difference that you have made.

Under the Case administration leadership, we have placed $4.2 billion worth of highways and bridges under construction during the last four years. This is a 50 percent increase over the size of our program in the previous four years. This program has included 1,200 bridges that are replaced or major rehabilitation has taken place during that four year period under our billion dollar bridge program, which I will mention briefly later. It also has included 3,000 other projects on our 41,000 mile highway system and the 25,000 bridges that are on the state system alone. That does not include all the local roads in Pennsylvania.

That program resulted in three state years of one billion dollars being paid to the contractors who have performed that work in Pennsylvania. It resulted in 12,700 direct construction-related jobs and I am not talking about all the spin-off jobs that come about as a result of that large construction program. And it resulted in the virtual completion of the interstate system in Pennsylvania.

Last year, 1989, we opened more miles of interstate highway than we have in any year in the last two decades. We opened Interstate Route 78, which is south of Allentown, Bethlehem and Easton for 32 miles in Pennsylvania with five new miles in New Jersey, which is making eastern Pennsylvania a bedroom community to northern New Jersey and New York. We also opened I-279 in the Pittsburgh area which goes from downtown Pittsburgh to the North Hills section. Those two projects that were opened last year cost approximately one billion dollars.

We have two other interstate routes which are presently fully under construction and will be completed next year. In downtown Philadelphia, the Vine Street expressway, a two-mile part of our beltway in Philadelphia that cost well over $200 million for that two miles of highway—times have changed.

We also have under construction a project known as the Blue Route. The Blue Route was first drawn on a map 60 years ago, not 25 or 35 years ago. We finally have it totally under construction. We appreciate your support and we will complete that project next year. That interstate program cost close to two billion dollars for those four projects alone.

We have also made progress like this only through the strong federal-state-local partnership that we developed. And of course, special thanks go to Congressman Shuster, someone I have worked with very closely these last four years and being what I consider to be Tom Larson's right-hand person for at least four of his eight years. We have been working much longer with Congressman Shuster.

Congressman Shuster provided funding for 35 miles of what some call traffic route 220, but we all know it is the Bud Shuster highway. And that is to provide that expressway facility so vital to the economy of this area from the turnpike interchange at Bedford to Altoona. Congressman Shuster did not stop there. In the last Transportation Act, he included $72 million to continue that expansion of traffic route 220 to the Tyrone bypass, another 12 miles, the $72 million in special funds which we will be matching. This is the first time that those types of projects required a 20 percent match. We have had some cost increases and I have made a statement that I am not going to go back to Congressman Shuster and

say please provide the funding for those cost increases. We are going to provide them through Pennsylvania's funding because we appreciate what the Congressman has done.

But he did not stop there. In the House Transportation appropriation bill that was proposed for federal fiscal year 1991, he proposed two million dollars to study traffic route 220 north of the Tyrone bypass. Eventually we want traffic route 220, the Bud Shuster Highway, to be a gateway to Canada and we are on our way.

Also in the Surface Transportation Assistance Act of 1987, funds were provided for a bus testing and research facility which has been in operation for one year now, and that is a $3.2 million project.

I also want to give special thanks to Congressman Murtha. I have worked very closely with the Congressman over these last four years. He provided $22.5 million in special funds for the Ebensburg bypass, and I know you will be in Ebensburg this afternoon. I am only sorry that you do not have the time to visit that facility which will be open to traffic by the end of next month.

Also, Congressman Murtha has proposed $20 million in the federal fiscal year 1991 Transportation Appropriations Act for traffic route 56 in Cambria, Somerset and Westmoreland Counties, and you will see that all our roads in Pennsylvania certainly do not look like traffic route 220. We have got to make that one of our goals, so that they all can look that way.

Federal funding over the last four years is what has made this all possible. Two billion dollars in formula funds that we have received in Pennsylvania over the last four years, $800 million in discretionary and other special funds went toward that program. And in the transit area over four years we have received $685 million in federal funds. We are very grateful for this, but our needs are great, and the money is there in the trust funds so that we could do even more. And I am calling upon you today, and I know that you support this statement, to release the $25 billion that is laying dormant in various trust funds, $18 billion in the highway trust fund, $11 billion of which is for highways and seven billion dollars of which is for transit. These funds should be released before we talk about dedicated funding in Pennsylvania for transportation above what we already have.

The U.S. DOT has told us at an AASHTO meeting that was held a couple of months ago that the annual highway program, if the trust fund balances were released, could be increased from $13 billion a year to between $18 and $20 billion a year and that the transit program could be increased from $3.1 billion a year to $4.5 billion per year. We hope that this occurs.

Let me turn to transit briefly because I think transit is very important to our urban and suburban areas. We have 20 urban transit systems in Pennsylvania, including two of the largest systems in the nation; in Philadelphia, which was referenced by Chairman Mineta, SEPTA; and our system in Pittsburgh known as PAT. Federal aid for these systems has been dwindling. For example, from 1979–1980 to fiscal year 1990–1991, the state operating assistance for these systems has nearly tripled from $119 million to $331 million. At the same time, federal assistance has decreased from $86.2 million to $11.4 million that is proposed by the administration for fed-

eral fiscal year 1991. That is an 87 percent decrease in federal assistance at a time when the state has tripled their commitment to the operating assistance for transit. SEPTA is a special situation itself in the Philadelphia area. It has great operating assistance needs, but it also has great capital needs. This year, the state is providing $319 million to SEPTA alone, $223 million of which is for operating assistance. The administration has proposed that SEPTA not receive one dollar in operating assistance for federal fiscal year 1991. I know that recommendations like that have not been passed by Congress and I am sure—and I have every wish—that you will not accede to that recommendation made by the administration in this year.

Next I will turn to the post-interstate challenge. What should the reauthorization contain? Because that is what we are really here about today. First of all, we must complete the interstate system and most of it is complete. But in Pennsylvania we took advantage of a provision known as advance construction interstate, and we have used $275 million of our own money—I think it is very important that those contracts we signed with the federal highway administration be honored and that that $275 million be returned to Pennsylvania. We took out short-term notes in order to fund that.

I also understand that it is going to cost seven billion dollars to complete the interstate system throughout the nation and I think that should be part of the reauthorization legislation.

I support the system that is being proposed by U.S. DOT of a system of national significance. But that system must be rational. I think Congressman Shuster made that clear by some statements that he made with respect to that system. As a result, we have been asked, through AASHTO, from the Federal Highway Administration to develop that system. I think the system that they have asked us to develop is neither rational or reasonable. What they have told us is develop a system based on those roads that carry 35 percent of the vehicle miles of travel or 40 percent of the vehicle miles of travel in the entire state. Let me tell you that in Pennsylvania, that system at 40 percent would comprise 4,885 of highway out of a 41,000 mile state highway system and over 110,000 miles of highway in Pennsylvania, when you include local roads.

There must be flexibility in the use of the funds in the reauthorization. I have heard statements like 70 percent of the funding should go to the system of national significance. You can see that that would not serve us very well in Pennsylvania if only 5,000 out of 110,000 miles of highway were eligible for 70 percent of the funding that becomes available. I do not think that proposal is flexible and I do not believe that it is rational.

These states must be allowed to transfer funds among the categories. The system of national significance and the so-called flexible category.

Emphasis should be on national issues including highway system completion, highway system preservation. I think safety must be a keynote in the reauthorization. I think bridges must be a keynote and possibly most important in our urban and suburban areas, congestion relief must be right at the top. There should be flexibility in the use of federal funds, a continuation of dedicated user fund-

ing, full use of the trust funds, equitable distribution among the states and reduced federal oversight.

The U.S. DOT has begun their efforts toward the future. Among Pennsylvania's comments and concerns with respect to what I have heard so far that U.S. DOT is doing are, first, mass transit needs to be more fully utilized to support multi-modal transportation systems. We have to tie together the highways with the transit systems. I concur with fully funding the interstate system. Pennsylvania has a special interstate situation that is probably not shared by other states, but it does impact New Jersey, Congressman Roe, and I thought I would mention that.

The Surface Transportation Assistance Act of 1982 mandated that we build an interchange between I-95 in southeastern Pennsylvania and the Pennsylvania turnpike so that I-95 will switch over to the Pennsylvania turnpike and the New Jersey turnpike. I think it is very important that since Congress mandated that interchange, which will cost $500 million, that Congress fund 90 percent of the cost of building that interchange, both the part that is required for the interchange in Pennsylvania and the extension into New Jersey. And I have recently spoken to Tom Downs, my compatriot from New Jersey, and he feels very strongly about that also. I believe it should be 90 percent funded, as I have mentioned before.

I recommend flexible funding, including more toll financing. First by flexible, I mean the use of funds to meet individual states' needs. Pennsylvania, as you may recall, was one of seven original pilot states that were allowed to use federal funds together with state funds and toll revenues in order to build a toll facility, that being the Mon/Fayette Expressway in western Pennsylvania. Next month, we are going to open the first section of that Mon-Fayette Expressway, a $55 million project that will be a toll facility. It is being funded with state funds. We really did not use federal funds on that section, although we could have. But I think that that program has proven that it can work and I think that it should be expanded. I think toll revenues are one other way to help provide the funds that are needed in the future so that we do not have to increase taxes further.

We are also building half a billion dollars' worth of toll road expansions utilizing funds available from our own turnpike system; one being the Beaver Valley Expressway in western Pennsylvania and the other the Greensburg Bypass, known as the Amos K. Hutchinson Bypass, in western Pennsylvania. The only reason we are able to build $500,000 worth of toll facilities, however, is because our existing turnpike is a money-maker. And that is what is funding these other routes. In fact, in Pennsylvania as is true probably in many states, toll financing alone cannot support itself for new highways. When you get into an urban area, the projects are so expensive that even though the traffic is high and the revenues are high, the cost to build the facility and maintain it cannot support its cost. On the other hand, in the rural areas, it costs a little less to build the facilities but the revenues, since the traffic is less, don't begin to support the toll facilities. And that's why I think there should be a mixture of federal, state and toll revenues in order to support future toll facilities.

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I oppose increasing motor fuel taxes for deficit reduction. We should also address the tax issues regarding gasohol and other alternate fuels which will be used more in the future in order to clean up our air. While spending down the trust fund balances, we should not arbitrarily reduce the federal share of project costs. I have heard things like 60 percent federal where it is now 80 or 90 percent or even 40 percent federal, and I do not believe that is the way to go.

I also believe in equitable funding to all states based on their needs. For example, truck traffic and bridge needs are not part of the formula for distributing interstate restoration funds. Pennsylvania is considered a five percent state. In most of the federal aid categories, we receive five percent of the formula funds. For interstate restoration, we only receive 2.5 percent, again because the truck traffic which causes a lot of the damage on the interstate system is not considered in the formula, and neither are the bridge needs. So I think we need to change that.

I believe the trucking industry should pay its fair share for the damage they cause to our roads. I also oppose mandating that all states are forced to allow twin 48's and triple trailers. I know in some states that might work real well, but in Pennsylvania with our rolling terrain and our geology, that will not work and it will not be safe.

Finally, there should be less federal oversight. We have proven this in two programs that we have initiated in Pennsylvania. The one was initiated under Tom Larson, I believe that I was kind of the father of that program with Tom's leadership. That is known as our Billion Dollar Bridge Program. We have a dedicated source of funding just for that billion dollar bridge program, and since 1983, we have built 1,300 bridges for $1.4 billion and that program will continue at a $200 million per year level over the next few years.

We also have a special safety program. I think safety is very important. It is known as the Carter Safety Initiative. We have identified 55 high-accident corridors in Pennsylvania and set aside $50 million in highway funds to make low-cost improvements along those corridors. But that is not the whole key to that program because that program includes increased police enforcement, a large media campaign, increased emergency medical services. And that program has impressed both AASHTO and the Federal Highway Administration to the extent that we have won two awards from the American Association of State Highway and Transportation Officials for that program and a few months ago Tom Larson came to Pennsylvania to present Governor Casey and I with the 1989 safety award for innovation for the entire country. And Tom has asked that we travel around the country spreading that program so that it can be utilized in many of the other states.

In closing, we must deal with urban and suburban congestion in the reauthorization. Highways and bridges continue to be very important and I am not lessening their importance in any way, they will continue to be very important. However, highways and bridges alone will not solve the congestion problems in our urban areas and our suburban areas that we see happening in Pennsylvania and they have already happened in some other states. The single

passenger automobile is causing congestion in areas where there is not adequate right-of-way to build more facilities. It is consuming too much fuel and we are still dependent upon the Middle East for oil and it is increasing air pollution.

We can solve the problems in many ways. One is integrating transportation modes; highway, transit, rail, aviation. They all must be integrated. We must build more park and ride lots so that we can get people into car pools and van pools. We must build more high occupancy vehicle lanes so that we can get three and four people in our automobiles. We must make better utilization of those car and van pools. We must provide incentives for the use of transit. An interesting thing, recently we had to close a garage in Harrisburg. We provide parking for many of our employees. If I were to provide a transit pass for our employees, it would cost me about $300 for a full year and those employees would have to pay federal income tax on that benefit. But yet, I am spending close to $1,000 for each parking space in a parking garage and that is not taxable income. I think there is something wrong when we look at things in that manner.

We have to implement intelligent vehicle highway systems. We have to implement more ramp metering than we have in the past and we have to continue building transportation centers that tie the different modes of transportation together, and there are many, many other ways that we can improve the movement of people and goods rather than just the movement of vehicles, in the future.

And last, states should be rewarded for innovative programs that they have. Right now we are working on a model 21st century demonstration project for Interstate 95 in Pennsylvania. We have shared that with Tom Larson and Brian Climber, the two gentlemen that we mentioned before, the Federal Highway Administrator and the UMTA Administrator, and they are both very interested in that program. I think states should be rewarded for innovation like that.

In closing, let me just say thank you for inviting me to testify today and thank you, Bud Shuster, for being Bud Shuster.

Thank you very much.

[The prepared statement of Mr. Yerusalim appears on p. 2910.]

Mr. MINETA. Thank you very much, Mr. Secretary, for a very complete, thorough statement, and as indicated, this will be made a part of the record.

I would like to ask, first of all, the Commonwealth of Pennsylvania has received over the last ten years over a billion dollars in special funding for highway demonstration projects. These amounts were made available in addition to other federal aid apportioned highway funds. You have made a number of recommendations in your file statement, and I was wondering if you could recommend to the Committee any changes to the federal aid highway program that would provide a sufficient level of funds to address the transportation needs within the Commonwealth, without the aggressiveness of the Pennsylvania delegation in pursuing some of these extra funds that you have been able to receive.

Mr. YERUSALIM. There was a song "I love New York". I love my Congressional delegation—let me start by saying that.

I think——

Mr. MINETA. When I say Congressional delegation, I really mean Bud Shuster. [Laughter.]

Mr. SHUSTER. A billion dollars here, a billion dollars there——

Mr. MINETA. You are talking real money.

Mr. SHUSTER [continuing]. You are talking real money, yeah.

Mr. YERUSALIM. Well if people will not talk about me, I will say I love Bud Shuster also.

But the real answer I think is releasing these funds that have already been paid in the trust funds. If we could go from $13 billion to $20 billion or maybe even a little bit more, and the states matched those increased funds, the program could really double. So that would help very much.

But we certainly do appreciate what Bud Shuster has done for us, and he has done it because it is the right thing to do. It has improved the economy of the Commonwealth, it has been for key corridors, it has not been for projects that are not vitally needed.

Mr. MINETA. One of the things you talked about in terms of truck safety, in the present law, there are three states that are grandfathered in terms of weight limitations; Hawaii, Michigan and New Mexico. In the Transportation Appropriations Bill right now there is a provision that that exclusion also be extended to the State of Wyoming to increase and go beyond the 80,000 pound truck weight. Do you think that there ought to be this state-by-state approach in terms of what we do on truck weights given what your statement had indicated?

Mr. YERUSALIM. Well I am not in favor of increasing truck weight. I think it will have an impact on safety, I think it will have an impact on the needs to maintain our highway systems and it will have an even greater impact on our bridge systems and that is why I made that statement.

Mr. MINETA. Mr. Shuster.

Mr. SHUSTER. Thank you, Mr. Chairman.

Mr. Secretary, I certainly do appreciate your fine testimony and your very kind words. I just have one question. It has been pointed out to us that in the past highway bill, we spent over $800 million in railroad crossings and it has been suggested that that expense, because those crossings are there for the convenience of the railroad, should not be paid for out of the highway trust fund by highway users, but rather by the railroad corporations. I wonder if you would comment on that.

Mr. YERUSALIM. Yes, Congressman Shuster. First of all, I believe the rail/highway crossing situation is definitely a major safety initiative that we must continue. I too agree with your statement that the railroad should be paying more of the share. In Pennsylvania where it is a state highway crossing a railroad, it is 90 percent federal funding and ten percent state funding. Also, we are at the mercy of the railroads as far as completing those projects. They do the work themselves and a project that should be done this year gets done this year or the year after sometimes, and that is not a good situation.

But I do agree with you that the railroads should be paying more for that program.

Mr. SHUSTER. Thank you very much.

Mr. MINETA. Chairman Anderson.

Mr. ANDERSON. Mr. Secretary, the Pennsylvania Highway Association acknowledged the importance and value of a modern safe highway system that is adequately financed through dedicated funding sources to stimulate economic growth. Now, in addition to the increased use of toll revenues as you mentioned to finance highway projects, what other creative financing method could or should be considered to improve our highway system?

Mr. YERUSALIM. Well one that we have been using in Pennsylvania has been a greatly increased role of the private sector. We have insisted, where there is new development, that the developers play a large share in the improvements that are required by that development. So that is one method. But I think that if the trust fund balances can be released, I think that will get us along the way to meeting those total needs. We will never meet the total needs for every highway that someone out there in Pennsylvania thinks is needed. But I would stand on our record. A program of $4.2 billion over the last four years is a significant program. There are other needs, some of them are real needs, some of them are perceived needs. But if we can get the trust fund extended, I am sure that Pennsylvania will match all of those funds and our program could virtually be doubled just by doing that.

Mr. ANDERSON. Thank you.

Mr. MINETA. Congressman Hammerschmidt.

Mr. HAMMERSCHMIDT. Thank you, Mr. Chairman, and thank you, Secretary Yerusalim, for your fine statement.

I do not have a question but I think I do want to make a comment about trust funds. You know in these days of budget deficits and the budget summit, I am sure there is some concern in the general public that when they see figures like Bud Shuster getting $72 million for the State of Pennsylvania, they wonder where that money is coming from. I just think that it needs to be clarified for the benefit of the general public and maybe the media that those were dedicated revenues, which do not affect the deficit one way or another. Those were funds that were set aside for that specific use and I just think that we ought to clarify the fact that all this money that Bud gets comes out of dedicated revenues paid for by the users. It is very important the public know that.

Mr. YERUSALIM. Thank you very much, Mr. Hammerschmidt, I am sorry that I did not make that clear in my testimony.

Mr. HAMMERSCHMIDT. Thank you.

Mr. MINETA. Mr. Roe.

Mr. ROE. Mr. Chairman, I would like to ask two questions. One is you made a very declaratory statement—I want to congratulate you, by the way, on your testimony, particularly the part where you talk about the inter-relationship between Pennsylvania and New Jersey.

But the issue you made, which I think is going to be a hot one coming up very rapidly now, the triple trailer issue, is on the weights and as Chairman Mineta pointed out, the states that do allocate or allow that particular type of operation now. Do you see any—other than individual states making their decisions as you are making your decision for the State of Pennsylvania and we for New Jersey—do you see that if there should be consideration given

to much higher truck fees, if they are going to use triple trailers? Because I think one of the points—if the gentleman will yield—I think one of the points we are making is not only the safety concern, we would be terribly concerned in the State of New Jersey on the safety aspect of it, but I am thinking about the point of view of the wear and tear on the highways and bridges if they do allow heavy weight triple trailers, should they not pay or should they pay higher fees?

Mr. YERUSALIM. Well Congressman Roe, I do believe they should pay higher fees. I think they should be paying higher fees today. I do not believe trucks are paying their fair share—trucking companies are paying their fair share for the damage that they cause to our highways and to our bridges. But I think in a state like Pennsylvania, safety has to be the major concern. I just do not think those type of trucking systems will work. And I could cite examples. Some of it is perceived in our citizens' minds. When they see a twin trailer coming through their community, it just scares them to death, and they put a lot of pressure on me to find a way to not allow those existing allowed 28-foot twin trailers to go through their streets. But I am concerned about the damage done by increased weights and I think that if that does occur in a state, that the trucking firms should be paying more of the fees.

Mr. ROE. If the gentleman will yield further—do you see that truck traffic as part of the formula that is to be related to any involvement where truck traffic becomes part of the formula for distribution?

Mr. YERUSALIM. I think that it should because I think trucks are what cause the damage. At one time, AASHTO had a chart, it was kind of dramatic, it showed one truck and 9,600 automobiles as far as the damage that is caused to vehicles. They do not use that chart any more and I am not sure that it was exactly accurate, but I am concerned about the damage done by trucks and that trucking companies should be paying for the damage that they cause to the roads.

Mr. ROE. One more question, Mr. Chairman, if I may. It is kind of a blockbuster, but I have got to ask it. The Congress of course, as the nation, is terribly concerned about the energy issue that we are faced with and where this whole situation in the Middle East is going to go as it relates to imports of oil and energy costs. Having said that, going back about five or six—no, more than that, it is close to ten years—when we had a similar problem, we passed legislation that mandated a 55 mile per hour speed limit. According to the reports as a result of the analysis of the history of that particular experience, there was considerable safety improvement involved and also, as I understand the issue, there was considerable reduction in the hundreds and hundreds of millions of barrels of oil that were reduced because of the speed limit.

What do you see in that, do you see that to be practicable, recognizing the enormous increase now in gasoline costs and so forth and so on?

Mr. YERUSALIM. I believe strongly in the 55. We are one of ten states that still has a 55 mile per hour speed limit on our rural interstates. I think it is a safety concern first. A recent report by NITSA has indicated that in states where the speed limit was in-

creased to 65, that the accidents on rural interstates have increased by 31 percent. I think that was the fatalities. So we are very concerned about that. But we also think at a time when we do not know the future of our oil situation, with what is going on in the Middle East, this is not the time to be increasing speeds. And a lot of people argue, they say people are already traveling 65, why do you not change your speed limit to 65. Well I have my own feelings on that, and I have a feeling that people, especially with cruise control, set their cruise control a certain limit above the actual speed limit. And if we in Pennsylvania were to go from 55 to 65—and this has been an issue on our Pennsylvania turnpike with legislation proposed—I think those that are traveling at 62-63 miles an hour today would probably be driving at 72-73 miles per hour after the law was changed. And that concerns me greatly, from a safety standpoint and from a fuel use requirements.

Mr. ROE. Thank you, Mr. Chairman.

Mr. MINETA. Let me remind the members that we have a very strict time schedule to try to adhere to today, so I would appreciate the cooperation of the members. Mr. Clinger.

Mr. CLINGER. Thank you, Mr. Chairman. I have no questions. I want to commend Secretary Yerusalim on your statement and also your leadership of the Transportation Department of Pennsylvania—you are doing an excellent job. And I also want to commend you for the emphasis you placed in your statement on the need to address our transportation problems as a unity. In other words, there needs to be a comprehensive approach, including highways, aviation, rail and so forth, and mass transit. I think that that challenge to our Committee, as we begin to fashion a surface transportation bill, should be taken very much to heart. We need to look at this as an integrated system. I think that is what the national transportation policy which Tom Larson was an architect of, emphasizes too, the need to really look at this thing as a need to include all facets of transportation and a unity.

Let me just ask one question, and that is, there has been a lot of discussion about how privatization might be brought into play in terms of developing our highways. Do you see that privatization has any role to play?

Mr. YERUSALIM. It has a large role to play and it is playing it today. Last evening we had dinner with Mark Pascarella. I have dealt very closely with Mark and every time Crown American has a new plan for Pennsylvania, a new mall or an expansion, they come to us, and they are willing to pay the transportation costs to improve the transportation system to provide the access to their facility. We have facilities all around the state. We were also with the Tomias family last night and the Tomiases, when they have a new mall, they have been willing to share costs with us. So I think the private sector does have a role to play and I think it is going to be larger in the future than it has been in the past. That $4.2 billion that I talked about did not include all of the improvements that we are having made by the private sector, so our program is even larger than what I said it was.

Mr. CLINGER. Thank you.

Mr. MINETA. Mr. Murtha.

Mr. MURTHA. No questions.

Mr. MINETA. Any other questions from members of the panel?

Mr. ANDERSON. I have one.

Mr. MINETA. Mr. Chairman.

Mr. ANDERSON. I asked one, but Mr. Roe asked three, so I figure I can ask a second one.

Mr. Secretary, since the Pennsylvania Department of Transportation's 1984 through 1996 12-year bridge and highway program provides for improvements for U.S. 22 corridor, why is there still a need for a federal emphasis on addressing the U.S. 22 corridor improvements?

Mr. YERUSALIM. Well our 12-year program—and since then we have had a 1996—or 1986 to 1998 program and a 1988 to the year 2000 program—the 1988 to the year 2000 program, for the first time, over a 12-year period, addressed making Route 22 from the Johnstown area where you will be close to this afternoon, to Pittsburgh a four or five lane facility. Due to the revenues available, that has been spread out over the 12-year period of the program. Some of the projects will start next year and some will start in years after that.

I think the strong partnership that we have developed in all of our transportation improvements around the state should continue with respect to traffic route 22. I think it is a key gateway to the Pittsburgh market. We have a new airport that is being built in Pittsburgh. We put up in state funds, not asking for one dollar of federal funds, although we received some defense funds, $190 million highway to provide access to that new airport. But I think if we are going to fund traffic route 22 and move it up and do it in a shorter time period than our present program, any increase in federal funding that is available would help. And the statement that I made about releasing the trust fund certainly would play a major role in expediting the traffic route 22 project.

Mr. ANDERSON. Thank you.

Mr. MINETA. Thank you very much, Mr. Secretary and Mr. King for your very fine presentation.

At this point I would like to call forward Commissioner Bill Stouffer of Blair County. Local government is such an important part of what gets done and I know that many members of the panel have come from local government—I served as a mayor of a community. So Commissioner Stouffer, we appreciate very much your work here in Blair County.

Your full statement will be made a part of the record, so if you would just abbreviate your remarks and proceed on your own, sir.

TESTIMONY OF WILLIAM STOUFFER, COMMISSIONER, BLAIR COUNTY, PA

Mr. STOUFFER. You can rest assured I will, Mr. Chairman.

Gentlemen, I do—Congressman Shuster, we appreciate your position here today. I appreciate, respect and admire your Committee's approach to the federal highway system. I appreciate especially Congressman Shuster's active participation on this Committee.

I am completing my 27th year in public office and do not ever remember any Congressional Committee that has made more of a favorable impact on our area than you have.

Altoona was the last city in the United States with a population of more than 50,000 people to be connected to a limited access highway. And that incidentally is the Bud Shuster Highway. With the completion of that highway, it is estimated several thousand new jobs will be added to the economy. I am presently serving as chairman for the nine southwestern counties in Pennsylvania as their transportation chairman under the American Industrial Heritage Committee, of which Congressman Murtha is very, very familiar with.

Our number one priority in construction is the construction or reconstruction of traffic route 22 from Pittsburgh to Harrisburg. It was designated as a trailway, the William Penn Trailway, in 1804. And I am sure you all know that economic development and tourism follows good highways.

We on the American Industrial Heritage Committee are interested in seeing scenic highways which create a more favorable impact on tourism.

Finally gentlemen, we urge you to keep doing what you are doing with the federal highway system. Keep it separate and from the general fund budget. Our Congressman has told us several times, on several occasions, that you intend to do that.

Several years ago when you voted to override President Reagan's veto, you did not lose a vote from this area, including our two United States Senators.

I never felt I would see the day when terrorism would affect tourism, but it is. And I think we need to do what we are doing now, build new highways, rebuild the infrastructure, give the Americans a chance to see America first, keep them at home.

I have submitted my testimony and I would be welcome to any questions.

[The prepared statement of Mr. Stouffer appears on p. 2896.]

Mr. MINETA. Very fine, Mr. Stouffer, thank you very much. Your statement will be made a part of the record.

You have included in your testimony support for establishing a new categorical grant program in relation to a national scenic byways program. I was wondering if you might be able to explain to the Committee the significance of a federal role for establishing this kind of a new category for scenic byways.

Mr. STOUFFER. The Industrial Heritage Committee is a combination of nine counties, Mr. Chairman, and it is our hope to highlight the origination of the steel, coal and railroad industry in this particular area. And we feel that we are offering a program on tourism to encourage people to come to our area, to see the origination of those industries in our area. And I think there is nothing that would be more appealing than to have good highways and scenic highways when they come into the area. I think that with federal highway participation and the construction, it is our intention to build—like 22 follows basically the same corridor that the trailway was built in 1804, and the old canal. And we would hope that with federal monies—we on the local level are certainly not capable of doing that and we are talking about the construction, the improvement of 22 and improving the scenic view while you are doing it.

Mr. MINETA. Thank you very much. Mr. Shuster.

Mr. SHUSTER. No questions. Thank you very much, Bill.

Mr. MINETA. Mr. Roe.

Mr. ROE. No questions.

Mr. MINETA. Mr. Hammerschmidt.

Mr. HAMMERSCHMIDT. No questions. We appreciate your testimony very much.

Mr. MINETA. Mr. Clinger.

Mr. CLINGER. No questions. Thank you.

Mr. MINETA. Mr. Murtha.

Mr. MURTHA. No questions.

Mr. MINETA. Any other panel members with questions for Commissioner Stouffer?

[No response.]

Mr. MINETA. If not, Commissioner, thank you very, very much for your presence here today and for your work on the preservation commission as well.

Mr. STOUFFER. Thank you, sir. Keep up the good work.

Mr. MINETA. Appreciate it. I know Mr. Shuster will keep us on our toes.

At this time, I would like to call forward a panel made up of Mr. Robert Hetherington, Managing Director, Pennsylvania Highway Information Association; Mr. Bob Donaldson, Executive Director, Centre County Planning Office; Mr. Robert Bini, Executive Director, Centre Regional Planning Commission; Mr. Robert C. Finley, Chairman of the Transportation Committee for the State College Area Chamber of Commerce; and Mr. Kenneth H. Quigley, Executive Director, Appalachian Thruway Association. So if the panel will please come forward, we will start off with Mr. Hetherington.

Without a doubt, Pennsylvania, I guess since about 1938, 1939, has really been a leader in this whole issue of major highway programs and so the Pennsylvania Highway Information Association really is well known in the industry for what it does, and we are pleased to have you with us, Mr. Hetherington. If you would go ahead and proceed in your own fashion, you statement will be made a part of the record, sir.

TESTIMONY OF ROBERT E. HETHERINGTON, MANAGING DIRECTOR, PENNSYLVANIA HIGHWAY INFORMATION ASSOCIATION; ROBERT B. DONALDSON, EXECUTIVE DIRECTOR, CENTRE COUNTY PLANNING COMMISSION; ROBERT BINI, EXECUTIVE DIRECTOR, CENTRE REGIONAL PLANNING COMMISSION; ROBERT C. FINLEY, CHAIRMAN, TRANSPORTATION COMMITTEE, STATE COLLEGE AREA CHAMBER OF COMMERCE; AND KENNETH H. QUIGLEY, EXECUTIVE DIRECTOR, APPALACHIAN THRUWAY ASSOCIATION

Mr. HETHERINGTON. Thank you, Mr. Chairman, I appreciate the opportunity very much, and thank you, Congressman Shuster, for giving us the opportunity to be here, and Congressman Clinger and Congressman Murtha from our great State of Pennsylvania, and the other members of the panel.

I did appreciate Chairman Anderson reading into the record the mission statement of the Pennsylvania Highway Information Association, I will not repeat that, it is in the record. However, our main mission in life is to demonstrate the importance of roads to

the economy. And Route 220, as folks drove north from the Washington area coming up here today, will emphasize the important point here. This road, before it was built, was a winding, two-lane highway, that had a lot of accidents on it. This road has cut those accidents down in half. This road has stimulated the economy. And the reason I bring Route 220 into the picture simply is that is the value of the importance of the highway system of the future in the extension of the next interstate act, if you will. Our organization likes to refer to it, the extension of the act, as creating economic-generating type roads. They stimulate the economy, as Route 220 has done, and added so many thousands of jobs and so many businesses have been added up along this route since the road was opened last year, 52 businesses and 3,500 jobs. A 37 percent increase in retail sales, for instance, off the Altoona interchange alone. The fatality rate on the highway has been dropped to half.

In Bedford County alone, another 1,000 jobs were created. The full economic potential though of this route will not be measured until the route is extended beyond Tyrone, connecting up to Interstate 80 to make it a total network.

The trust fund, as Secretary Yerusalim pointed out, is a key point here in the continued development of the road system for the United States. And highway users are the only ones, as you members of the Committee know—the only ones who pay into this road system—highway users, not the general public. It does not add to the deficit as was pointed out by one of the members of the panel.

Senator Byrd already has had a study made by the General Accounting Office that shows that the trust fund can operate with a minimum balance of three billion dollars and not affect the situation. Today, that trust fund balance is over ten billion dollars.

One of the points that I would like to make, following up the statement that was made by Secretary Yerusalim on "we must find innovative ways of doing things", we must be rewarding states for doing something special. This is the 50th anniversary year of the Pennsylvania turnpike. The Pennsylvania turnpike has made a tremendous contribution to the society, to travel, to commerce, to economic development. More than 270,000 vehicles use this road every single day. And the turnpike—when the interstate act was started in 1956, a jump start was made simply by putting 2,800 miles of turnpikes onto the system. We now have over—we will have over 42,000 miles of interstates with 2,800 miles of the turnpike.

So the Highway Information Association thinks that maybe we ought to take a look at giving those states that had the far-sightedness to develop a toll system because the states could not build the roads at the time, they did not have the financing—give these states some sort of economic bonus in the next highway act, provide these states with some sort of an incentive to continue that kind of a program.

In summary, what I would like to point out to you is some of the points on the federal side, obviously.

Protect the integrity of the Highway Trust Fund from non-highway users.

Pass legislation to take the trust fund off the unified budget.

Increase the trust fund to the full level to help the states meet the growing and costly highway and bridge needs of the states, ac-

cording to the United States Department of Transportation's need study.

Reduce the $10 billion highway trust fund surplus to a minimum operating level of three billion dollars as recommended by the General Accounting Office.

And I would be remiss if I did not point out deep appreciation of not only the people of this area, but the people of Pennsylvania for the tremendous contributions that have been made to the state by Congressman Shuster, Congressman Clinger, Congressman Murtha and the other members of the Pennsylvania delegation who serve and serve so well.

And thank you to this Committee for giving us the opportunity to make testimony today. Thank you.

Mr. MINETA. Thank you very much, Mr. Hetherington. Mr. Donaldson.

[The prepared statement of Mr. Hetherington appears on p. 2834.]

Mr. DONALDSON. Thank you, Mr. Chairman and distinguished members of the Public Works and Transportation Committee.

On behalf of the Centre County Planning Commission, we would like to thank you for this opportunity to present some of our thoughts and recommendations concerning this matter.

By way of introduction, I think it is important to understand that access to and from Centre County has historically been provided by Routes 322 and 220. This primary means of access has more recently been supplemented by Interstate 80, a major east-west corridor through Pennsylvania. With the completion of the interstate system, Centre County has experienced significant increases in both intrastate and interstate truck traffic movements.

The map to my right or left, as you are looking at it, is an illustrative map simply showing our centralized location in the state. And I am going to dwell upon those three routes that are considered as missing links.

With the dynamics of Center County's accelerated growth, and particularly in the State College and Penn State University area, which we call the Centre Region part of Centre County, and with the ever-increasing number of trucks passing through Centre County, we call at this time upon the federal government and the Commonwealth of Pennsylvania to provide adequate levels of funding which will allow for the completion of the various highway links which have not yet been constructed through Centre County.

If we look at Penn DOT's primary commercial highway network, which includes the interstate system, the Appalachian Thruway, as well as other major arterial highways, we see that the network is not yet complete.

A close observation suggests that various missing links exist across Pennsylvania and we are here today to encourage you to recognize these gaps in our highway system and to do what you can to assure that adequate levels of federal funding will be available in the future to allow the Pennsylvania Department of Transportation to proceed with the completion of the state highway network which will allow for the construction of these missing links.

The Centre County missing links are the feeder routes and connectors between our local communities and employment centers and the interstate system of highways, and include the following:

The Route 144 missing link between Interstate 80 and Route 322 at Potters Mills. This has a current estimated construction cost of about $23.5 million.

The second missing link is the Route 26 missing link between Interstate 80 and Route 322 at the Mount Nittany Expressway near State College and Penn State, estimated cost about $75 million.

And thirdly, the Route 220 missing link between the village of Bald Eagle in Blair County and Interstate 80 near the communities of Milesburg and Bellefonte. That is estimated to be around $217 million.

If you add those up and round them off, it adds up to more than $300 million worth of missing link projects in one county.

If you look at Attachment A on my testimony, you will see those routes located there.

As many of you know, Centre County is located in a relatively isolated rural portion of central Pennsylvania, far removed from the dynamics of big cities such as Pittsburgh and Philadelphia—and for this we are most grateful. However, this geographic separation often leaves us in a position of disadvantage when it comes to receiving a fair share of the limited funds which exist today for various infrastructure needs. As such, we call upon you today to recognize our special needs and facilitate, to the extent possible, the allocation of adequate levels of federal funding that will allow the state to complete the core system network of major arterial highways for Pennsylvania. This core system of highways includes the highways of national significance. Funding for this network will go a long way toward resolving our current and projected local transportation problems.

Detailed planning studies are currently being prepared in Centre County and the Centre Region to provide for community support systems including water, sewer and solid waste disposal. However, detailed planning for the transportation system necessary to accommodate projected travel demand and community growth patterns has not kept pace with the planning for other infrastructure systems.

In addition to travel demand generated within Centre County, the numerous state and U.S. regional highways that bisect the county serve travelers with origins and destinations far beyond Centre County. The presence of this through traffic is caused in part by the missing links and results in an even greater demand upon our local transportation system including increased levels of severe traffic accidents involving numerous fatalities. I use as an example Attachment B and also the collage to your left is an indication through the local news coverage of serious traffic accidents and fatalities just within the past year in Centre County.

The responsibility to plan for increased travel demand must be shared in a partnership, which includes the affected local communities and the state and federal governments. If we expect to meet Penn DOT's established planning priorities related to goods movement, congestion and safety.

Although Centre Countians have not always agreed on what would be the best solution to resolve our long-range traffic problems, we stand today, for the first time, united behind a strong con-

sensus that major highway improvements are needed in the Route 144, 26 and 220 corridors.

At the state level, efforts are currently underway, or are being considered, to initiate the planning, engineering and design phases of the corridor studies; however, these efforts will not advance unless adequate levels of funding can be authorized.

Although the emphasis of our testimony today is directed toward our transportation problems related to highways, please be assured that we also recognize the need for an integrated, comprehensive transportation system that includes mass transit and scheduled air service.

In summary, I would like to emphasize that Centre County has not only become a crossroads for the movements of goods and services, but has also become the hub of a very rapidly growing urban metropolitan center.

With this growth and change comes the need for costly transportation facilities and as we all know, funding becomes the key to this implementation.

We thank you at this time for your further consideration of these matters.

Mr. MINETA. Thank you very much, Mr. Donaldson. Mr. Bini.

[The prepared statement of Mr. Donaldson appears on p. 2804.]

Mr. BINI. Mr. Chairman, distinguished members of the Committee, I also would like to thank you for the opportunity to share our thoughts with you this morning.

As the Centre Region Planning Commission, we represent seven municipalities in what is commonly referred to as the Centre Region of Pennsylvania. We are vitally concerned with the ongoing partnership for surface transportation at the local level. State government plays a vital role. However, the federal government we believe is the very foundation of our comprehensive transportation planning and programming efforts. Continued federal involvement through funding for balanced local transportation programs is, from our point of view, of the highest priority.

The Centre Region is a dynamic and growing community. Our geography, as Mr. Donaldson has indicated, places us at or near the intersection of several major traffic routes. Among these are Interstate 80, U.S. Routes 220 and 322 and Pennsylvania Routes 144 and 26. These routes serve heavy volumes of interstate travel which include heavy truck traffic. This traffic is, for the most part, traveling on two-lane highways through heavily populated areas, and on highways which must also serve commuter traffic originating from or destined for the Centre Region. These routes serve commuter traffic because the Centre Region is home to traffic generators which include major employers and special events. Primary among these is Penn State University, which is rapidly becoming one of the nation's leading major research universities. Evidence of this is the University's current initiative to develop a 130-acre research and business development park which will carry them into the 21st century and continue to make the University a prime factor in the continued dynamic nature of the community. As a result, growth in the Centre Region is anticipated to be substantial, with population expected to increase nearly 15 percent by the year 2000. In turn, employment is also expected to increase

significantly. The locational and growth factors which will continue to influence the Centre Region clearly indicate the need for a highway network which can safely and efficiently accommodate the movement of goods and people both through and within our communities. Upon closer look, it becomes obvious that there are a number of missing links on our major traffic routes which must be provided if we and our neighbors in the remainder of Centre County and throughout the Appalachian Region of central Pennsylvania are to meet our system goals of improved connections to more modern highway facilities, improved safety and the reduction of growth-related congestion. These missing links can be found on various connections to Interstate 80 including Routes 220, 322, 144 and 26. The U.S. 220 link is also critical for providing a better connection to the Altoona area, Interstate 76 and western Pennsylvania.

Planning for our highway system is occurring at every level. The Highway Administration is currently exploring the feasibility of highways of national significance program. The Pennsylvania Department of Transportation is in the preliminary stages of identify a core highway system for the Commonwealth. Here at the local level, we are updating our long-range regional transportation plan to provide a balanced program of highway improvements and transportation demand management strategies. At each of these levels, highways such as U.S. Route 220, 322, 144 and 26 play key roles. For travel patterns at every level, so-called missing links have been identified through the planning process. Our ability to address these missing links will be dependent on the continued strength of the federal/state and local transportation partnership that was described earlier by Secretary Yerusalim. Likewise, federal funding has been critical to the development of an effective mass transit system in the Centre Region. Continued substantial support for transit will be essential to our strategies aimed at reducing congestion by offering viable options to the single occupancy vehicle.

The responsibility to plan for transportation needs is shared by all levels of government. The ability to implement those plans is dependent on funding, also at all levels of government. The reauthorization of the surface transportation programs in the post-interstate era is a singular opportunity, we believe, to have significant impact on funding for critical and integral highway improvements.

We believe that the substantial funds which were dedicated to the interstate system in the current Surface Transportation Act should be reprogrammed for use in now completing the highway system at the next level which will further support interstate travel, enhance our economic vitality and respond to our changing population and travel patterns over time. In addition, the Highway Trust Fund must be used only for transportation programs for highway and mass transit.

We therefore strongly support the reauthorization in 1991 of surface transportation programs in all areas. Thank you.

Mr. MINETA. Thank you very much for your fine statement, Mr. Bini. At this time, I would like to call on Mr. Robert C. Finley, Chairman of the Transportation Committee, State College Area Chamber of Commerce.

[The prepared statement of Mr. Bini appears on p. 2801.]

Mr. FINLEY. Thank you, Mr. Chairman and members of the Committee. My purpose in coming before you is to convey in very clearest terms the support of the State College Area Chamber of Commerce for the testimony presented to you this morning by Mr. Robert Donaldson, Director of the Centre County Planning Office and Mr. Robert Bini, Director of the Centre Region Planning Office.

Access to the Centre County and the Centre Region has long been criticized and joked about. The problem is real. As Mr. Donaldson and Mr. Bini have expressed, we see our highway needs as three missing links.

(1) A good limited access Route 26 between State College and Interstate 80.

(2) An improved Route 144 between Route 322 and Interstate 80 to accommodate a high volume of truck traffic.

(3) The completion of Route 220 as a four-lane limited access highway between Bald Eagle in Blair County, and Interstate 80.

The funding and construction of these missing links would provide, together with what is already in place, a very safe and serviceable highway system for Centre County and the Centre Region, a system capable of safely providing adequate connections to the interstate system, accommodating through and local truck traffic and capable of supporting the dynamic growth of the Centre Region, specifically the 15 percent increase in population expected by the year 2000. To provide these links, we see a clear need to structure future federal surface transportation programs so that dollars once used for the interstate system construction are now made available for highways which connect the communities to the interstate system.

We urge that Congress continue and strengthen the effective federal/state/local transportation partnership concept. As you can see here today, we in the Centre Region have confidence in our local planners and we commend them for their quality of work and the consensus that they have developed among our communities for our priority highway projects. Penn DOT has been an equally cooperative partner in understanding our needs and priorities and in responding to the needs of our communities. We welcome the federal government in this partnership. It has worked in the past to give us what we have today, and with some redirection in the new surface transportation programs, the partnership should be capable of meeting all of our future needs.

Again I want to state that the State College Area Chamber of Commerce fully supports the testimony given here today by Mr. Donaldson and Mr. Bini. The Chamber strongly supports the reauthorization of the 1991 surface transportation programs with consideration of our comments here today.

While we have talked primarily today of highways and the contributions of the Pennsylvania delegation to the development of highways, I must say that another hat I wear involves aviation and I would like to personally thank Congressman Clinger for his efforts in our behalf, through his involvement with the Aviation Subcommittee, and support you have given us for the development of

the University Airport, which again meets the needs of our fast developing community. Thank you, Mr. Clinger.

Thank you very much, gentlemen.

Mr. MINETA. Thank you, Mr. Finley. I would now like to call on Mr. Kenneth H. Quigley, Executive Director, Appalachian Thruway Association.

[The prepared statement of Mr. Finley appears on p. 2810.]

Mr. QUIGLEY. Good morning, and thank you, Mr. Chairman and members of the Committee. I represent a grassroots private organization that is working to improve the Appalachian corridor that begins in Cumberland, Maryland and extends for 238 miles northward through central Pennsylvania to Corning, New York. It connects eight major east-west highways and is the only major north-south highway in central Pennsylvania. And naturally the lion's share is named the Bud Shuster Highway.

There are two points I would like to make today. One is that improved highways are crucial to the rural areas of our nation. And two, that the Appalachian Development Highway System has been a Godsend for our region and under any new federal surface transportation legislation ought to be augmented or extended in some way.

First regarding why highways are so important, and I will just skim over these points. I give you more detail in the testimony.

Safety of course has got to be a prime consideration. Obsolete highways, deteriorated highways do not serve the traffic needs or become death traps. And I give you some statistics here. The highway that you traveled today outside of this motel, 220, the improved sections here, go from the Pennsylvania turnpike, and within three years will be extended, thanks to Bud Shuster, all the way to the Tyrone bypass, about 64 miles from the Pennsylvania turnpike, at which point it will empty out onto a two-lane, hilly, curving road through small towns for about 20 miles until it reaches Interstate 80. And you know what that is going to create.

In a very real way, our very lives depend on the improvements to this highway.

Secondly, the Appalachian Region of the nation has lagged behind the rest of the nation in terms of economic development and the improvements of 220 have made a major impact on the economy of this region, even though it is not yet complete. And I give details here again. A study completed by last fall showed dramatic improvements in the economy of this region. And of course, tourism is also developing in this region.

My second major point is this, that the highway development funds of the Appalachian Regional Commission have made a world of difference in this part of the world. And the nation has invested millions of dollars since 1965 in this part of the nation. However, the system is not yet complete. At the present rate of funding, the system will not be complete for another 75 years, which might have been the reason why Senator Byrd was prompted to introduce legislation that would take $2.3 billion from the trust fund and apply it to the Appalachian Development Highway System to complete the system—not a bad idea.

And thanks to your support in the House, the Appalachian Regional Commission has survived a full eight years of the Reagan

administration's attempt to abolish it. And thanks to Congressman Shuster, we have been able to address some transportation needs beyond what the Appalachian Region has been able to do.

The job is not done. As you redraft the surface transportation act, we ask that you consider the importance of the rural areas. We cannot compete in terms of traffic volumes, but we certainly need the access to the rest of the nation. And secondly, the Appalachian Regional Commission Development Highway System has been vital to us, and in some way, if you are going to address it in this legislation, please extend it and augment it.

Thank you very much.

[The prepared statement of Mr. Quigley appears on p. 2890.]

Mr. MINETA. Thank you very much, Mr. Quigley, for your very fine statement and for the statement of the other members of the panel.

Mr. Donaldson, I would like to ask you, a strong consensus for major highway improvements for Routes 144, 26 and 220 corridors has been developed by folks here in Centre County. If special federal funding is not provided for the needed improvements along these corridors, what kind of alternative funding sources are available for Centre County?

Mr. DONALDSON. I am not sure I really have an answer to that one. We are dealing more with the planning and the design and engineering and we are pretty dependent upon the state and the federal government. Portions of these systems can possibly be encouraged to use the Pennsylvania partnership program, but by and large, these missing links are not in urban areas and do not have potential for a lot of urban development where you would have developers willing to come in and put up their local share, so that—I guess from my point of view representing a rural county, we are almost totally dependent on federal and state governments to provide the funding for projects of this magnitude. We simply do not have that kind of dollars available at the local level.

Mr. MINETA. Very well.

Mr. Hetherington, toll roads are a viable component of the interstate system. You have already exhibited that here in the Commonwealth of Pennsylvania. However, many states have not advanced toll projects within their own states and I am wondering, do you believe that the federal government should encourage the construction of toll roads, and let us say the mixture of federal funds to leverage on the encouragement of construction of toll roads?

Mr. HETHERINGTON. Yes, sir, I do, Mr. Chairman, simply because of what has been demonstrated so far. The federal aid system cannot do everything. Partnership is very, very important, but the toll road system that has been proven is equally important. I think that integration can work very, very successfully if there is encouragement and there is some federal support of those toll facilities to be extended. I understand there is about 1,200 miles of toll roads either on the design boards or under construction at the present time around the United States.

Mr. MINETA. Mr. Shuster.

Mr. SHUSTER. I want to thank the panel very much for your excellent testimony. I have no questions, Mr. Chairman.

Mr. MINETA. Mr. Hammerschmidt.

Mr. HAMMERSCHMIDT. No.

Mr. MINETA. Mr. Roe.

Mr. ROE. No questions.

Mr. MINETA. Mr. Clinger.

Mr. CLINGER. Thank you, Mr. Chairman. I just would like to welcome the panel and thank them for their testimony. I can say that this panel has done a great deal to sensitize me and educate me to the needs that the Centre Region has, specifically with regard to 220. I particularly want to welcome my three constituents, the three Bobs, Bob Finley, Bob Donaldson and Bob Bini, for being here today.

Just one quick question and that is, you alluded to one thing that I think needs to be stressed and that is we have now through Bud Shuster's good work developed 220 quite well. The gaps that you mentioned, however, if those gaps are not filled, is it not going to—the fact that it has been improved too much, is that not going to exacerbate the problem in terms of congestion in the Centre Region? Bob. Any Bob.

Mr. DONALDSON. I kind of look at this 220 in particular as a funnel and the open mouth is on both sides of us and we are kind of the constraining part of the funnel. And I think the majority of those accidents over there are down on 220 and it simply means that there is going to be an ever-increasing amount of vehicles attracted to 220, it is doing what it was intended to do, and as such we have become probably the last missing link. So that whatever accident rate we have today, we are going to see it multiplied many times in the future. And this traffic goes through small communities including Bald Eagle, Port Matilda, Julian, Unionville, Wingate and Milesburg, et cetera, et cetera. And these little communities simply cannot handle in any way this increase in traffic.

Mr. CLINGER. Thank you all, gentlemen.

Mr. MINETA. Mr. Murtha.

Mr. MURTHA. No questions, Mr. Chairman.

Mr. MINETA. Questions from other members of the panel? Mr. McEwen.

Mr. MCEWEN. Mr. Chairman, 60 seconds if I may. Thank you all for your testimony, particularly Mr. Hetherington. If I could encourage you through your network of friends throughout the states, to ask one favor. As you are aware, there is a conspiracy between various administrations and the Appropriating Committee in the Congress to back up those funds in the trust funds rather than to use them for the purpose which allows the trolls under the bridge in the Ways and Means Committee to have eyes upon how to divert those funds to various other ideas that they may have. And as a result, we have protested against the backloading of those trust funds, but we have held our foot strongly against the door of diverting the funds for highways and airports that our trust fund accounts are allocated precisely for that purpose, from any attempts to be raided. Thus far, the funds are growing but they have not been stolen as yet. But lo as we speak this very moment, evil forces are at work at Andrews Air Force Base and there is a distinct possibility that before this week is up, there will be a package that will seek to divert those funds, though badly needed for infrastructure, for the purpose of some other great social goal.

I happen personally to believe that Franklin Roosevelt was onto something when he took people who were unemployed and homeless and said we will teach you skills and build bridges and highways and dams for America, and we will put you in uniform and teach you respect and self-worth and defend our country as well, so when they retired they had skills and America was protected and free and had something to which they could point. There is a strong competition in the Congress to divert from defense and from infrastructure to what is called social goals. And I happen to have watched those over time and I have difficulty putting my finger on what America gets exactly from them, and happen to think that a bridge or a highway would be more tangible, not only from them learning to work and having a skill, but also having passed on to our future generation.

Therefore, I am not sure how tight the package is going to be bound, but I shall do all within my power when it comes, that if there is an effort to take the highway and airport trust fund allocated accounts and taxes and divert them for these other goals, that I hope that you and all that are dependent upon it will do all within your power to contact the Congress as aggressively and forcefully and rapidly as possible, to say that this is a step that the Congress should not take because I fear that if it is done, that perhaps hell will freeze over before we get those funds back.

And therefore, I thank you for your testimony and solicit your support.

Mr. HETHERINGTON. Thank you very much, Mr. McEwen, we appreciate it very much. We appreciate what the Committee has done to help hold those funds for highway purposes only and aviation and transit. Thank you.

Mr. MINETA. Members of the Committee, any others who wish to address questions?

[No response.]

Mr. MINETA. If not, let me thank the panel very, very much for your fine statements and for your contribution to our enlightenment. Thank you very much.

I would now like to call on Henry L. Heck, Executive Vice President, Associated Pennsylvania Constructors. Mr. Heck, your full statement will be made a part of the record, and so if you would go ahead and proceed in your abbreviated statement.

TESTIMONY OF HENRY L. HECK, EXECUTIVE VICE PRESIDENT, ASSOCIATED PENNSYLVANIA CONSTRUCTORS

Mr. HECK. Thank you very much, Mr. Chairman, and good morning to you and the other distinguished members of the Subcommittee. For the record, my name is Henry L. Heck and I am Executive Vice President of the Associated Pennsylvania Constructors, which is based in Harrisburg.

I am pleased to present testimony today on the transportation needs of this nation and the relationship of the Surface Transportation Act of 1991 to meeting those needs.

APC has been representing Pennsylvania road builders, material suppliers, equipment dealers, engineers and others involved in the

transportation industry since 1927. We have approximately 600 member firms.

I am also here today on behalf of the American Road and Transportation Builders Association (ARTBA), APC's national association.

Mr. Chairman, on behalf of our membership, thank you for inviting me to provide our views on future transportation needs, identification of problems in the current program and proposals for new program structure and funding. At the outset, I will say that we believe that the financial decisions that Congress makes next year in the transportation area will have a direct impact on the nation's economy and well-being long into the future.

Today, America's federal highway system—the backbone of our national economy—is in serious trouble.

According to the U.S. Department of Transportation's 1989 report to Congress, more than 28 percent of the bridges on the federal-aid system were either structurally deficient or functionally obsolete. The same report states that more than 40 percent of the pavements on the federal-aid are in poor or fair condition. You can see that by the figures attached, 1, 2 and 3.

The Associated Pennsylvania Constructors believes the reauthorization bill drafted by this Subcommittee should provide $40 billion per year for the highway and bridge improvements. This authorization level should commence in 1992 and continue for a minimum of five fiscal years thereafter. Such a program level is totally consistent with the needs identified by the U.S. Department of Transportation, referred to earlier in our testimony.

To authorize and carry out a program of this magnitude, we recommend that the Congress ensure that all federal highway user fee revenue contributed to the highway trust fund plus interest earned on that money is spent in a timely manner. A drawdown in the trust fund's current $10 billion-plus cash balance should begin during the next fiscal year.

Remove the federal-aid highway program from the unified federal budget in order to ensure that revenues are not impounded or withheld in the future.

Increase the federal highway user fees, effective in fiscal year 1992, to raise the additional $25 billion per year that is necessary for a $40 billion per year federal program of highway improvement assistance.

No longer impose artificial obligation ceilings on the expenditure of federal highway funds.

Repeal the current six cents per gallon federal tax exemption on gasohol sales for highway vehicle usage, which causes an estimated $500 million per year loss to the highway trust fund; and

Tighten federal highway motor fuels collection procedures.

These actions would assure that future generations have a highway system on which they can build.

Proper investment is the key to meeting future highway needs.

Let me turn to APC's views regarding program structure and allocation of resources. If you will turn to page 19 of my testimony, there is listed the various categories of spending. The amount recommended is listed there and I will only touch on what the recommended matching ratio—federal/state matching ratio should be.

First of course is completion of the interstate highway program and we recommend a one-time $5 billion authorization.

Next is protecting the interstate highway investment and this is to set a federal/state funding ration for interstate 4-R at 90/10.

Rebuilding our bridges, set the federal/state funding ratio at 90/10.

Creating a regional primary system, set the federal/state funding ratio at 90/10.

Next is metropolitan area assistance program, that should be a ratio of 70/30.

Create a new transportation corridors program, the matching ratio should be 70/30.

Mobilize rural America and that should be a match of 70/30.

And also APC recommends increasing the federal highway safety funding to $2 billion per year and investing in research at $2 billion per year.

Other issues that are—I see that I am out of time and the balance of the other recommendations we hope that you will look at and consider seriously.

We do appreciate the opportunity to be here today and I will be ready to answer any questions that you may have.

[The prepared statement of Mr. Heck appears on p. 2813.]

Mr. MINETA. Mr. Heck, thank you very, very much. And I want to commend APC as well as your national association, the American Road and Transportation Builders Association, for the leadership that both organizations have played in developing highway and transportation infrastructure programs.

Mr. Heck, the Associated Pennsylvania Constructors support the authorization, as you have indicated here, of an annual federal-aid highway program of some $40 billion, as you indicated on page 19 of your testimony. Have you thought about how much of an increase in excise taxes on motor fuels would be required to support an annual program level of that amount?

Mr. HECK. Yes, sir, that has been given consideration. Of course the recommendation is to add $25 billion to the current level of income which produces basically about $15 billion. To do that with the drawdown of the existing funds and some other sources, it would probably be the equivalent of maybe 18 cents a gallon in federal user fee increases.

Mr. MINETA. And what is the state or Commonwealth of Pennsylvania's present gasoline tax here?

Mr. HECK. Our gasoline tax right now is 12 cents a gallon, but we also have an additional six percent on the wholesale price of fuel, which currently generates about 5.5 cents a gallon.

Mr. MINETA. And are there any exemptions for any kind of fuels, any lower fee for diesel or any other——

Mr. HECK. No, sir. As a matter of fact, diesel is a little bit greater.

Mr. MINETA. Now APC, I see, has proposed varying federal matching requirements for the categorical federal-aid highway programs. Why is there a need to increase certain categorical federal matching requirements and reduce others?

Mr. HECK. I think this was based on the needs as we perceive them. These come from discussions with the State Department of

Transportation as well as with our national association, and these were the recommendations based on the perceived needs.

Mr. MINETA. Do you think that in some instances we have the chasing of federal funds because of that matching ratio? I mean here is 90/10, here is 70/30, here is—someone in the state planning office says gee, all we have to do is put up $10.00 here and we will get $90.00 of federal funds. If we put up $30.00, then we get $70.00. Let us put our money here with the $10.00 programs rather than the $30.00. Does that tilt decision-making?

Mr. HECK. I really do not believe it does that much. I think where the greater needs are and priority of needs I think have the larger matching ratios. The other areas are ones that can be achieved as well.

Mr. MINETA. Mr. Shuster.

Mr. SHUSTER. Thank you very much for your testimony, Mr. Heck, I have no questions.

Mr. MINETA. Mr. Hammerschmidt.

Mr. HAMMERSCHMIDT. No questions.

Mr. MINETA. Mr. Roe.

Mr. ROE. No questions.

Mr. MINETA. Mr. Clinger.

Mr. CLINGER. No.

Mr. MINETA. Mr. Murtha.

Mr. MURTHA. No questions, Mr. Chairman.

Mr. MINETA. Any questions from other members of the panel?

[No response.]

Mr. MINETA. Well Mr. Heck, thank you again very, very much for your testimony. It is a very fine statement and I know I will have a chance to take a look at it in depth.

Mr. HECK. Thank you.

Mr. MINETA. At this time I would like to call on a panel made up of Mr. William B. Newman, Vice President and Washington Counsel for Conrail; Mr. Michael A. Giansante, Jr., Local Chairman, International Brotherhood of Electrical Workers; Mr. Dennis R. Appleman, Local Chairman of the International Association of Machinists and Aerospace Workers; Mr. Thomas D. Lutton, President, Transport Workers Union of America and Mr. Allen T. Butterbaugh, General Chairman, Local 105 of United Railroad Supervisors Association. Gentlemen, it is a pleasure to have all of you here at the hearing. And Mr. Newman, if you would go ahead and proceed in your own fashion.

TESTIMONY OF WILLIAM B. NEWMAN, JR., VICE PRESIDENT AND WASHINGTON COUNSEL, CONRAIL; MICHAEL A. GIANSANTE, JR., LOCAL CHAIRMAN, INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS; DENNIS R. APPLEMAN, LOCAL CHAIRMAN, INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS; THOMAS D. LUTTON, PRESIDENT, TRANSPORT WORKERS UNION OF AMERICA AND ALLEN T. BUTTERBAUGH, GENERAL CHAIRMAN, LOCAL 105; UNITED RAILROAD SUPERVISORS; AND PETER LaPOINTE, VICE PRESIDENT, EASTERN AMERICA TRANSPORT AND WAREHOUSING, ON BEHALF OF HAULERS AGAINST LONGER TRUCKS

Mr. NEWMAN. Thank you, Mr. Chairman. I am very delighted to be here, Mr. Shuster and other distinguished members of the panel.

My name is Bill Newman, I am Vice President and Washington Counsel for Conrail and I am accompanied by Brian Vogel of the Association of American Railroads and four of my fellow Conrail employees; Dennis Appleman, who is Chairman of Juniata Local Number 1639 of the International Association of Machinists and Aerospace Workers; Allen T. Butterbaugh, General Chairman of Lodge 105 of the United Railroad Supervisors Association; Michael Giansante, the Local Chairman of the International Brotherhood of Electrical Workers; and Thomas D. Lutton, President of the Transport Workers Union of America, Local Union 2017.

We are here to strongly urge the Congress not to increase the limit on the weight and size of trucks allowed to travel our nation's highways.

We start by noting the substantial unused capacity in the rail network which can be part of the resolution of the many serious problems with our nation's transportation infrastructure. The growing congestion and pollution problems and fuel consumption associated with highway traffic can be alleviated by greater use of the non-congesting, environmentally benign, fuel-efficient rail mode. Equally as important, greater use of the rail network will permit the limited resources in the highway trust fund when compared to the infrastructure investment demands to be invested so as to maximize the use of these scarce tax dollars. The key to greater utilization of the rail mode is not to further tilt public policy against the rail mode. We believe that authorizing the use of longer combination vehicles would tilt public policy against the rail mode so as to seriously threaten the rail industry and foreclose the opportunity for the public sector to capitalize on the rail industry's investment in infrastructure in the face of serious questions about the safety of such vehicles, that has led to documented public opposition to them.

The Association of American Railroads has estimated that the railroad industry would lose nine percent of its revenues and 52 percent of its net operating income to longer combination vehicles if they were authorized. Some of that income would be lost from the LCVs outright. More would bleed away because of rates forced down to artificially low levels as railroads try desperately to hold onto as much traffic as possible. Remaining rail customers would

have to pay a higher and larger portion of the cost to maintain the industry's fixed assets.

Because Conrail's markets are highly truck competitive, we estimate that up to 40 percent of our revenues—about $1.5 billion—could be lost to longer combination vehicles. Twin 48s and triple 28 combinations, for example, can hold as much as 140 percent of the cubic capacity of the rail industry's standard boxcar.

The results of such a dramatic decline in revenue and income would be devastating for Conrail, and more importantly, for its employees. Here in Blair County, for example, Conrail employs more than 1,700 people—approximately 1,200 in its major locomotive repair and freight car repair shops and another 500 in train service, track maintenance, supervisory and clerical positions. A 40 percent reduction in revenues would force Conrail to reduce expenses commensurately, thereby leading to the commensurate reduction in Conrail jobs here in Altoona because less traffic demands less trains, fewer trains demand fewer train service employees and less locomotive and freight car use results in fewer jobs for the employees who maintain that equipment and finally, fewer employees means less revenue to the railroad retirement fund. In short, Altoona, a city which is steeped in railroad history, would be on the vanguard of absorbing the economic havoc longer combination vehicles would rain upon the rail industry.

Longer combination vehicles at weights up to 135,000 pounds, compared to the current 80,000 pound limit, represent an economic burden for our nation's already exhausted highway and bridge network, and a serious threat to the safety of the motoring public as well. That is why the AAA, the Advocates for Auto and Highway Safety, the American Insurance Association, the Sierra Club, the Joint Council Number 7 of the Teamsters, and the National Taxpayers Union have all testified before your Subcommittee in strong opposition to longer combination vehicles.

Hidden behind the smokescreen of the trucking industry's claims of higher productivity is the fact that rail-competitive trucks now substantially under-pay for the damage they do to our nation's roads and highways. FHWA and numerous states have documented the fact that rail competitive trucks pay only 55 to 60 percent of the damage they cause to the highway network and that under-payment is calculated on a direct cost basis. If the indirect, the social and the capital costs of heavy trucks are calculated, that under-payment would escalate rapidly. That is not productivity, it is a subsidy because it allows trucks to offer lower rates without footing the entire bill, placing railroads at a public policy disadvantage and saddling the nation's motorists with the burgeoning cost of repairing our highways.

But these under-payments pale in comparison to the issue of the safety of the motorists who must share the highways with increasingly larger and heavier trucks. Trucks already account for nearly a third of all fatal highway accidents. Numerous independent studies and many professional truck drivers, have raised serious questions about the ability of double and triple trailer combinations to be operated safely.

I am out of time, so I yield to my fellow panel members.

Mr. MINETA. Thank you very much, Mr. Newman. Let me ask if any other members of the panel—let us see, Mr. Giansante, if you would——

[The prepared statement of Mr. Newman appears on p. 2877.]

Mr. GIANSANTE. I was afraid you would call on me first. [Laughter.]

I just have a couple of short comments to make.

Number one is that what Mr. Newman says here is very true about losing business. When we lose business, our work in Altoona and Hollidaysburg is predicated on business. Our programs for our locomotive repair and our car repair naturally goes in line with what kind of business we are going to have this year.

So in them terms, we would lose a substantial amount of employees. This really gets compounded later on because it is a huge machine down there. You have to feed it. How you feed it is keep the overhead down and I am sure you gentlemen are aware of that, is by spreading out product. If the product is not coming in, now the question has to be asked does it pay to keep these facilities open. That is a real concern of mine. It is a real concern of all the other local chairmen here, I am sure they will tell you about that there.

I can remember in 1972 when Penn Central went bankrupt and I was working for them at that time. I can remember going home that night and telling my wife at the supper table that, you know, this is it, this is my last check. Here we are, what, 18–19 years later and I have not missed a check yet. This is another fight for us and I am sure you gentlemen know about the fights that we went through with Conrail and Norfolk Southern and you know, just getting money to make Conrail Conrail. You gentlemen helped up there, and I know Bud done a tremendous job.

What I am asking is we would appreciate your support to go against these triples because it would really devastate us here.

Thank you.

Mr. MINETA. Thank you very much. Mr. Appleman from the IAM.

Mr. APPLEMAN. Good morning, Mr. Chairman, and panel. I am Dennis Appleman, I represent the machinist craft both in the Altoona shop and the railroad division. Also I belong, along with the machinists, to District 19, which is the last railroad district across the country.

We feel that this trucker legislation issue will adversely affect the Altoona shops and reduce our present work force, both in the shops and the railroads across the country. I am here this morning to ask for your support and we would really appreciate further support from our political people on this trucker legislation.

Mr. MINETA. Let me call on Mr. Lutton, President TWU, Local 2017.

Mr. LUTTON. Mr. Chairman, panel members, I again support what my other brothers have been saying about the triple trailers and the double 48s. That would devastate our area here, not only our working force, but the railroad retirees that we have several thousand in this area alone.

With the work going away to the tractor-trailers, the amount of employment will naturally go down, as we have said, which again

would need further support of the railroad retirement system, which again you people know that we have trouble with right now.

I recommend that you do not support the triple trailers and I thank you.

Mr. MINETA. Thank you very much. Now I would like to call on Mr. Allen T. Butterbaugh, the General Chairman, Lodge 105 of the United Railway Supervisors Association.

Mr. BUTTERBAUGH. Mr. Chairman, members of the Committee, I will not be facetious when I do read my short statement, but rather my perception if you do enact a law allowing bigger trucks to haul more on our highways, because if the trucks and carriers are allowed to haul double 48 foot trailers and triple 28 foot trailers over our highways, that will increase the future annual highway death toll, safety being our utmost concern here.

The present safe highways will actually turn into a similar death row as the American automobile travelers and their passengers will not know the date of their execution until it untimely comes to a tragic end.

Secondly, the present railroad work force, which is somewhat stable after a decade of cutbacks and many sacrifices, will have to undergo further restructuring because if the trucks are allowed to haul more, we may realize a 40 percent reduction in our business. And with a 40 percent reduction in our business, that means loss of employment. And with loss of employment, that also means less contributions to our retirement funds that are now in force.

And on a weekly basis, that is 12.55 percent per employee of their wages. That is the employees' contribution share, as well as the employers over and above that, which you may look at it in the sense of present workers now are taking care of those retired railroaders and their spouses in the nation today and hopefully the upcoming railroad employment will take care of our retirement and our spouses in the future.

So therefore, I ask you and I strongly urge you to vote against allowing big trucks to haul more freight on our highways.

Thank you, Mr. Chairman and Committee members.

Mr. MINETA. Thank you very much, Mr. Butterbaugh.

Let me at this point introduce Peter LaPointe, who is the Vice President of Eastern America Transport and Warehousing, who has a statement. Mr. LaPointe, your statement will be made a part of the record if you would go ahead and proceed in your own fashion, sir.

Mr. LAPOINTE. Good morning, Mr. Chairman. I appreciate this opportunity to appear before the Subcommittee.

Again, my name is Peter LaPointe. I am Vice President of Eastern America Transport and Warehousing which is headquartered in Philadelphia and operates facilities and delivers goods along the east coast from Maine to Virginia.

Among its motor carrier services, Eastern America provides transportation for trailers and containers having a prior or subsequent move by either rail or steamship. This aspect of the transportation business is known as intermodalism.

I appear before the Subcommittee today in behalf of HALT, Haulers Against Longer Trucks. HALT is a nationwide coalition of motor carriers who rely substantially, and in many cases exclusive-

ly, on transporting trailers and containers involved in intermodal service for their livelihood.

Mostly, these firms are small, family-owned and operated businesses. They are concerned that the enactment of any law increasing federal maximum truck weight limits above the current 80,000 pounds would foster widespread use of longer combination vehicles known as LCVs on our nation's highways. Use of such vehicles would put most, if not all, of these entrepreneurs out of business.

In lieu of legislation which would relax our weight laws and sanction the use of twin 48 foot trailers and triple 28 foot combinations, intermodal truck operators urge the Congress to enact a bill which fosters the growth and expansion of intermodalism.

Mr. Chairman, intermodal trucking achieved great success during the 1980s riding the wave of extraordinary growth in this industry. Intermodal trailer and container movements grew from three million loads in 1980 to more than six million by the end of the decade. However, while the growth is impressive, the competitive environment, versus truck, in our industry resulted in this business producing only marginal profits for the railroad industry.

Much of the business railroads handle in domestic intermodal service is extremely susceptible to truck diversion. Consequently, any Congressional action allowing the trucking industry the right to use longer combination vehicles as a consequence of higher fuel taxes would have a devastating economic impact on rail intermodal—and by extension on this segment of the trucking business.

Studies by the railroad industry estimate that just the initial impact of twin 48 foot trailers would mean a loss of nine percent of all rail ton miles and 52 percent of net operating revenues, based on 1986 figures, the most recent available.

Intermodal is hurt far worse than the average. Railroads would lose 23 percent of intermodal traffic and 27 percent of intermodal gross revenues if twin 48s were legalized.

The long-term impact of the lost net revenue would be even greater intermodal diversion. Rail intermodal is dependent on expensive fixed facilities. With the loss of over a quarter of intermodal revenues, many of these facilities no longer would be economically viable.

According to several senior rail marketing officials, if railroads—I am sorry, I guess I am out of time, so I will just leave my comments in writing.

Thank you very much.

[The prepared statement of Mr. LaPointe appears on p. 2871.]

Mr. MINETA. Thank you very much, Mr. LaPointe, I do appreciate your cooperation on this. Your statement will be made a part of the record.

Let me ask at this point the Conrail panel, what is the significance of the unused capacity in the rail network for improving the movement of freight. Mr. Newman.

Mr. NEWMAN. Mr. Chairman, we believe that we can take our unused capacity and take vehicles off the highway system, thereby reducing the amount of capital expenditures that have to be made out of the highway trust fund, thereby giving a benefit to consumers, giving a benefit to the taxpayers, benefiting everyone through

greater use of our facility. Our infrastructure is there and it is well-maintained and it is ready to move the traffic.

Mr. MINETA. Now the trucking industry of course talks about productivity gains if we take that 80,000 pound limitation off. What you are saying is that that would adversely affect the rail dependent industries in terms of transporting their goods.

I am wondering if you could maybe give us some more specific examples of where you see that happening, as far as that kind of loss that would adversely affect the rail industry.

Mr. NEWMAN. Sure. The rail industry moves a number of commodities. We move everything from intermodal trailers and containers all the way up through the bulk commodities; coal, chemicals, aggregates, those types of things. Every commodity makes a contribution toward covering the railroad's overhead. To the extent we lose the truck competitive traffic, we still have that overhead, albeit we will try to reduce it over time. But to the extent we lose it, the people who are dependent upon the railroad would have to pay to cover that overhead, at least in the short run and that would result in higher rates.

Mr. MINETA. Mr. LaPointe, in your fine statement, you indicate that you are a provider of intermodal transportation services. Does HALT support changes to the existing federal bridge formula which limits axle loading and spacing?

Mr. LAPOINTE. At this time, no, they do not.

Mr. MINETA. Thank you, Mr. LaPointe.

Mr. Shuster.

Mr. SHUSTER. I want to thank the panel very much for your outstanding testimony. Mr. Chairman, we have been through many wars together over the years with these guys out here, and it is just good to hear their fine testimony.

Thank you.

Mr. MINETA. I am not sure who is worse for the wear, but it seems to me you have done well by that battle.

Mr. Hammerschmidt.

Mr. HAMMERSCHMIDT. I do not have any questions, Mr. Chairman, but I want to thank this panel for bringing us extremely important testimony. You have made your point very well with it, and we appreciate it.

Mr. MINETA. Mr. Roe.

Mr. ROE. Yes, Mr. Chairman, I do have a question.

First of all, I want to compliment the panel for the exceptional testimony because I think this is one of the most important issues that is going to be facing us down the road in the next six months.

Let me be the devil's advocate. The response we are going to get form other interested people, which is the American way, is going to come back and say well I do not know why you people are all upset. After all, we are buying commodities cheaper if we can ship them by truck and so forth and so on, and therefore, it is going to be more expensive in the rates as far as the railroads are concerned, why should the American people not be getting a better cost on their commodities because they can do it cheaper by truck.

Exclude safety—I am leading to a point, of course—exclude safety. So the American system has come back and said well look, why should we not—we are trying to improve competitiveness, that

is the big buzz word politically today and so forth and so on, we can do it better and faster by truck and commodities, you know, groceries and flour and bread and the things that people need are going to be a lot less expensive. Why should we go ahead and not do that in our trucking system.

Mr. Newman.

Mr. NEWMAN. I think the reason is that the existing user fee system is the answer. And that is the rail competitive trucks, trucks that are let us say greater than 73,000 pounds, are only paying 55 to 60 percent of the damage, on a direct cost basis——

Mr. ROE. Who says that?

Mr. NEWMAN. FHWA, sir.

Mr. ROE. Okay.

Mr. NEWMAN. FHWA and a number of states which have looked at the whole question of highway cost allocation in the last decade. And they come back, each and every one of them, and say that the heavy trucks are under-paying. As I say, if you made them pay for the capital, which in the private sector you would have to pay for as well as the indirect costs and the social costs, that number swells.

Mr. ROE. I wish we had more time. I realize we are on a very tight schedule, but I would like to develop this issue further.

For example, part of the argument goes that out in Montana and Wyoming and these more open states, why should we not have a dual system where they can go ahead and run through those areas with heavier loads and so forth and so on. The argument arose on the 55 versus 65 mile an hour issue, if you recall, when, God rest his soul, Jim Howard was alive, where the western states came back and screamed bloody murder and said it is going to cost us more, it is ridiculous for us to be driving at 55 miles an hour when we have much greater distances to travel and the safety factor does not come into it.

Without taking more time, Mr. Chairman, I would hope—and I have talked about this with Bud, who I think happens to be one of the great leaders in this area—I would think that we would have to develop more specifics on this particular issue to make it stick as far as national policy is concerned. I happen to be on the side of limiting the trucking because in a heavy urban state like New Jersey, we have got a million problems with safety and so forth. But I do not think just to say it is going to be enough.

I think if we were comparing rail rates with truck rates, we ought to counter that and come back and say if you were to ship this type of commodity in this type of a quantity this distance and these other figures were involved, the trucking added costs were involved, this would be what the national rate should be on that commodity being shipped, whether you shipped it by truck or rail. I think that case is going to have to be made if we are going to be able to protect the issue that you are speaking to.

Thank you, Mr. Chairman.

Mr. MINETA. Mr. Clinger.

Mr. CLINGER. No questions, Mr. Chairman.

Mr. MINETA. Mr. Murtha.

Mr. MURTHA. No questions, Mr. Chairman.

Mr. MINETA. Questions from other members of the panel?

Mr. NEWMAN. Mr. Chairman, excuse me. I mentioned a study in my testimony by Scientex. I would ask the Subcommittee if I could have an executive summary of it included with my testimony.

Mr. MINETA. Without objection, that will be done.

Mr. NEWMAN. Thank you.

[The data referred to by Mr. Newman concerning Scientex appears on p. 2883.]

Mr. MINETA. Mr. Newman, very quickly, on page 5 of your statement, you say trucks already account for nearly a third of all fatal highway accidents. I thought drunk driving was in that proportion rather than trucks themselves. I was wondering if you might be able to expand on that.

Mr. NEWMAN. If I could yield to Mr. Vogel please.

Mr. VOGEL. I think perhaps a better way of saying it would be that trucks are involved in a third of all fatal highway accidents. There may be some overlap between the two categories.

Mr. MINETA. Well let me thank the panel very much for your presentation here today, and I know that we will continue to see many of you in the future as we are developing the legislation. Thank you very, very much.

At this time, I would like to call on Mr. Bill Ward, Chairman of the Board of Ward Trucking Corporation, Altoona, Pennsylvania.

Mr. Ward, your full statement will be made a part of the record, so I would appreciate your abbreviated statement. If you would proceed in your own fashion, sir.

TESTIMONY OF G. WILLIAM WARD, CHAIRMAN OF THE BOARD, WARD TRUCKING CORP., ON BEHALF OF PENNSYLVANIA MOTOR TRUCK ASSOCIATION

Mr. WARD. Thank you, sir. Good morning, gentlemen. My name is G. William Ward, and I am Chairman of Ward Trucking Corporation here in Altoona. My testimony today will represent the views somewhat of my company, but more importantly of the Pennsylvania Motor Truck Association and the American Trucking Association.

Mr. MINETA. Mr. Ward, if you could introduce your colleague, I would appreciate it.

Mr. WARD. I will do so. Here with me today is Robert E. Farris, Vice President for Policy of the American Trucking Association, and former Federal Highway Administrator.

Mr. FARRIS. Good morning, gentlemen.

Mr. WARD. Many issues have been identified, which are critical to the future of my industry and those will be included in the information which is made available to you.

But let me maybe begin by giving you some idea of how vast this industry is in the State of Pennsylvania. We employ about 350,000 people directly in my industry here in the state. Locally here in Altoona, for example, my company employs in excess of 250 people. Eighty percent of all Pennsylvania communities are entirely dependent on truck traffic—80 percent. That figure decreases slightly to about 60 percent when you talk about the entire country.

Trucks pay about $334 million into the federal highway trust fund representing well over 58 percent of all the federal receipts from these vehicles.

Given these figures and others that are equally as impressive, it is more than fair to conclude that the economic well-being of the trucking industry is an essential element to the economic vitality of Pennsylvania and the nation as a whole.

Earlier I mentioned a word—that is, in my testimony which you will receive, I mentioned a word which is key to me and to my industry, and that is "productivity." There has been much discussion about that here this morning. Along with productivity, our industry continues to be vitally interested in safety.

This very day as we speak, has been designated as Citizens' Day and perhaps the single most important thing the trucking industry does as a corporate citizen is to strive to operate safely. Clearly an industry as large as I have just described, there are drivers and companies that at times compromise safety. These are the exceptions, however.

As you are well aware, there are people in competitive modes that would have you believe that the total disregard for safety is a standard operating practice in my industry. This is simply not true. In my own company, I know the extent to which we go in driver training, screening of drivers, drug testing and all of the other things which we feel play a vital role in safe operation of our trucks.

Let me provide you with a short list of some of the safety areas where the trucking industry, in my view, is taking a leading role. The commercial driver's license, so-called CDL, which as you know by April 1 of 1992 every driver in the United States operating a vehicle in excess of 26,000 pounds will have to prove that he or she can safely operate that truck.

Number two, roadside safety inspections, at our urging, the urging of our industry, those have increased by a thousand percent since 1986, to a current level of over a million inspections per year.

The elimination of the commercial zone safety exemption, this is an item which is very near and dear to those of you from our nation's capital. And that is thus ending about 20,000 interstate areas where poor drivers and unsafe drivers were permitted to operate undetected.

We support the elimination of drugs and alcohol for all truck drivers and yes, we even support the random drug testing of our drivers. We have had some problems with that with some California legislation which we are hoping we can get on with the random testing, but in my own company, drug testing is part of the pre-employment physical and that is repeated then when the drivers go for their annual test for continuing to have their operator's license.

We support the 55 mile an hour speed limit. We have governors on our trucks, for example, which will not permit them to go over 55 miles an hour. We use safety patrols and other items which we hope will control the speed of our vehicles. Much more efficient for us, much safer. So I want you to know that the industry as a whole does support that.

We actively oppose the use of radar detectors. In our view, there is only one reason for that radar detector and that is to warn of an officer out ahead that is going to clock what you—the speed you are traveling.

And we are actively working on research for driver fatigue, very important part of our problem.

We have recently called for the elimination of the sale of alcoholic beverages at truck stops. Hard to believe that there are trucks stops in this country where that is permitted.

What can you do to help us? In my view, you can promptly reauthorize the multi-year federal-aid highway program including provisions that create a new network of highways of national significance consisting of 140,000 to 180,000 miles which will effectively connect all the nation's population centers and accommodate approximately 45 percent of all the traffic movements, including 70 percent of all the commercial traffic.

I have more, but my time has run out. I appreciate this opportunity. I welcome you again to our city, Bud and your group, and again thank you for this opportunity to present my views on my industry.

[The prepared statement of Mr. Ward appears on p. 2901.]

Mr. MINETA. Thank you very much, Mr. Ward, and it is good to have Mr. Farris here with you.

The Commonwealth of Pennsylvania and several other states have addressed their highway transportation needs with the construction of toll roads. I am wondering if you could explain to the Committee why the American Trucking Association strongly opposes any new tolls on existing roads and the mixing of highway trust fund dollars with toll bond funds?

Mr. WARD. In my company—I will address it from a local viewpoint, if I may. Your question was about American Trucking Association and perhaps Mr. Farris can enlighten me on that. But in my company, we use the toll roads—to a large extent the turnpike and other areas. We object to putting tolls on Interstate 80, for example, which is another primary artery for us, because we feel that those roads have already been paid for by our tax dollars, and to toll those at this point does not seem to be fair to us.

Personally, I would support the tolling of new highways, but I do not support the tolling of existing highways.

Does that answer your question, sir?

Mr. MINETA. Yes, it does. Mr. Shuster.

Mr. SHUSTER. Thank you very much. Mr. Chairman, Bill Ward is one of the real leaders and statesmen of the trucking industry and it is just a pleasure to have you testify Bill and to see Mr. Farris as well. Thank you very much.

Mr. MINETA. Thank you. Mr. Roe.

Mr. ROE. No questions, Mr. Chairman.

Mr. MINETA. Mr. Hammerschmidt.

Mr. HAMMERSCHMIDT. Thank you, Mr. Chairman.

Mr. Ward, we appreciate your testimony. It is good to see Bob Farris with you, to see him before our panel again. I notice in your written statement you touched on a very important subject that Chairman Mineta has a great interest in, and that is sub-optimally designed pavement, highway design in general and the economies

of scale in building stronger and thicker pavement structures. We do not have time to get into that, but I want you to know the Chairman here has a great interest in that subject matter and I am sure it will be considered in our deliberations.

Mr. MINETA. Thank you very much. Let me see, Mr. Murtha is gone. Mr. Clinger.

Mr. CLINGER. No questions, I just thank both gentlemen, we are delighted to have your testimony.

Mr. MINETA. Any other members of the panel who have any questions?

[No response.]

Mr. MINETA. If not, Mr. Ward, again thank you very much for your fine statement. It has been submitted for the full record, and we appreciate all the people who have been here to testify before us and we appreciate the accommodation of our Committee while here in Altoona. The hospitality by everyone has just been super and I can understand why Congressman Shuster is so proud to be representing the Ninth Congressional District.

So again to all of you, thank you so much for your hospitality. We appreciate it.

At this point, the Subcommittee adjourns its hearing.

[Whereupon, at 10:22 a.m., the Subcommittee was adjourned.]

PREPARED STATEMENTS OF WITNESSES

TESTIMONY PRESENTED TO THE SUBCOMMITTEE ON SURFACE TRANSPORTATION COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

Altoona, PA
September 17, 1990

Presented by:

Robert Bini, Director
Centre Regional Planning Commission
Fraser Plaza, Suite #5
131 South Fraser Street
State College, PA 16801

814-231-3050
814-231-3088(Fax)

RE-AUTHORIZATION OF THE POST INTERSTATE SURFACE TRANSPORTATION PROGRAMS

The vitality of the on-going partnership for surface transportation is of critical concern to those of us at the local level. State government plays a vital role, however the Federal government is the very foundation of our comprehensive transportation planning and programming efforts. Continued Federal involvement through funding for balanced local transportation programs is, from our point of view, of the highest priority.

The Centre Region, is a dynamic, and growing community. Our geography places us at or near the intersection of several major traffic routes. Among these are Interstate 80, U.S. Routes 220 and 322, and PA Routes 144 and 26. These routes serve heavy volumes of interstate travel which include heavy truck traffic. This traffic is, for the most part, travelling on two lane highways through heavily populated areas, and on highways which must also serve commuter traffic originating from or destined for the Centre Region. These routes serve commuter traffic because the Centre Region is home to traffic generators which include major employers and special events. Primary among these is Penn State University, which is rapidly becoming one of the nation's leading major research universities. Evidence of this is the University's current initiative to develop a 130 acre research and business development park which will carry them into the 21st century and continue to make the University a prime factor in the continued dynamic nature of the community. As a result, growth in the Centre Region is anticipated to be substantial, with population expected to increase by nearly fifteen percent by the year 2000. In turn, employment is also expected to increase significantly.

The locational and growth factors which will continue to influence the Centre Region clearly indicate the need for a highway network which can safely and efficiently accommodate the movement of goods and people both through and within our communities. Upon closer look, it becomes obvious that there are a number of missing links on our major traffic routes which must be provided if we, and our neighbors here in Centre County and throughout the Appalachian Region of Central Pennsylvania, are to meet our system goals of improved connections to more modern facilities, improved safety, and the reduction of growth-related congestion. These missing links can be found on various connections to I-80 including Routes 220, 322, 144 and 26. The U.S. 220 link is also critical for providing a better connection to the Altoona area, I-76, and Western Pennsylvania.

Planning for our highway system is occurring at every level. The Federal Highway Administration is currently exploring the feasibility of a Highways of National Significance Program. The Pennsylvania Department of Transportation is in the preliminary stages of identifying a Core Highway System for the Commonwealth. Here at the local level, we are updating our long-range Regional Transportation Plan to provide a balanced

program of highway improvements and transportation demand management strategies. At each of these levels, highways such as U.S. Route 220, U.S. Route 322, and Pennsylvania Routes 144 and 26, play key roles. For travel patterns at every level, so-called missing links or system gaps have been identified through the planning process. Our ability to address these missing links will be dependent on the continued strength of the Federal/State/local transportation partnership. Likewise, Federal funding has been critical to the development of an effective mass transit system in the Centre Region. Continued, substantial support for transit will be essential to our strategies aimed at reducing congestion by offering viable options to the single occupancy vehicle.

The responsibility to plan for transportation needs is shared by all levels of government. The ability to implement those plans is dependent on financial participation at all levels. The re-authorization of surface transportation programs in the post-interstate era is a singular opportunity to have significant impact on funding for critical and integral highway improvements which:

1. Improve connections among elements of the interstate system;
2. Provide connections to the interstate system for areas such as the Centre Region which are not now clearly connected via a modern highway system;
3. Improve economic development opportunities that may be related to upgraded transportation facilities (such as Penn State University's economic development initiatives and tourism as a growing industry in the Centre Region); and
4. Assure that mass transit plays a strong role in reducing current and future congestion on our highways.

We believe that the substantial funds which were dedicated to the Interstate system in the current Surface Transportation Act should be re-programmed for use in now completing the highway system at the next level which will further support interstate travel, enhance our economic vitality, and respond to our changing population and travel patterns over time. In addition, the Highway Trust Fund must be used only for transportation programs for highways and mass transit. We would also urge that the State be given maximum latitude for prioritizing projects and apportioning funds according to a properly balanced Federal/State/local partnership. With Federal financial support for such a process we believe that we can complete such projects as the missing link on U.S. 220 through Centre County between Blair County and Interstate 80, as well as needed projects on the other routes we have mentioned. We, therefore, strongly support the re-authorization in 1991 of surface transportation programs in the areas of Federal-Aid highways, mass transit and highway safety in consideration of our comments here today.

Thank you.

TESTIMONY PRESENTED TO

The Subcommittee On Surface Transportation

Committee On Public Works and Transportation

Altoona, Pennsylvania

September 17, 1990

TESTIMONY PRESENTED BY

Robert B. Donaldson, Executive Director

Centre County Planning Commission

Willowbank Building

Bellefonte, Pennsylvania 16823

814-355-6791

CENTRE COUNTY OFFICE OF
PLANNING
Willowbank Building
Bellefonte, Pennsylvania 16823
(814) 355-6791

BOARD OF COMMISSIONERS
JOHN T. SAYLOR, Chairman
KEITH BIERLY
VICKI BUMBARGER

ROBERT B. DONALDSON
Director

September 17, 1990

Honorable Glenn M. Anderson, Chairman
U.S. House of Representatives
2329 Rayburn Building
Washington, DC 20515

RE: Reauthorization of the Post-Interstate Surface Transportation Programs.

Dear Chairman Anderson:

On behalf of the Centre County Planning Commission, we thank you for this opportunity to present our thoughts and recommendations related to the reauthorization of the Post-Interstate Surface Transportation Programs.

INTRODUCTION

Access to and from Centre County has historically been provided by U.S. Routes 322 and 220. This primary means of access has more recently been supplemented by Interstate 80, a major east-west corridor through Pennsylvania. With the completion of the Interstate System, Centre County has experienced a significant increase in both intra and interstate truck movements.

With the dynamics of Centre County's accelerated growth, particularly in the State College-Penn State University area, and with the ever increasing number of trucks passing through Centre County, we at this time call upon the Federal Government and the Commonwealth of Pennsylvania to provide adequate levels of funding which will allow for the completion of various highway links which have not yet been constructed through Centre County.

IDENTIFICATION OF THE PROBLEM

If we look at PennDOT's Primary Commercial Highway Network which includes the Interstate System, the Appalachian Thruway, as well as other Major Arterial Highways ... we see that the Network <u>is not yet complete</u>.

A close observation suggests that various "missing links" exist across Pennsylvania and ... we're here today to encourage you to recognize these gaps in our highway system and to do what you can to assure that adequate levels of Federal funding will be available in the future to allow the Pennsylvania Department of Transportation to proceed with the completion of the State Highway Network which will allow for the construction of the remaining "missing links."

The Centre County "missing links" are the feeder routes or connectors between our local communities and employment centers and the Interstate System of Highways and include the following:

1. The Route 144 "missing link" between I-80 and Route 322 at Potters Mills (estimated total cost $23.5M).

2. The Route 26 "missing link" between I-80 and Route 322 at the Mount Nittany Expressway near State College and the Pennsylvania State University (estimated total cost $75M).

3. The Route 220 "missing link" between the Village of Bald Eagle in Blair County and I-80 near the communities of Milesburg and Bellefonte (estimated total cost $217M).

* Please see Attachment A.

As many of you know, Centre County is located in a relatively isolated rural portion of Central Pennsylvania - far removed from the dynamics of the big cities such as Pittsburgh and Philadelphia (and for this we are most grateful). However, this geographic separation often leaves us in a position of disadvantage when it comes to receiving a "fair share" of the limited funds which exist today for various infrastructure needs. As such, we call upon you today to recognize our special needs and facilitate, to the extent possible, the allocation of adequate levels of federal funding that will allow the State to complete the Core System network of major arterial highways for Pennsylvania. This Core System of Highways includes the Highways of National Significance. Funding for this network will go a long way toward resolving our current and projected local transportation problems.

PLANNING FOR LOCAL COMMUNITY INFRASTRUCTURE

Detailed planning studies are currently being prepared in Centre County and the Centre Region to provide for community support systems including water, sewer, and solid waste disposal. However, detailed planning for the transportation system necessary to accommodate projected travel demand and community growth patterns has not kept pace with the planning for other infrastructure systems.

In addition to travel demand generated within Centre County, the numerous regional highways that bisect the County serve travelers with origins and destinations far beyond the County. The presence of this through traffic is caused in part by the "missing links" and results in an even greater demand

upon the local transportation system including increased levels of severe traffic accidents involving numerous fatalities (please see Attachment B).

The responsibility to plan for the increased travel demand must be shared in a partnership, which includes the affected local communities and the State and the Federal Governments, if we expect to meet PennDOT's established planning priorities related to: Goods Movement, Congestion, and Safety.

A LOCAL CONSENSUS OF NEED

Although Centre Countians have not always agreed on what would be the best solution to resolve our long-range traffic problems, we stand today, for the first time, united behind a strong consensus that major highway improvements are needed in the Route 144, 26, and 220 corridors.

At the State level, efforts are currently underway, or are being considered, to initiate the planning, engineering and design phases of the corridor studies; however, these efforts will not advance unless adequate levels of funding can be authorized.

Although the emphasis of our testimony today is directed toward our transportation problems related to highways, please be assured that we also recognize the need for an integrated comprehensive transportation system that includes mass transit and scheduled air service.

SUMMARY STATEMENT

In summary, I would like to emphasize that Centre County has not only become a cross roads for movements of goods and services - but it has also become the hub of a very rapidly growing urban metropolitan center.

With this growth and change, comes the need for costly transportation facilities; and, as we all know ... FUNDING becomes the key to implementation.

We thank you at this time for your further consideration of these matters. Should additional clarification of these projects be necessary, please feel free to contact me.

Respectfully submitted,

Robert B. Donaldson
Director

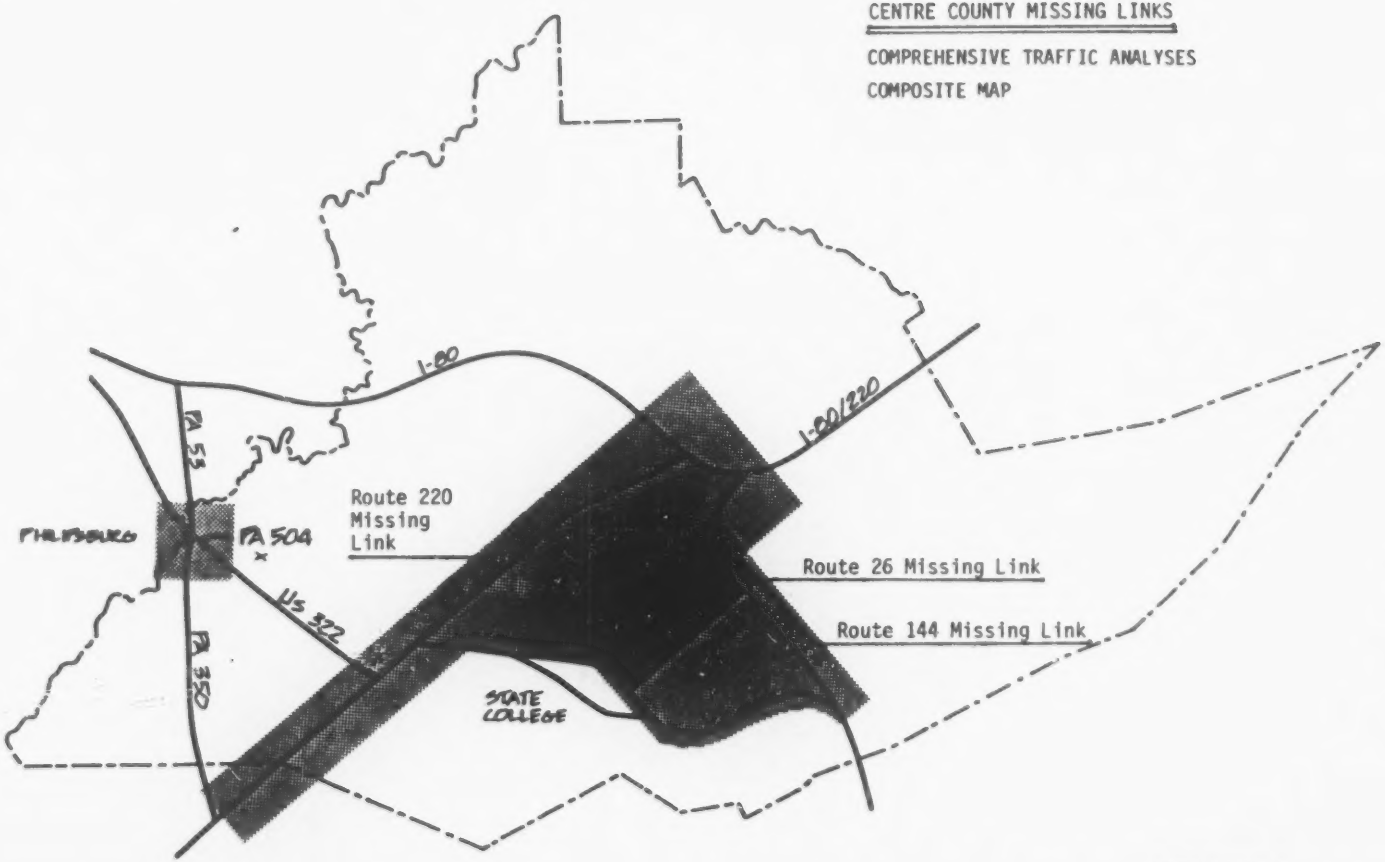
RBD/cms

Attachments

CENTRE COUNTY MISSING LINKS

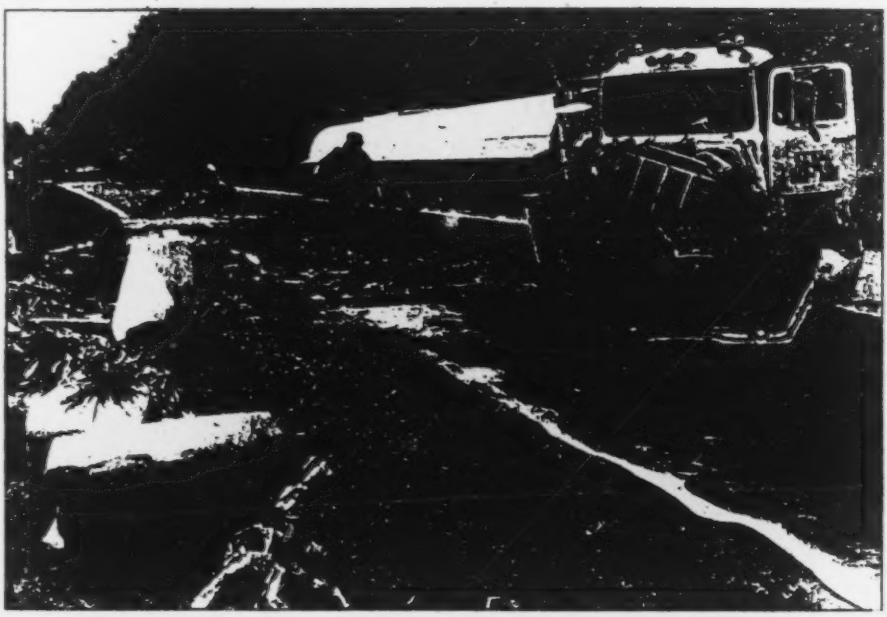
COMPREHENSIVE TRAFFIC ANALYSES

COMPOSITE MAP



Attachment A

1 dead, gas spilled on Route 220



CDT photo/Dick Brown

GASOLINE SPILL: Officials diked the roadway around the overturned gasoline tanker with sand and absorbent cloth material to keep the fuel from leaking into Bald Eagle Creek.

Fatal wreck closes Route 220

By JODI BURCK 5.16.90
Times Staff Writer

A Blair County man was killed when his car veered into the path of a gasoline tanker truck on Route 220 near Port Matilda Tuesday morning. Traffic between Port Matilda and Bald Eagle was expected to remain closed until early this morning after the tanker, loaded with 8,500 gallons of gasoline, overturned in the middle of the road.

Police have identified the victim as James Bender Jr., 44, of Bellwood.

State environmental officials, fearful that the fuel would contaminate the nearby Bald Eagle Creek, rushed to the scene about three miles south of Port Matilda.

Eagle Tire and Towing of Milesburg, which is approved by DER to clean up hazardous spills, was called in to help transfer the gasoline into another tanker and then remove the wreckage and waste, police

Please see FATAL page 5A

RTE. 220 DETOURS

If the road is still closed this morning, traffic on Route 220 from State College will be diverted onto Route 322 through Philipsburg. Traffic from Bald Eagle will be diverted onto Route 350 into Philipsburg.

Cars going between State College and Altoona can also use Route 550 through Warriors Mark, police said.

Attachment B

TESTIMONY PRESENTED TO THE SUBCOMMITTEE ON SURFACE TRANSPORTATION COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

ALTOONA, PA
SEPTEMBER 17, 1990

PRESENTED BY:

ROBERT C. FINLEY, CHAIRMAN
TRANSPORTATION COMMITTEE
STATE COLLEGE AREA CHAMBER OF COMMERCE
FRASER PLAZA SUITE 3
131 SOUTH FRASER STREET
STATE COLLEGE, PA 16801

814-237-7644

Good morning. I am Robert C. Finley, Chairman of the State College Area Chamber of Commerce, Transportation Committee. My purpose in coming before you is to convey, in the very clearest terms, the support of the State College Area Chamber of Commerce for the testimony presented to you this morning by Mr. Robert Donaldson, Director of the Centre County Planning Office and Mr. Robert Bini, Director of the Centre Region Planning Office.

Access to the Centre County and the Centre Region has long been critized and joked about. The problem is real. As Mr. Donaldson and Mr. Bini have expressed, we see our highway needs as three missing links:

1) A good limited access Route 26 between State College and Interstate 80.
2) An improved Route 144 between Route 322 and Interstate 80 to accommodate a high volume of truck traffic, and
3) The completion of Route 220 as a four lane limited access highway between Bald Eagle in Blair County and Interstate 80.

The funding and construction of these mission links would provide, together with what is already in place, a very safe and serviceable highway system for Centre County and the Centre Region, a system capable of safely providing adequate connections to the Interstate System, accommodating through and local truck traffic and capable of supporting the dynamic growth of the Centre Region specifically the 15% increase in population expected by the year 2000. To provide these links, we see a

clear need to structure future Federal Surface Transportation programs so that dollars once used for interstate system construction are now made available for highways which connect the communities to the Interstate System.

We urge that Congress continue and strengthen the effective Federal/State/Local transportation partnership concept. As you can see here today, we in the Centre Region have confidence in our local planners and we commend them for their quality work and the consensus they have developed among our communities for our priority highway projects. PennDOT has been an equally cooperative partner in understanding our needs and priorities and in responding to the needs of our communities. We welcome the Federal Government in this partnership. It has worked in the past to give us what we have today and with some redirection in the new surface transportation programs should be capable of meeting our future needs.

I again want to state that the State College Area Chamber of Commerce fully supports the testimony given here today by Mr. Donaldson and Mr. Bini. The Chamber strongly support the re-authorization in 1991 of surface transportation programs with consideration of our comments here today.

Thank you very much.

9/14/90

Associated Pennsylvania CONSTRUCTORS

HENRY L. HECK, CAE
Executive Vice President

Testimony

of

Henry L. Heck, CAE
Executive Vice President

Associated Pennsylvania Constructors

Before

The Subcommittee on Surface Transportation

of the

House Committee on Public Works and Transportation
U.S. House of Representatives

Altoona, Pennsylvania

September 17, 1990

800 NORTH THIRD STREET • HARRISBURG, PENNSYLVANIA 17102-2099 • TELEPHONE (717) 238-2513 • FAX (717) 238-5060

Good morning, Mr. Chairman and members of the subcommittee. For the record, my name is Henry L. Heck and I am Executive Vice President of the Associated Pennsylvania Constructors, which is based in Harrisburg, Pennsylvania.

I am pleased to present testimony today on the transportation needs of this nation and the relationship of the Surface Transportation Act of 1991 to meeting those needs.

APC has been representing Pennsylvania road builders, material suppliers, equipment dealers, engineers and others involved in the transportation industry since 1927. We have approximately 600 member firms.

I am also here today on behalf of the American Road and Transportation Builders Association (ARTBA) - APC's national association. ARTBA has been providing Washington representation for the transportation construction industry since 1902. ARTBA's nearly 4,000 members nationwide hail from both the public and private sectors. ARTBA represents not only construction firms but also state and local transportation officials, manufacturers of equipment, consulting engineering and design firms, material and traffic safety device suppliers and educators in the fields of transportation planning and civil engineering.

Mr. Chairman, on behalf of our membership, thank you for inviting me to provide our views on future transportation needs, identification of problems in the current program, and proposals for new program structure and funding. At the outset, I will say that we believe that the financial decisions that the Congress makes next year in the transportation area will have a direct impact on the nation's economy and well-being long into the future.

America is built on mobility. Its vast size places a high value on the ability to move people and goods over both short and long distances in an economical and efficient manner. The American highway system, developed jointly by the federal and state governments, has had more to do with our quality of life and economic prosperity than any other single factor.

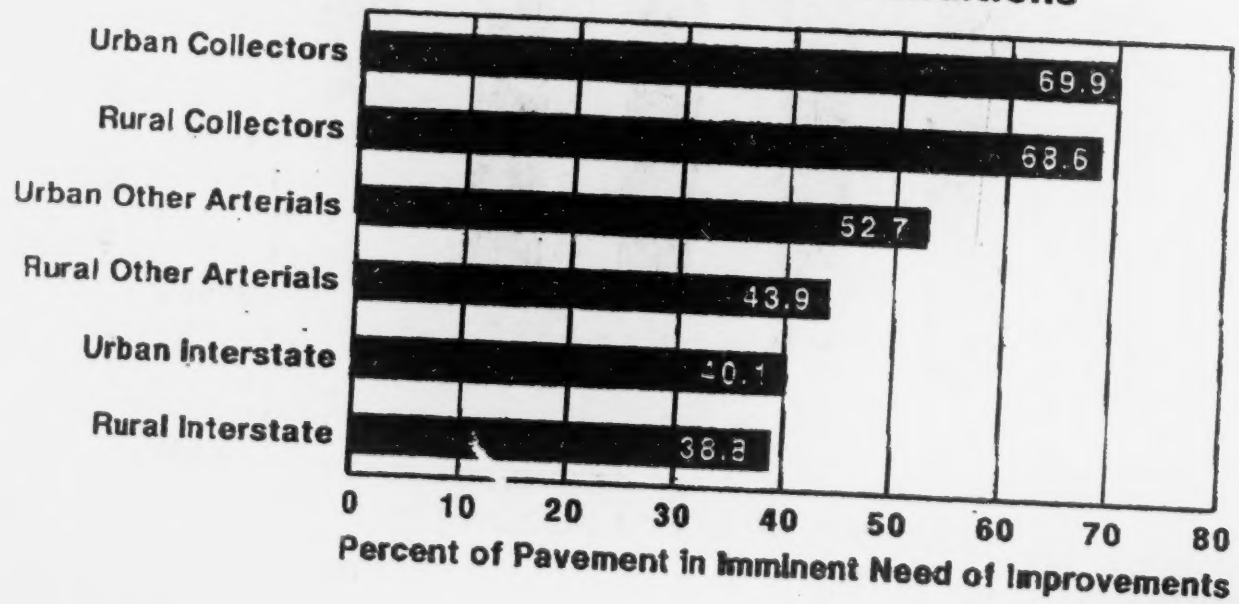
Today, America's federal highway system--the backbone of our national economy--is in serious trouble.

While this network of highways and bridges comprises only 22 percent of the nation's total road mileage, it carries 81 percent of all travel--more than 1.6 trillion miles per year.

According to the U.S. Department of Transportation's 1989 report to Congress, more than 28 percent of the bridges on the federal-aid system are either "structurally deficient" or "functionally obsolete." The same report states that more than 40 percent of the pavements on the federal-aid system are in "poor" or "fair" condition (See figures 1, 2 and 3).

The Deterioration of the Federal Highway System

Highway System Pavement Conditions



ARTBA

Figure 1

The Deterioration of the Federal Highway System

Number of Deficient Bridges on the Federal Highway System

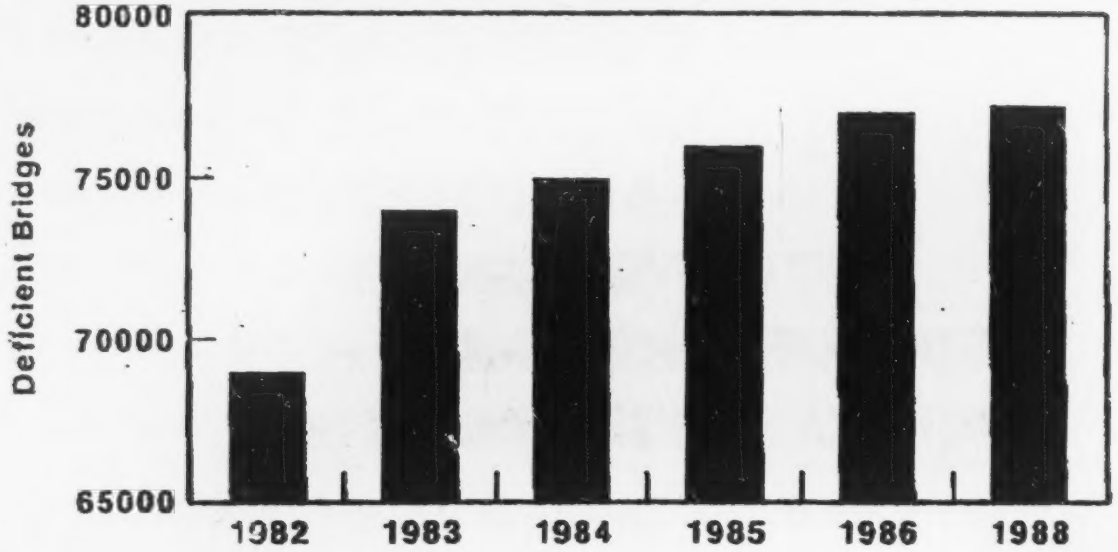


Figure 2

The Deterioration of the Federal Highway System

Interstate Highway Bridges: Percent Classified as Deficient

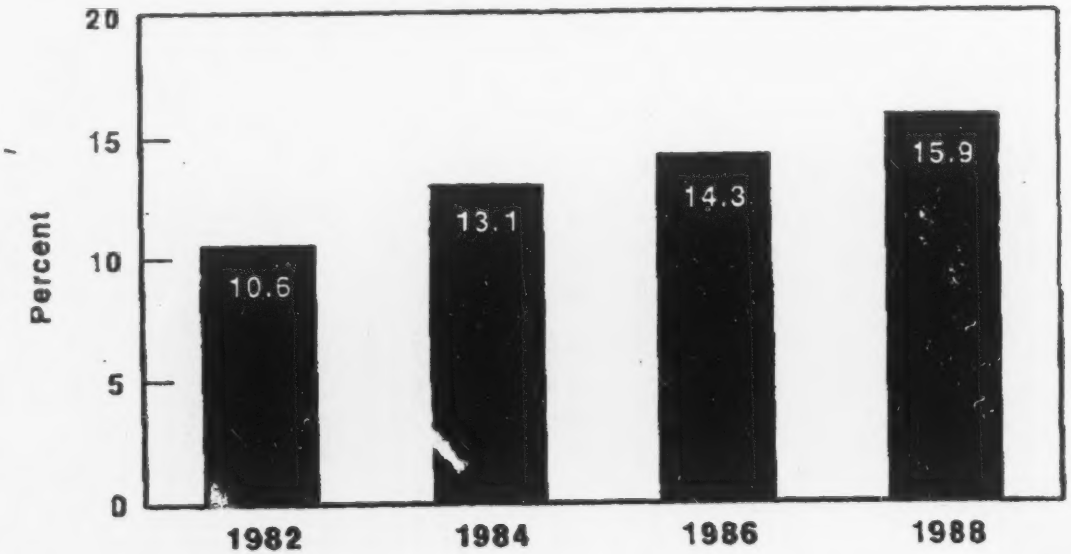


Figure 3

This 1989 report and the Federal Highway Administration's 1988 publicati , America's Challenge For Highway Transportation in the 21st Century, both state that meeting existing capital needs on the federal-aid system alone requires a $40 billion per year investment in transportation construction projects--a rate of spending substantially in excess of the current obligations for the Federal-aid Highway Program.

Meeting these quantified needs on the federal-aid system is one of the major financial challenges facing the nation. Failure to provide an adequate and useable highway system will have a profound effect on the quality of American life, our economic growth and development, and our ability to meet national defense requirements.

The Federal-aid Highway Program has been a driving force behind building a better America. The reauthorization of this federal program should foster continued opportunities for growth and development.

If the program's reauthorization legislation does not address known needs in a meaningful way, the deterioration of the Federal-aid Highway System, which is becoming more apparent every day, will continue, placing the American economy in danger. Today, highway disrepair and congestion are contributing to increased economic costs, air pollution and wasted energy resources.

Americans continue to commute by private automobile. Such travel is up 17 percent since 1960 and contributes to significant rush hour congestion on 65 percent of Urban Interstate System mileage. The outlook for the future is not good. Traffic is projected to grow by two to four percent per year in the decade ahead.

According to federal statistics, the nation now wastes 1.25 billion hours and 1.38 billion gallons of motor fuels due to congestion on limited access highways each year. By the year 2005, that waste could soar to 6.9 billion hours in lost productivity and 7.32 billion gallons of squandered fuel.

Economists at the U.S. Department of Transportation estimate that if our highways are allowed to continue to deteriorate, by 1995 the U.S. economy could potentially miss out on increases of 3.2 percent in Gross National Product (GNP), 5.9 percent in disposable income, 2.2 percent in employment and 2.7 percent in manufacturing productivity.

Disinvestment caused much of our current problem (See figure 4). Total public capital expenditures for highways and bridges has dropped from 1.4 percent of GNP in the early 1960s to about 0.5 percent today. During this same period, traffic on the Federal-aid Highway System has increased five fold.

Inflation has also been a hidden factor. Between 1959 and 1988, the U.S. inflation rate, as measured by the Consumer Price Index, rose slightly over 300 percent. The highway user fees supporting the Highway Trust Fund and paying for highway improvements increased by only 100 percent (See figure 5).

The Disinvestment of the Nation's Transportation Infrastructure

Total Public Expenditures for Highways, Streets, Roads and Bridges

Figure 4

ARTBA

Inflation's Impact on the Federal Highway Program

Inflation Versus the 1959 Highway User Fee (Gasoline)

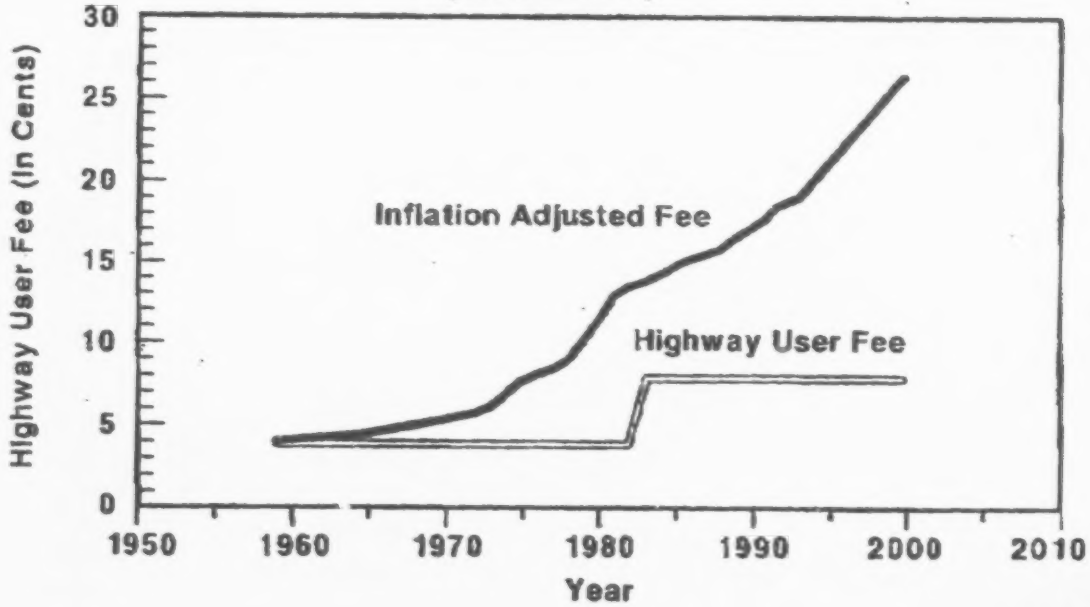


Figure 5

Assuming a moderate future inflation rate of four percent per year, the fede gasoline user fee would have to increase to 26 cents-per-gallon by the year 2000 just to maintain its 1959 purchasing power.

What should be done? The solution to our highway problem is obviously: we must begin investing in the future. Providing adequate resources is the key.

One alternative is to spend the current cash balance in the Highway Account o the Highway Trust Fund to address the call for greater highway improvement expenditures. But how far will that $10 billion balance 90?

An examination of the language of the Highway Revenue Act authorizing the Highway Trust Fund shows that deficit spending in this fund is prohibited. Since the entire balance cannot be spent, the portion that is available, between $5 and $8 billion, will not significantly increase the current program.

Apogee Research, a leading public works consulting firm based in Washington, has developed a computer model for ARTBA which allows a review of possible program funding scenarios and their effect on the trust fund balance and program spend out. We will share this information with the subcommittee and its staff as it is developed.

The Associated Pennsylvania Constructors believes the reauthorization bill drafted by this subcommittee should provide $40 billion per year for highway and bridge improvements. This authorization level should commence in 1992 and continue for a minimum of five fiscal years thereafter. Such a program level is totally consistent with the needs identified by the U.S. Department of Transportation referred to earlier in our testimony.

To authorize and carry-out a program of this magnitude, we recommend that the Congress:

* Ensure that all federal highway user fee revenue contributed to the Highway Trust Fund--plus interest earned on that money--is spent in a timely manner. A drawdown in the trust fund's current $10 billion-plus cash balance should begin during the next fiscal year.

* Remove the Federal-aid Highway Program from the Unified Federal Budget in order to ensure that revenues are not impounded or withheld in the future.

* Increase the federal highway user fees--effective in fiscal year 1992--to raise the additional $25 billion per year that is necessary for a $40 billion per year federal program of highway improvement assistance.

* No longer impose artificial obligation ceilings on the expenditure of federal highway funds.

* Repeal the current six cents-per-gallon federal tax exemption on gaso . sales for highway vehicle usage (which causes an estimated $500 million per year loss to the Highway Trust Fund); and

* Tighten federal highway motor fuels collection procedures.

These actions would assure that future generations have a highway system on which they can build. The historic role of the federal government in the development and upkeep of a national highway network should be maintained.

There is no question that the federal government has a clear role to play in the development and upkeep of a national system of highways and bridges. The federal responsibility is defined by the Constitutional mandates to regulate commerce among the states and with other nations, provide for the national defense, and safeguard the public health.

The user fee principle that has guided the financing of our national highway transportation program has contributed to its success. Highway users recognize the importance of well-maintained highways and bridges. They also realize that continued expenditures must be made in order to maintain system performance at an acceptable level. Over the years, motorists have shown a willingness to pay appropriate user fees--if they are used for their intended purpose (See figures 6 and 7).

Recent surveys of the American public and U.S. business leaders indicate that this view is still held. In work done by Apogee Research for the Transportation Research Board, the public said overwhelmingly that they would pay higher gasoline user fees for improved highways. In a poll taken at the 1989 U.S. Chamber of Commerce annual meeting, business leaders from across the nation expressed overwhelming support for more federal expenditures for highways, recognizing that higher motor fuel taxes are necessary.

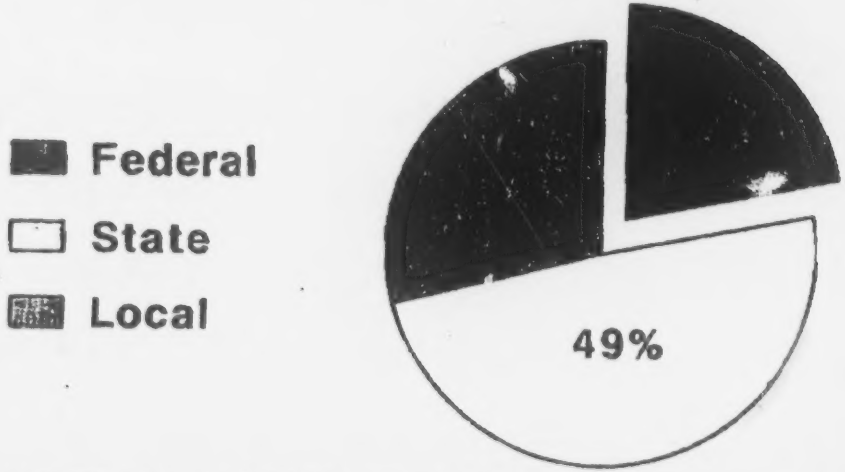
Consistent with our recommendation for increased funding, APC and ARTBA also believe that the working partnership between the federal government and the states, which is the basis of the existing federal-aid program, must be continued.

Some have suggested that state and local governments should be responsible for raising revenue to meet future needs for rebuilding and expanding our highway system. In fact, over the last 20 years, federal support for improvements has declined over 20 percent in constant dollars.

While the federal interest has continued, state governments have worked to increase state revenues for highways to keep the system from further deterioration.

Now is the time to re-establish the true meaning of the federal-aid highway partnership and to live up to the federal commitment to adequately fund improvements on highways and bridges significant in meeting transportation responsibilities.

National Highway Revenue Receipts: 1987



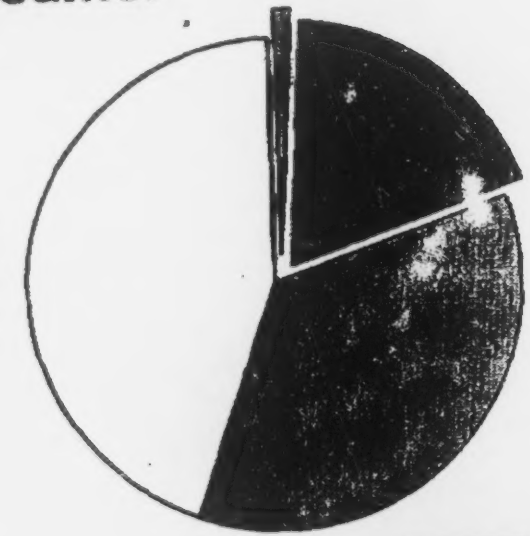
The Federal Share of National Highway Revenue Receipts Has Been Decreasing Since 1985 and in 1987 Reached the Lowest Mark in 27 Years (22 Percent).

ARBA

Figure 6

The Federal Highway User Fee Represents Less Than 1% of the Total Annual Transportation Spending by the Average American Consumer

- Hwy User Fee 0.90%
- Gasoline & Motor Oil 18.62%
- Other Expenses 36.01%
- Vehicle Purchases 44.46%



ARBA

Figure 7

The unwillingness of the federal government to raise and spend sufficient fu to maintain system performance has resulted in a program that is not fully meeting identified needs. Now is the time for bipartisan leadership in this area if we are to meet our future transportation demand.

While public, user fee supported financing should remain the keystone of our national highway improvement program, no financing option should be ignored. ARTBA sponsored a conference in 1989 on "Public/Private Ventures in Transportation" to review this opportunity for other funding mechanisms to meet transportation needs.

Public/private ventures have long been successful in other countries and are gaining support in this country. They must be explored and implemented where appropriate.

Proper investment is the key to meeting future highway needs. With our views on record as to investment and the method of meeting this investment requirement, let me turn to APC's views regarding program structure and allocation of resources.

A FEDERAL HIGHWAY PROGRAM FOR THE FUTURE

With a $40 billion per year federal investment, America CAN meet its highway and bridge capital requirements for the next century. Here's how that money could be put to work to restore--and expand--our national highway system.

COMPLETING THE INTERSTATE HIGHWAY SYSTEM

The 42,797-mile Interstate Highway System accounts for only 5.2 percent of the federal network mileage, yet carries 27 percent of the traffic. It's clearly the backbone of our national surface transportation system.

Construction on this system began in 1956. Today, 98 percent of the system is open to traffic. According to the Federal Highway Administration, an additional $5 billion is needed for completion. Let's finish the job!

APC Recommendations:

* Fund completion of the full Interstate Highway System with a one-time final authorization of $5 billion. Since actual use of these funds would be spread over several years, an allowance for inflation should also be provided.

* To be eligible for these funds, however, Congress should require that construction on all remaining projects begin no later than September 30, 1996. Additionally, adequate funds should be made available under the "Advance Construction/Interstate Program" to fully repay all states that have used this option.

PROTECTING THE INTERSTATE HIGHWAY INVESTMENT

Highway users have invested more than $100 billion in the Interstate Highway System, making it perhaps the nation's greatest physical asset. Today, however, more than 40 percent of the pavement mileage on the Interstate System is below minimum engineering standards. Let's protect our investment!

The Federal Highway Administration says that an annual investment of up to $6. billion is necessary just to maintain 1985 conditions on the Interstate System.

APC Recommendations:

* Initiate a major interstate rebuilding program by authorizing a $6.6 billion per year interstate 4-R program of resurfacing, restoration, rehabilitation and reconstruction. Assure that the latest in pavement design technology is utilized in this effort to maximize the return on investment.

* Authorize an additional $600 million per year for Interstate 4-R discretionary programs, with $200 million per year allocated to fund unusually high-cost bridge projects on the system.

* Set the federal/state funding ratio for Interstate "4-R" at 90/10, including projects to add new lanes or construct essential new interchanges.

* Ensure that any future additions to the Interstate System are automatically eligible for 4-R funding and maintain existing provisions in law which allow the transfer of new construction funds for 4-R work.

* Give states the flexibility to transfer up to 50 percent of their share of "4-R" funding to projects in other program categories of national importance, provided that the state can satisfy the U.S. Department of Transportation that its Interstate mileage is being adequately maintained.

REBUILDING OUR BRIDGES

More than 238,000--or about 40 percent--of the nation's bridges are either "structurally deficient" or "functionally obsolete," according to the U.S. Department of Transportation. As noted previously, 28 percent of these bridges are on the federal system.

The inherent safety problems and economic displacments posed by deficient bridges demands that repairing them become a national priority of the highest order.

The Federal Highway Administration says that $50.7 billion is needed to rehabilitate or replace all deficient bridges on the federal system.

APC Recommendations:

* Require each state to develop a plan that systematically addresses their bridge problems and assigns highest priority to repairing or replacing structurally deficient structures.

* Authorize $5 billion per year to repair the nation's bridges. While this funding should be directed primarily toward bridges on the federal-aid system allow offsystem bridges to remain eligible for federal funding with certain restrictions as permitted under current law.

* Allocate bridge rehabilitation funds on a "cost-to-complete" basis (continue the current one-quarter percent minimum, 10 percent maximum formula).

* Set the federal/state funding ratio at 90/10. Do not allow a state to transfer bridge funding to other program categories unless it can demonstrate to the U.S. Department of Transportation that it is pursuing a program that specifically addresses structurally deficient bridges as a priority.

CREATING A REGIONAL PRIMARY SYSTEM

This 258,120-mile system is the nation's second most important network of highways. It serves as a collector system for the Interstate and services traffic in corridors not on interstate routes. The Primary System currently handles 29 percent of the nation's traffic mileage.

The Federal Highway Administration says that an annual investment of up to $6.7 billion is necessary just to maintain 1985 condition on the Primary System.

APC Recommendations:

* Make the Primary System a truly regional road network by changing the definition of the type of mileage that is eligible for inclusion. The reduced system would include only routes of national significance that meet interstate and inter-regional traffic needs.

* Provide $6 billion per year to rehabilitate the Primary System and upgrade as many of these routes as possible to near-Interstate standard. Set the federal/state funding ratio at 90/10 and give states with well-maintained Primary routes the flexibility to transfer up to 50 percent of their Primary funding to other program categories.

RELIEVING TRAFFIC CONGESTION

Anyone who lives in a urban/suburban area knows traffic congestion firsthand. Without improved traffic management and added capacity the situation will only get worse. A new national program is needed to address this problem.

The Federal Highway Administration says that an annual investment of up to $ billion is necessary just to maintain 1985 conditions on the Urban System.

APC Recommendations:

* Create a "Metropolitan Area Transportation Assistance Program," funded at $4.5 billion per year, to help alleviate traffic congestion in urban/suburban areas with 50,000+ population. The program envisioned would direct federal funds to projects that are part of strategic regional plans that attack congestion. Projects funded under this program would include road and bridge capacity improvements, roadway rehabilitation projects that improve traffic flow, creation of "High Occupancy Vehicle" (HOV) and exclusive bus lanes, implementation of freeway surveillance, incident systems and "smart highway" computer technology.

* Set the federal/state funding ratio at 70/30 and require that eligible routes be on the federal system. Give states flexibility in designing routes to be included in urban areas.

STIMULATING ECONOMIC GROWTH WITH NEW TRANSPORTATION CORRIDORS

The demographics of the United States have changed dramatically since the plans for the Interstate Highway System were drawn over 40 years ago. Many distant "suburbs" now provide more jobs than the major cities linked by the current Interstate System. It's time the federal highway program recognized--and assisted--these emerging economic centers.

APC Recommendations:

* Create a "New Transportation Corridors Program," funded at $3.5 billion per year, to assist high-growth areas not currently served by the Interstate System. The program would be aimed at building new highways--and upgrading existing ones to near-Interstate standard--to provide capacity for the increased traffic volume that is associated with emerging economic centers. Eligibility for participation in the program would be based on criteria such as population growth rate, measurable economic activity and potential for further economic growth.

* Set the federal/state funding ratio for the "New Transportation Corridors Program" at 70/30.

MOBILIZING RURAL AMERICA

With a redefined--and smaller--federal Primary System, an expanded Secondary Highway System would assume even greater importance. This system, which now includes 398,328 miles of highway in rural America, provides the vital farm-to-market and small community-to-market transportation link that is so important to the nation's economy and well-being. Pennsylvania has the larger rural population in the country.

The Federal Highway Administration says that an annual investment of up to $1.7 billion is necessary just to maintain 1985 conditions on the Secondary System.

APC Recommendations:

* Provide $5 billion per year for an expanded rural highway support program.

* Set the federal/state match for this program at 70/30.

IMPROVING HIGHWAY SAFETY

While there have been significant advances in highway design, safety equipment and signage over the past several decades, the carnage on our nation's highways continues. In 1989, more than 45,000 Americans were involved in highway fatalities and another three million were injured in traffic accidents. Clearly a more aggressive effort to improve highway safety is warranted.

APC Recommendations:

* Increase federal highway safety funding to $2 billion per year, continuing all categorical safety programs that are in current law.

* Initiate a federal study of highway signage and traffic safety devices to determine the need to rehabilitate or upgrade such devices on the federal system to incorporate new technologies.

* Provide funds to improve worker and motorist safety in highway construction areas.

* Require that products and services that enhance safety and improve traffic operations be included criteria for all federal "3-R" and "4-R" programs.

INVESTING IN RESEARCH

Every effort must be made to ensure that we receive maximum benefit from every dollar invested in highway capital improvements. Greatly increased emphasis must be placed on public and private highway research and development programs.

APC Recommendations:

* Authorize $2 billion per year to support expanded federal highway research programs.

* Encourage--through special tax incentives and other means--private sector research and development projects that have the potential to improve the quality, durability, safety and operation of our highways and bridges.

OTHER ISSUES

In our view, as part of its highway program reauthorization legislation, Congress should also take action to:

* Make the federal Highway Trust Fund permanent.

* Ensure that each state receives back at least 90 percent of the revenue that it contributes to the Highway Trust Fund. This is a particularly important issue to "donor" states such as Florida that currently receive back 80 - 85 cents for each dollar sent to Washington.

* Levy user fees on all motor fuels--including gasohol--in an amount at least equal to that levied on gasoline to ensure that adequate highway improvement funds are available.

* Expand the Federal Lands Program to $1.5 billion per year.

* Provide greater flexibility in the co-mingling of federal assistance and toll revenues to finance capital improvements on toll facilities.

* Provide $500 million per year for emergency relief.

* Revise the federal Disadvantaged Business Enterprise program to ensure that it is aiding firms that are truly in need of assistance.

IT'S AN INVESTMENT IN THE FUTURE

America is literally at a crossroad. We can continue to ignore our serious and growing highway and bridge problems. Or we can choose to make the investment--about $40 billion per year--that is necessary to rebuild and expand our national highway network to meet future demands.

Good roads save lives. Improve productivity. Enhance competitiveness. And reduce pollution-causing, energy-wasting traffic congestion. In short, they're an investment in the future.

Together, let's build a better America through transportation. The time to act is NOW!

FEDERAL HIGHWAY PROGRAM FUNDING RECOMMENDATIONS

(Per Fiscal Year)

Interstate Construction*	$1.0 Billion
Interstate 4-R	$6.6 Billion
Interstate 4-R Discretionary	$0.4 Billion
Bridge Rehabilitation & Replacement	$5.0 Billion
Primary System	$6.0 Billion
Metropolitan Area Assistance Program	$4.5 Billion
New Transportation Corridors	$3.5 Billion
Secondary/Rural System	$5.0 Billion
Highway Safety	$2.0 Billion
Federal Highway Research Programs	$2.0 Billion
Minimum Allocation Program	$2.0 Billion
Federal Lands Program	$1.5 Billion
Emergency Relief	$0.5 Billion
TOTAL	$40 Billion

* The authorization for the Interstate Construction program is currently $3.15 billion and $1.4 billion, respectively, for Fiscal Years 1992 and 1993 by the *Surface Transportation and Uniform Relocation Assistance Act of 1987.* ARTBA recommends an additional appropriation of $1.75 billion in FY 1993 and $3.25 in FY 1994 to complete the Interstate Highway Program.

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UNDER CURRENT FORMULAS AND MATCHING RATIOS WHAT A $40 BILLION PER YEAR FEDERAL HIGHWAY PROGRAM WOULD MEAN TO THE STATES

(Millions of Dollars)

STATE	Increase in Federal Grants	STATE	Increase in Federal Grants
AL	501.2	MT	110.0
AK	45.8	NE	203.9
AR	384.3	NV	137.5
AZ	318.9	NH	104.9
CA	2729.8	NJ	793.9
CO	324.1	NM	196.5
CT	306.1	NY	1244.7
DE	78.1	NC	756.5
DC	33.6	ND	89.7
FL	1274.3	OH	1115.0
GA	863.8	OK	408.5
HI	67.9	OR	239.9
ID	112.0	PA	1079.4
IL	1051.3	RI	85.4
IN	673.5	SC	388.0
IA	331.3	SD	93.3
KS	319.9	TN	652.4
KY	439.9	TX	1992.7
LA	458.1	UT	168.7
ME	151.4	VT	63.9
MD	485.7	VA	691.1
MA	525.2	WA	481.9
MI	894.3	WV	195.4
MN	442.3	WI	481.4
MS	321.6	WY	114.7
MO	637.2	NAT	25641.3

Source: Apogee Research
Bethesda, Maryland

Mr. Chairman, before I close, a comment about the fiscal year 1991 bu proposal for the Federal-aid Highway program is in order. The budget recently sent to Congress by President Bush calls for an obligation limitation of $12.0 billion for highways. This is a seven percent reduction from the fiscal year 1990 level after sequestration and the budget compromise.

This appears to be a step backward when the talk is for a forward-looki program. The "National Transportation Policy" enunciated by Secretary Skinne certainly does not talk about a reduction in the federal commitment. It talks about at least maintaining our current commitment.

The FY 91 budget must then be reviewed in the context of a need to increase the obligation limitation to at least last year's level, but preferably to a level reasonable under the 1987 Surface Transportation and Uniform Relocation Assistance Act--$15.0 billion. This level can be achieved by using all revenue accruing to the trust fund annually, interest earned on the trust fund balance, and prior year authorizations constrained by annual obligation limitations.

Thank you, Mr. Chairman, for the opportunity to present the views of the Associated Pennsylvania Constructors on future federal highway assistance. I stand ready to answ any questions that you or subcommittee members may have.

Presented to:

THE SUBCOMMITTEE ON SURFACE TRANSPORTATION

of the U. S. Congress

For:

Reauthorization of the Post-Interstate

Surface Transportation Programs

September 17, 1990
Altoona, Pennsylvania

By:

Robert E. Hetherington

Managing Director

PENNSYLVANIA HIGHWAY INFORMATION ASSOCIATION

Harrisburg, Pennsylvania

My name is Robert Hetherington. I am managing director of the Pennsylvania Highway Information Association representing businesses and individuals interested in an improved highway system.

Our organization is more commonly known as PHIA and, since 1960, has been working closely with PennDOT and local groups.

Let me read our mission statement:

"The Pennsylvania Highway Information Association gathers and disseminates information to educate the public on the importance and value of a modern, safe highway system adequately financed through dedicated funding sources, to provide for economic growth of the Commonwealth and its citizens."

The key point in this mission statement centers around the role the highway system plays in developing the state's economy. Equally important is the safety factor created by improved roads and bridges.

Since the Interstate Highway System began in 1956, improved roads have demonstrated the meaning of the mission statement of PHIA.

We have seen our roads and bridges stimulate the economy of an area.

We have noted an increase in safety and a decrease in accidents and fatalities where roads and bridges have been improved.

- MORE -

I particularly want to report to the committee today on some of the positive results from a study made in this area reflecting the improved economic and safety conditions in this area when the new Route 220 was built between the Pennsylvania Turnpike and Altoona.

At this point, I would be remiss if I failed to remember this new Route 220, that today benefits so many, came about because of the special efforts put forth by this region's Congressman Bud Shuster. It is fitting that a section of this road is now named in his honor.

Here is what a new Route 220 has done for the area:

- More than 2,500 new jobs have been created.
- Retail sales have increased by 37 percent in the past five years.
- Fifty-two businesses have invested $49.2 million, expanding plants or establishing new locations along the route.
- The fatality rate on the new route has been cut in half, in comparison with that on the old Route 220.
- Since 1983, nearly 2,200 jobs have been added to Altoona's economy.
- In Bedford County, another 1,000 jobs were created because of the new Route 220.

Economic stimulation to the region occurred when this new road was built. Further benefits will result when Route 220 is continued north of State College to connect with Interstate 80.

I am concerned this region's full economic potential will not be achieved unless additional federal-aid is provided to build this connection and others that are badly needed in Pennsylvania.

Earlier this year, U. S. DOT Secretary Skinner said the states will have to raise additional highway funds and not rely so heavily on federal aid. He made this statement at the same time a Highway user-supported Trust Fund, established by the Congress, had an unused balance of more than $10 billion. More than $520 million of highway user contributed monies from Pennsylvania have been accumulated since 1965.

Incidentally, the General Accounting Office has advised U. S. Senator Byrd, of West Virginia, that the Highway Trust Fund can remain solvent and meet all of its construction obligations even if the balance was as low as $3 billion.

While the committee struggles with taxpayer funding, we in Pennsylvania and other states where toll roads exist have enjoyed somewhat of a bonus.

It was 50 years ago next month when the first driver entered the Pennsylvania Turnpike near Carlisle. And today, more than 270,000 drivers travel the road each day.

The building of the Turnpike, which has since expanded to 470 miles in Pennsylvania, has taken a great deal of financial pressure off Pennsylvania and the Highway Trust Fund for many years.

At this point, I commend the Committee for the farsightedness written into legislation that now permits direct toll road connections, as well as limited federal funding.

We all know that the great Interstate Highway System, that now extends nearly 42,000 miles across our 50 states, was patterned after the Pennsylvania Turnpike. We in Pennsylvania are very proud of this historical point. We also know that toll roads have made a major contribution to the overall transportation picture in the nation, because more than 2,800 miles were incorporated into the Interstate Highway Act to give the program a jump start back in 1956.

Why not consider an economic bonus to the states that had the farsightedness to build toll roads when states did not have their own funds to build toll-free roads? These states picked up a tremendous slack in the nation's transportation system before passage of the 1956 Interstate Highway Act.

Another consideration that should be looked at is the extension of the current Interstate Highway System, authorizing new connections where demographic needs dictate.

- MORE -

The Pennsylania Highway Information Association refers to these types of roads as economic generator highways to tie into the existing Interstate System. If Route 220 between the Turnpike and Altoona had not been improved, thanks to Congressman Shuster, this would have been a good example. Similar situations exist across this land.

In closing, Mr. Chairman, PHIA is most supportive of the past direction by this important committee of the U. S. House of Representatives.

We are sensitive to the demands put upon you, but, at the same time, encourage your continued support of the following:

- Protect the integrity of the Highway Trust Fund from non-highway users
- Pass legislation to take the Trust Fund off the unified budget
- Increase the Trust Fund level to help states meet the growing and costly highway and bridge needs of the states.
- Reduce the $10 billion Highway Trust Fund surplus to a minimum operating level of $3 billion, as recommended by the General Accounting Office.

Thank you for the opportunity to present our views, Mr. Chairman. I will be more than happy to answer any questions to be of assistance to the committee.

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PENNSYLVANIA HIGHWAY INFORMATION ASSOCIATION

September 17, 1990

PRESIDENT
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HENRY L. HECK
ASSOCIATED PENNSYLVANIA CONSTRUCTORS
HARRISBURG

Honorable Glenn M. Anderson
Chairman
Committee on Public Works and
Transportation
2329 RHOB
Washington, DC 20515-0532

Good morning, Mr. Chairman:

As an extension of my recent testimony before your committee's subcomittee at Altoona, may I introduce into the record the enclosed economic study we commissioned when the final section of Route 220 was complete between Bedford and Altoona. The beneficial information contained is very supportive on jobs generation and business expansion along the route.

The task of putting together a new transportation program for 1991 is one of gargantuan proportions, but I am sure you and your colleagues will have sufficient supporting documentation following your series of public hearings.

Please feel free to contact me if and when our organization can be of some assistance.

Sincerely,

Robert E. Hetherington
Managing Director

REH/nu

enclosure

MANAGING DIRECTOR
ROBERT E. HETHERINGTON
HARRISBURG

800 NO. 3RD. STREET, SUITE 501/HARRISBURG, PENNSYLVANIA 17102 • 717-236-8021 • FAX: 717-236-6060

IMPROVED HIGHWAYS BOOST LOCAL ECONOMIES IN PENNSYLVANIA:

A Case Study of the New Route 220

NOVEMBER 1989

Prepared by

THE ROAD INFORMATION PROGRAM (TRIP)

1200 18th Street, N.W., Suite 314

Washington, D.C. 20036

(202) 466-6706

for

Pennsylvania Highway Information Association

800 N. 3rd Street, Suite 501

Harrisburg, Pennsylvania 17102

(717) 236-6021

Founded in 1971, The Road Information Program (TRIP) of Washington, D.C., is a non-profit organization which researches, evaluates and distributes economic and technical data on highway transportation issues. TRIP is sponsored by energy and insurance companies; equipment manufacturers, distributors and suppliers; businesses involved in highway engineering, construction and financing; labor unions; and organizations concerned with an efficient and safe highway transportation network.

Summary of Findings

-- In the past five years, $137.8 million has been invested in improving and modernizing U.S. Route 220 through Blair County in Central Pennsylvania, generating solid economic growth in the region through increased industrial expansion and the generation of new employment.

-- Between 1968 and 1974, some $45.1 million was spent improving Route 220 through Bedford County, south of Blair County, also impacting economic growth.

-- A total of 52 companies have invested $49.2 million in expanding existing plants or establishing new operations in Blair County since 1985, creating more than 2,500 jobs for local residents. In Bedford County, some 1,000 new jobs were created by new industrial activity between 1983 and 1985.

-- Retail sales in the Altoona metropolitan area alone jumped by some $240 million annually (37 percent) in the past five years, from $649.2 million in 1983 to $888.9 million in 1988. New highway construction and other road improvements have generated an estimated 2,197 jobs in Altoona's economy since 1983.

-- Traffic safety has improved with the construction of a new Route 220. On the older Route 220, an average of 6.2 traffic fatalities occur each year; on new Route 220, 4 fatalities occur annually, and that rate is expected to drop to 2 fatalities annually once Route 220 is completed to Tyrone. Also, in the past five years, 946 traffic injuries were reported on the old Route 220, while 256 injuries were reported on new sections of the highway.

-- The dramatic impact of improvements to Route 220 serves as a model for other areas of Pennsylvania, where wider, more modern highways are needed. Federal data show only 12.8 percent of the state's federal-aid highways are 4-lane divided (by a median strip), and these 3,378 miles include Pennsylvania's 1,523 miles of Interstate highways.

-- By comparison, 16.8 percent (4,191 miles) of New York's federal-aid system and 13.3 percent (3,663 miles) of Ohio's federal-aid system are four or more lanes and divided.

-- The vast majority of Pennsylvania's heavily traveled federal-aid highways -- some 20,826 miles, or 78.7 percent -- have only two lanes.

-- The state Department of Transportation plans to relocate or add lanes to some 528 miles (1.3 percent of the state-maintained system) over the next 12 years at a cost of $4.3 billion.

-- TRIP recommends that Pennsylvania implement the Route 220 concept statewide by constructing an "economic generator highway system" that would include the widening and improvement of many of the state's two-lane primary highways.

Introduction

In August, a dedication ceremony was held near Altoona to officially open a strategic portion of the Appalachian Thruway running through South Central Pennsylvania and to name it, "The Bud Shuster Highway." This ceremony honored the efforts of Congressman Shuster, who had been successful in securing some $149 million in federal highway funds to improve and expand U.S. Route 220 from the Bedford-Blair County border north to Tyrone.

This section of Route 220 will complete the vital North-South corridor from the Pennsylvania Turnpike north to Tyrone through South Central Pennsylvania. This corridor will improve transportation throughout the area, including the important movement of commercial goods and raw materials from point to point.

The local economy has prospered with the improved mobility, and as the final portions of the highway are completed in the near future, Altoona and the smaller towns and cities along the 220 corridor face a promising future.

This study examines the economic impact of the U.S. Route 220 improvements on Blair and Bedford Counties in South Central Pennsylvania, and assesses similar opportunities for road improvements and expansions in other areas of the state.

Sources of information include the Pennsylvania Department of Transportation, the Southern Alleghenies Planning and Development Commission, the Altoona Chamber of Commerce, Altoona Enterprises, Inc. (an industrial development corporation promoting business expansion in Blair County), the Federal Highway Administration and other government and private organizations.

The Appalachian Thruway

U.S. Route 220 comprises an important link in the 238-mile Appalachian Thruway, which stretches from Cumberland, Maryland, north through Central Pennsylvania along Route 220, connecting with Interstate 80 to Williamsport, then continuing up Route 15 to the city of Corning in lower New York State. Border to border, the Thruway passes through six counties in Pennsylvania, plus one in Maryland and one in New York. Currently, about two-thirds (66 percent) of the Thruway is either completed, in active design or under construction. More than half (56 percent) is now open to traffic.

The Appalachian Thruway Association was organized 25 years ago by members of the Highway Development Committee of the Altoona Chamber of Commerce who were interested in having a four-lane highway in the region, understanding even then the economic importance of adequate roads. Altoona was the last primary city in the United States to be connected to the Interstate System by a modern thruway.

The region was once a thriving rail crossroads. During the 19th century, Altoona was nicknamed, "Gateway to the West," and the city was home to a number of major railroad shops. When the Pennsylvania Railroad completed "Horseshoe Curve" through the nearby mountains, the rails were opened to east-west traffic.

But with the demise of rail, the region fell into a long-term recession. Altoona and other towns were accessible only by the then rural two-lane 220, and businesses were reluctant to settle in such an isolated area.

The slow growth of past decades has tracked into the 20th century in Blair County (where Altoona is located). Between 1970 and 1980, for instance, the county's labor force increased by just 12.6 percent while the national labor force increased 21.3 percent. Unemployment in Blair County climbed from 3.5 percent in 1970 to 9.1 percent in 1980; unemployment nationally increased from 4.4 percent in 1970 to 7.1 percent in 1980.

Although the unemployment rate in Blair County has remained higher than the national average into the 1980s, the total number of employed workers has outpaced the number of unemployed workers since 1983:

Year	Total Employed	Total Unemployed
1981	51,600	6,900
1982	49,600	7,500
1983	48,600	9,200
1984	50,600	6,300
1985	51,900	5,700

U.S. Route 220: The Bud Shuster Highway

On August 14, 1989, the Secretary of the Pennsylvania Department of Transportation, Howard Yerusalim, dedicated U.S. Route 220, naming it "The Bud Shuster Highway" in honor of Congressman Shuster's successful efforts to secure federal financing for the highway's expansion.

Governor Casey has described the new Route 220 as "the cornerstone of economic development in these counties for years to come."

Robert C. Jubelirer, President Pro Tem of the state senate, said,

> Modern highways, more than any other factor, have fueled the economic turnaround of our area. From trucking to tourism, commerce and jobs have been preserved and prospects improved because of the construction completed on Route 220, Route 22 and related projects.

Senator Jubelirer explained that good roads are essential in marketing a region because they "demonstrate to outsiders that a community or a county is oriented toward growth and progress, rather than facing decline."

Richard A. Geist, state legislator from Altoona, said, "The economic value of the new Route 220 has demonstrated itself already, but what is equally important is the intermodal potential for moving goods and people on our highways and rails."

Geist emphasized that the region should benefit from the new trade agreement with Canada and that "our transportation facilities will ensure this fact."

State Representative Richard Hess said of Route 220's significance, "The most important thing about this highway is that it's going to bring economic development."

Robert Couch, executive director of the Altoona Chamber of Commerce, welcomed the new highway to the area. "We've seen a major increase in business expansions as well as industries interested in relocating to the area," he said. "Our 1988 commercial building permits were up 500 percent over 1987 and our residential building permits for 1989 are up at least 100 percent over 1987." Couch added, "All in all, the widening of Route 220 has brought a tremendous impact to our community."

This commemoration and opening of the Altoona section of Route 220 represented the culmination of nearly two decades of federal, state and county cooperation. The highway project was begun in 1965 with passage of the Appalachia Regional Development Act which identified 13 states, including Pennsylvania, with specific and urgent economic needs, such as the basic need for mobility and better access to more developed areas. The construction of a new and improved U.S. Route 220 was included in the legislation.

By the late 1970s, improvements to the highway (made with Appalachia Regional Development highway funds) had been completed from the Pennsylvania Turnpike through Bedford County up to the Blair County line.

At this point the entire project was shelved because Pennsylvania was embroiled in a highway financial crisis. The state found that it was unable to meet its 30 percent share of the funding (federal funding made up 70 percent), so Route 220 improvements were not secured for several years.

The fate of a greatly improved Appalachian Thruway through Central Pennsylvania was decided ultimately in the U.S. Congress, through the efforts of U.S. Representative Bud Shuster. Congressman Shuster, who continues to serve as the ranking member on the House Surface Transportation Subcommittee, authored a provision in the Surface Transportation Act of 1982 granting $77 million in federal funds for the construction of a 7.9-mile four-lane limited-access highway from south of Altoona to the Blair-Bedford County line. The funding was 100 percent federal without any requirement for matching funds from the state.

Included in the legislation is a ten-mile stretch of Route 220 between the Bedford-Blair County line and Newry that is providing the site for a federal "demonstration project."

Demonstration projects serve as testing ground for state-of-the-art technology in highway engineering and construction, including such things as prestressed concrete pavement, lightweight concrete bridge decks, precast box culverts and proprietary abutments and walls.

The second boost in federal funding came in the 1987 federal highway bill (The Surface Transportation and Relocation Assistance Act of 1987). Congressman Shuster's efforts resulted in the securing of another $90 million for a demonstration project from 17th Street in Altoona north 12 miles to the Tyrone Bypass.

This construction, which required an $18 million state match advanced the dream of linking the turnpike to I-80 at Milesburg and began to address the seriously congested corridor between Altoona and State College.

Construction of the 12-mile segment of Route 220 from Altoona north to the borough of Tyrone is scheduled to begin in the Spring of 1990 and be completed in 1992. The last 28 miles connecting this segment with I-80 at Milesburg -- the last link in the corridor between I-80 and the Pennsylvania Turnpike -- has not yet been programmed.

Growth Along Route 220

"The growth and development of the Southern Alleghenies Region has ... always been dependent to a large measure upon the adequacy of its transportation system," reports the Southern Alleghenies Planning and Development Commission (SAPDC).

As U.S. Route 220 was expanded and improved from the Maryland/Pennsylvania border northward in the late 1970s, Bedford County experienced new growth. Prior to 1970, the county's population had remained fairly stable for several decades.

Between 1970 and 1980, the population increased by 10.5 percent, from 42,400 to 46,800. The only similar increase had occurred 40 years earlier, between 1930 and 1940.

Bedford County population is expected to continue to grow steadily through the end of the century, reports SAPDC. Population levels will climb nearly 10 percent between 1980 and 2000, reaching an estimated 51,400 residents.

But Bedford County's overall population generally is growing more slowly than population clustered along the Route 220 corridor through the county. Between 1980 and 2000, the number of Bedford County residents living in the Route 220 "corridor" is expected to nearly triple (+ 28.4 percent).

In Blair County, population decreased rather steadily between 1960 and 1980. Countywide, the number of residents decreased by 0.5 percent. In the Route 220 corridor, still unimproved during this time, population decreased by 2.8 percent.

Projections for population change in both the county as a whole (+ 2.8 percent) and the corridor (- 0.8 percent) through 2000 indicate continued sluggish growth and some population redistribution, based on data in the SAPDC report.

However, these projections are based on prior growth patterns and do not take into consideration the impact of Route 220 enhancements -- including increasing economic activity -- so it is likely the estimates are extremely conservative.

The Economic Impact of Route 220

"Industrial development has also followed existing U.S. Route 220," reports SAPDC. "Many of the industries locating within the region since World War II have chosen sites adjacent to or in close proximity with U.S. Route 220."

As in the past, industry and business in South Central Pennsylvania continue to seek locations that are very accessible and provide the greatest mobility for both workers and products -- usually on or near modern highways.

The construction of the new U.S. Route 220 through Bedford and Blair Counties in Central Pennsylvania has stimulated a great deal of economic activity in both the adjacent communities and outlying communities in the past seven years.

Altoona Enterprises Inc., a private, nonprofit industrial development corporation based in Altoona, reports that retail sales in the metropolitan area alone have jumped by some $240 million (37 percent) in the past five years, from $649 million in 1983 to $889 million in 1988.

Employment increased dramatically, not only in the road construction industry and its suppliers but also in other nonhighway-related industries across the local economy.

For instance, Altoona Enterprises Inc. reports that $150 million was spent for major road improvements, including Route 220, between 1983 and 1987. TRIP estimates that this investment directly generated 824 jobs in the Altoona area, less than half of them (382) in the construction industry.

TRIP's job estimates are based on research conducted by the Regional Science Research Institute (RSRI) in Peace Dale, Rhode Island, utilizing a U.S. Commerce Department Input-Output Model to measure the employment impact of highway investments. Results are unique to Pennsylvania and are based on historical spending trends in the state.

The research found that each $100 million invested in highways in Pennsylvania creates 2,746 jobs annually in all sectors of the state economy and generated some $36.6 million in immediate tax and dollar benefits for the state and its drivers.

Altoona Enterprises, Inc. reported that the state Department of Transportation plans to invest $201 million between 1987 and 1991 on Route 220 and other major road improvements in Blair County. TRIP estimates this four-year investment will generate some 1,373 jobs annually, creating a $35 million payroll and bringing in some $1.3 million in state income and sales taxes each year.

Pennsylvania's Employment Security Office reports that total employment in non-agricultural industries in the Altoona area rose more than 12 percent in the past six years, from 45,900 jobs in 1983 to 51,500 jobs in 1989. Manufacturing jobs increased in number only slightly (from 10,600 to 10,800), but non-manufacturing jobs jumped by 5,400 jobs, or 15.3 percent (from 35,300 to 40,700).

Overall industrial expansion in the Altoona metropolitan area is up dramatically over the past few years. Some 52 companies have invested a total of $49.2 million in expanding existing plants or establishing new operations in the area since 1985. These investments have created more than 2,500 jobs for local residents.

Bedford County employment trends have not increased as rapidly as those in Blair County. SAPDC reports that employment has not kept pace with the county's labor force. For instance, between 1970 and 1985, the labor force (people available to work) increased 23.4 percent, from 16,700 to 20,600 persons. Actual employment, however, climbed by only 15.6 percent in the same time, from 15,400 to 17,800 persons.

Despite the relative slow growth in employment since 1970, those trends seem to be changing. Between 1983 and 1985, SAPDC reports that approximately 1,000 new jobs were added to the county's economy. This recent jump in employment indicates a growing population work force, reflecting the additional economic activity spurred by improvements to Route 220.

Business/Industry Speak Out

In the course of gathering information about the improvement of the Appalachian Thruway through Central Pennsylvania and its resulting impact on adjacent counties and communities, TRIP talked with a number of representatives of local industries who attested to the strong drawing power of good highways.

Hoss' Restaurants has more than two dozen locations in Western and Central Pennsylvania, including a new restaurant at the intersection of Route 220 and the Pennsylvania Turnpike. Todd Robinson, Safety Insurance and Government Affairs Director for Campbell Enterprises which owns Hoss', explains that the new location of the upgraded Route 220 was instrumental in making the final decision of where to locate their newest restaurant.

"People used to have to travel all the way to Breezewood to get to the pike," Robinson said. "Now with the new road, people can get onto the turnpike directly at Bedford."

Robinson explained that Campbell Enterprises had bought an older motel that "was not in the greatest of locations" so was suffering a slump in both hotel and restaurant business. However, because of the improved access via Bedford, the new Hoss' Restaurant is expected to attract a significant increase in business.

In addition to the restaurant, Campbell Enterprises also has acquired the food distribution company that supplies all Hoss' Restaurants, called Hoss' Fresh Express. The Fresh Express operation recently bought a new warehouse on Route 220 where all butchering and other food preparation will take place. Because this warehouse is serviced exclusively by truck, the improved highway will play a major part in facilitating day-to-day operations, especially in easing access for shipments to and from the Pittsburgh area.

"We anticipate being able to get more products in and out of the warehouse more quickly," said Robinson.

Jim Estep is a real estate developer and head of a local roads group in the Altoona area. Estep believes "highways are the key," that economic development in the area is very dependent on its access to I-80 and the Pennsylvania Turnpike.

"That access is important both to industrial development and to tourism, which is a major source of revenue in Pennsylvania," according to Estep. The state's universities also rely on good roads, since they draw thousands of fans to football and basketball games and other sporting events every year.

Estep recalled that in both business and personal travel to the Delaware and Maryland shores, he used to have to rely on Route 22, which he describes as "deplorable, slow and unsafe." Now he is able to reach the Turnpike quickly and safely, thereby reducing both the duration and aggravation of his journey.

Estep also has worked in both trucking and towing, and has seen how bad roads can destroy expensive vehicles. He believes that truckers are willing to pay for safer, more efficient roads, rather than taking their chances on bad roads.

Harry Robinson, Vice President and General Manager at Raible's Commercial Warehouse in the Altoona area, believes the new Route 220 will save both time and money for his company. But, more importantly, Robinson believes it will have a major impact on the entire trucking industry. Improving this connector from the northern part of the state down to the turnpike will reduce both time and costs for truckers, he said.

Prior to the new Route 220, trucks had to rely on circuitous and congested routes, including Route 22 through the mountains. Robinson estimates the additional time and motor fuel required for the mountainous route cost the average trucker about $15 an hour.

"There are 37 common carriers servicing the Altoona area," he said, "and just imagine how the new Route 220 will affect them." Robinson estimates that truck traffic in the region probably will increase significantly in the next few years.

"It is much cheaper to run a truck down a four-lane highway with no stopping and starting than being held up in the mountains or going through the center of town with its stoplights and traffic," Robinson said. "Driver satisfaction also is very important to trucking companies. Driving a smoother, wider expressway is less tiring and tedious, reduces stress levels and contributes to an improved margin of safety."

International Barrier, a highway barrier producer headquartered in Toronto, has located its first manufacturing facility a mile away from the Route 220 interchange near Claysburg. The company currently is hiring 25 new employees and plans to add another 50 employees over the next two years. At least 50 percent of the steel and other raw materials used in their product come by truck, and within the next couple of years, the company plans to ship all products destined for the Northeast on the new Route 220.

Steve Pridmore, Vice President of Finances at International Barrier, believes that "being located near an accessible highway is a huge marketing advantage in a very competitive business." He explained that customers generally visit the plant to see the products and individual states must be sold separately. Consequently, the plant receives numerous visitors. "Route 220 will save us time and money, and shipping costs will be dramatically reduced," Pridmore said.

Stephen Zamias is Vice President of Finance at George D. Zamias Developer in Johnstown, a real estate developer who believes "transportation is directly important to my business." At the end of the year, Zamias will begin work on a mall adjacent to Route 220, a site picked specifically because of the new road.

"Without 220, another mall would not have been built in this area," Zamias said. "Altoona is nestled in the mountains, and you can't get businesses to relocate without a good highway system. One of the big department stores locating in the new mall is doing so because of the new highway."

Zamias credits Congressman Shuster for having the insight to realize how important a good road network is in terms of breeding new activity. "Route 220 enables people throughout the corridor to travel where they want to in a short time. Just as crucial is the transport of goods and raw materials necessary to stimulate growth in the area," he said.

Zamias expects travelers from as far away as Lewistown, State College and Huntingdon now that most of the improved road is open. "You need a good road network to do good business. When the road is completed all the way to I-80, I believe Altoona will rebound even more strongly."

Good Roads Help Tourism

Good roads are important to tourism too. For example, Old Bedford Village, a reconstructed 19th century historic pioneer settlement north of Bedford, is welcoming more visitors because of the improved access offered by the highway improvements.

Robert Sweet, former Bedford County Commissioner and current chairman and president of the board of Old Bedford Village, believes Route 220 will have a major impact on tourism, opening up direct routes both to the south (Washington, D.C. and Baltimore) as well as to the North (New York and New England).

"Highways are vital to economic development," Sweet said. "Transportation is the secret to industry and tourism and without it, neither one will thrive."

He added that, in 1975, the county unemployment rate was 22.8%; this year, the rate has dropped to 6.5%.

"A good transportation system is especially important to rural areas," said Sweet. "People don't want to waste the time and money traveling bad roads to get to an event. In order to be competitive, we need to draw tourists from places like Baltimore and Washington, and they won't come if it takes too long."

Sweet believes Central Pennsylvania is well on its way to becoming an East Coast attraction. Bedford is being considered as the summer home for the Pittsburgh Symphony and the city is redeveloping the Bedford Springs Festival for the Performing Arts (special events, films, chamber music).

"Good roads provide an economic boost to tourism and industrial development," agrees Roger Nave, a member of the Bedford Development Council and also involved in local real estate and fast food operations.

Nave said Route 220 has already had an impact on traffic in the area: "The increase in traffic has brought more customers and more pass-through traffic, generating business as people decide to stop, shop and eat."

In addition, Nave said, as an industrial base grows, residential housing gets a real shot in the arm. "As roads improve, the whole corridor is more attractive to businesses and industry.

"More people move into the area, and more people can afford to buy property or a house or to upgrade to a larger home. There is no doubt that the economic impact will trickle through the entire county and everyone will benefit."

One of Pennsylvania's newest historical preservation and tourism innovations is "America's Industrial Heritage Project," established in 1986 as part of a National Park Service pilot project. The Heritage Project is attempting to preserve, connect and publicize the historic landmarks of a nine-county area of South Central Pennsylvania noted for its rich background in natural resources.

The Project includes such places as the Johnstown Flood Museum, the Altoona Railroad Museum, the Cambria Iron Company, Wharton Furnace, the Bedford and Schellsburg Historic Districts, as well as a number of state, county and federal parks. Randy Cooly, project director, reports increasing numbers of visitors to the park because of improved transportation. Last year, for instance, during the centennial festivities commemorating the Johnstown flood, some 120,000 people visited the museum. This past summer, 85,000 people visited each month.

"There is a direct link between good roads, tourism and economic development," Cooly said. He believes the greatest accomplishment of the expanded Route 220 is that it makes Altoona and the Historic Project a convenient drive from the expanding Washington/Baltimore market, generating a sense of proximity -- more "do-able" as an excursion. In fact, Cooly pointed out, the Altoona-Johnstown area is within one day's drive of two-thirds of the nation's population.

"When Route 220 is completed to the north, creating a very effective connection to the New York City area (via I-80), the impact will be even more profound," Cooly said.

Improved Safety on 220

The new Route 220 is smoother, wider and more convenient for motorists, but those are not the only improved design features of the new highway. A number of modern safety features have been built into the design, creating a safer roadway and expanding the margin of safety for drivers.

These improvements include such features as longer decision sight distances, smooth speed transition design for acceleration and deceleration lanes and simultaneous horizontal and vertical curves.

In fact, the fatality rate on new sections of Route 220 already has been cut by 50 percent, and state officials anticipate it will drop another 50 percent when the entire stretch -- from the Turnpike to I-80 -- is completed. Prior to improvements, an average of 6.2 traffic fatalities occurred annually on old Route 220. This year, that average had dropped to four fatalities, and it is expected to be cut in half (to two fatalities annually) when the road is finished.

In addition, officials have tracked traffic injuries on both sections of Route 220 for the past five years and found that injuries occur nearly four times more frequently on the old section. A total of 946 injuries were reported on old Route 220 and 256 injuries were reported on new Route 220 since 1984.

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These fatal and injury accident reductions make sense in light of recent research conducted by the Transportation Research Board. In "The Relationship Between Safety and Key Highway Features," researchers found that widening of roads can reduce single-vehicle accidents by as much as 55 percent and head-on accidents by as much as 51 percent.

Also, widening a road by just one foot can reduce "run-off-the-road" and "opposite direction" accidents by 10 percent, while two feet of widening can reduce these types of accidents by up to 23 percent.

The Need for Improvements on Other Roads

This study has focused on the demographic, economic and safety impacts of Route 220 on Central Pennsylvania, specifically, Blair and Bedford Counties. But there are other areas of Pennsylvania where roads are groaning under overwhelming traffic volumes, where new lanes, wider lanes and safety improvements are needed to accommodate growth.

The Pennsylvania Department of Transportation (PennDOT) has included some of the needs in their 12-year program through the year 2000. A total of 196 miles are scheduled to be widened through the addition of lanes (excluding intersection improvements) at a cost of $494.6 million. Another 332 miles will be realigned or relocated at a cost of $3.8 billion.

Included in these 332 miles are 148 miles of turnpike projects to be completed by the Pennsylvania Turnpike Commission for some $2.5 billion. These projects include sections of the Beaver Valley Expressway in Western Pennsylvania, the Greensburg Bypass in Westmoreland County, Route 219 from the Ebensburg area to I-80 and the Mon-Fayette Expressway from the West Virginia state line to Pittsburgh.

The 528 miles of major improvements, to cost $4.3 billion (based on PennDOT's 12-year plan), certainly will contribute to the mobility and economic health of the areas. However, 528 miles represent about 1.3 percent of the 41,445-mile state-maintained highway system, and less than 2 percent of the state's 26,444-mile "Federal-aid" highway system.

Inadequate Federal-Aid Roads

Pennsylvania's federal-aid highways include the most heavily traveled roads under state and local jurisdictions. These roads are eligible for federal funds for construction and rehabilitation.

Pennsylvania's federal-aid system makes up just 22.8 percent of the total 115,900 miles in the state, but it carries 83.8 percent of total traffic.

The system includes Pennsylvania's 1,523-mile Interstate system, which carries about a sixth of all traffic. The rest of Pennsylvania's federal-aid system -- 24,921 miles of primary, secondary and urban roads -- carries more than two-thirds (67.1 percent) of all traffic.

The following chart shows these inverse proportions.

Pennsylvania's Roads*

Designation	Number of Miles	Traffic Volume
Federal Aid:		
Interstate	1,523 miles (1.3%)	13.158 bil. (16.7%)
Primary	9,963 miles (8.6%)	34.056 bil. (43.4%)
Secondary	7,962 miles (6.9%)	13.213 bil. (16.8%)
Urban	6,996 miles (6.0%)	5.446 bil. (6.9%)
Subtotal	26,444 miles (22.8%)	65.873 bil. (83.8%)
Non Fed. Aid	89,464 miles (77.2%)	12.753 bil. (16.2%)
TOTAL	115,908 miles (100.0%)	78.626 bil. (100.0%)

* Source: Highway Statistics 1987, Federal Highway Administration

Federal data on Pennsylvania's federal-aid highways show that only a small proportion of the system is comprised of four-lane highways divided by a median strip, despite the fact that federal-aid highways carry most of the traffic.

Just 12.8 percent -- 3,378 miles -- of the system is made up of four or more lanes of divided highways, including 1,523 miles of Interstate highways. Another 8.5 percent -- 2,240 miles -- are four-lane undivided, three-lane or one-way roads.

The vast majority of Pennsylvania's most heavily traveled roads, though -- 20,826 miles, or 78.7 percent -- are two-lane streets and highways. The following chart categorizes the kinds of roads on Pennsylvania's federal-aid system:

(miles)

Fed.-Aid Designation	4-lane or more Divided	4-lane undivided 3-lane/1-way Streets	2-lane	TOTAL
Interstate	1,523	--	--	1,523
Primary	1,598	929	7,436	9,963
Secondary	13	612	7,337	7,962
Urban	244	699	6,053	6,996
	3,378 (12.8%)	2,240 (8.5%)	20,826 (78.7%)	26,444 (100.0%)

By comparison, in New York, 16.8 percent (4,191 miles) of the federal-aid system is four or more lanes and divided; in Ohio, 13.3 percent (3,663 miles) is four or more lanes and divided.

TRIP Recommendations

The impact of the new Route 220 improvements to the Central Pennsylvania region is dramatic proof that transportation improvements foster healthy economic growth. However, due to budget constraints, many areas of the state continue to suffer from inadequate highways that are forced to carry growing traffic volumes.

The state's current 12-year program attempts to address the problem, but only 528 miles of improvements (at a cost of $4.3 billion) are planned to accommodate traffic growth and to support economic expansion in all areas of the state.

However, traffic continues to increase on Pennsylvania's roads. Since 1980, total traffic in the state has increased by 11.4 percent, or more than eight billion vehicle miles a year, from 71.52 billion in 1980 to an estimated 79.64 billion in 1988. That's an extra 70,000 vehicle miles a year on each mile of Pennsylvania's total road system.

Pennsylvania needs to invest in its most heavily traveled roads now. Delaying improvements will only increase costs. For instance, TRIP has found that road surfaces in "fair" condition can be resurfaced for a quarter of the cost of reconstruction.

Inflation, too, takes its toll on rehabilitation efforts. While the national federal-aid highway construction index, published by the Federal Highway Administration, increased 19.2 percent (from 155.0 to 184.7) between 1984 and 1988, Pennsylvania's federal-aid construction index jumped 51.5 percent (from 146.2 to 221.5) in the same time.

TRIP recommends that Pennsylvania implement the Route 220 concept statewide by constructing an "economic generator highway system" that would include the widening and improvement of many of the state's two-lane primary highways.

The primary highway system, which does not include the Interstate highway system, makes up 8.6 percent of the mileage in Pennsylvania, but carries 43.4 percent of all traffic. Just five years earlier, the primary system made up 8.6 percent of all mileage but carried just 37.1 percent of the traffic. Traffic volumes on this important system are increasing faster than the system can be expanded and improved to accommodate the growth.

Conclusion

The improvements to Route 220 through South Central Pennsylvania clearly have had a substantial positive economic impact on the adjacent communities and counties. TRIP's research shows that 52 companies have settled or expanded operations in Blair County alone, generating more than 2,500 jobs for area residents.

More than 1,000 new jobs have been created by business expansions in Bedford County. Retail sales in the Altoona metropolitan area alone jumped by more than $57 million annually in five years.

But there are many areas of Pennsylvania where traffic-laden, two-lane primary roads trek through growing towns or wind through rural sections, connecting farms with markets, or cities with towns and villages.

In fact, more than three-fourths of Pennsylvania's federal-aid primary road system is comprised of two-lane roads. This is the system that carries 43.3 percent of all traffic in the state -- more than 93 million vehicle miles a day.

TRIP's recommendation that Pennsylvania expand and improve its primary system will help boost other local economies just as the 220 improvements have done in Blair and Bedford Counties. If the state hopes to remain competitive, and to provide mobility for its businesses, industries and private citizens, these improvements must be made. To delay such action will only increase the cost of improvements, exacerbate growing traffic congestion and traffic safety and encourage a continuing decline in quality of life for Pennsylvania's citizens.

# # #

For further information please contact: Sally Thompson
Director of Research
(202)466-6706

TESTIMONY
OF
PETER LAPOINTE
ON BEHALF OF
HAULERS AGAINST LONGER TRUCKS

REAUTHORIZATION OF FEDERAL AID HIGHWAY ACT
FIELD HEARING

SUBCOMMITTEE ON SURFACE TRANSPORTATION
PUBLIC WORKS AND TRANSPORTATION COMMITTEE
U.S. HOUSE OF REPRESENTATIVES

ALTOONA, PENNSYLVANIA
SEPTEMBER 17, 1990

Good morning, Mr. Chairman. I appreciate this opportunity to appear before the subcommittee.

My name is Peter LaPointe. I am vice president of Eastern America Transport and Warehousing which is headquartered in Philadelphia and operates facilities and delivers goods along the East Coast from Maine to Virginia.

Among its motor carrier services, Eastern provides transportation for trailers and containers having a prior or subsequent move by either rail or steam ship. This aspect of the transportation business is known as intermodalism.

I appear before the subcommittee today in behalf of H.A.L.T. - Haulers Against Longer Trucks. HALT is a nationwide coalition of motor carriers who rely substantially, and in many cases exclusively, on transporting trailers and containers involved in intermodal service for their livelihood.

Mostly, these firms are small, family owned and operated businesses. They are concerned that the enactment of any law increasing federal maximum truck weight limits above the current 80,000 pounds would foster the widespread use of longer combination vehicles (LCVs) on our nation's highways. Use of such vehicles would put most, if not all, of these entrepreneurs out of business.

In lieu of legislation which would relax our weight laws and sanction the use of twin 48-foot trailers and triple 28-foot

combinations, intermodal truck operators urge the Congress to enact a bill which fosters the growth and expansion of intermodalism.

Mr. Chairman, intermodal trucking achieved great success during the 1980s riding the wave of extraordinary growth in this industry. Intermodal trailer and container movements grew from three million loads in 1980 to more than six million by the end of the decade. However, while this growth is impressive, the competitive environment (vs. trucks) in our industry resulted in this business producing only marginal profits for the railroad industry.

Much of the business railroads handle in domestic intermodal service is extremely susceptible to truck diversion. Consequently, any Congressional action allowing the trucking industry the right to use longer combination vehicles as a consequence of higher fuel taxes would have a devastating economic impact on rail intermodal -- and by extension on this segment of the trucking business.

Studies by the railroad industry estimate that just the initial impact of twin-48 foot trailers would mean a loss of 9 per cent of all rail ton-miles and 52 per cent of net operating revenues, based on 1986 figures, the most recent available.

Intermodal is hurt far worse than the average: railroads would lose 23 per cent of intermodal traffic and 27 per cent of intermodal gross revenues if twin 48s were legalized.

The long-term impact of the lost net revenue would be even greater intermodal diversion. Rail intermodal is dependent on expensive fixed facilities. With the loss of over a quarter of intermodal revenues, many of these facilities no longer would be economically viable.

According to several senior rail marketing officials, if railroads lose this much intermodal traffic, they would shut down their intermodal operations.

Work by Paul Roberts, a prominent independent transportation economist, also confirms the disastrous impact of legalizing twin 48s. According to Dr. Roberts, even the intermodal industry's new and highly successful doublestack business would not be immune from the effects of the broader use of these vehicles.

The impacts of triple 28 combinations is harder to estimate. But triple 28s would also divert substantial volumes of rail traffic. Railroads almost certainly would lose much, if not all, of the small package and LTL line-haul traffic they have won in the last few years.

Major small package trucking lines like UPS, Roadway Express, and Yellow Freight, who in recent years have increased their purchased transportation (almost all of it rail intermodal) likely would shift much of their line-haul back to the highway. So, the losses and lost potential for rail intermodal would be substantial.

Mr. Chairman, given this likely economic scenario should our weight laws be relaxed and LCVs gain a broader foothold, we in the intermodal trucking industry are hard-pressed to see how the tearing down of one of transportation's success stories of the 80s makes sense.

While I have explained how the effects of sanctioning the use of LCVs would affect the intermodal business on a macro level, I want to take a few moments to focus on the economic and personal upheaval the use of LCVs would cause the trucking entrepreneurs I alluded to earlier.

Intermodal truck operators have close ties to the communities

in which they operate. They employ neighbors and friends and provide a vital transportation service. If you think about it, virtually every intermodal trailer and container that moves in this country, at some point in its journey, moves over the highway. Intermodal truckers, or draymen, as they are sometimes called, handle this crucial activity.

Any substantial change in the intermodal market brought about by diversion of freight to lower cost operators of LCVs likely would see these small firms fail. Ironically, the beneficiaries of lower cost LCV operations would be what we call "absentee truck lines" - those large regional and national carriers who pass through the communities where the intermodal truckers operate, but who make no contribution to the community.

The loser, meanwhile, is the locally-domiciled intermodal trucking firm who employs local people, contributes to the community's economic growth, and provides much needed revenues to its tax base.

We believe that as the subcommittee proceeds with this legislation, it should evaluate the economic ramifications of its work on all levels.

In a broader context, Mr. Chairman, we share the widespread concern of many Americans about our continued reliance on foreign oil and the ongoing deterioration of our environment and infrastructure. Given these vexing problems, HALT does not believe it is prudent public policy to undermine the continued growth of intermodalism by sanctioning use of LCVs.

Intermodal transportation involves the best combination of the nation' surface transportation resources --the economy and efficiency of long haul rail and the flexibility short haul truck.

And it does it all on less energy and while reducing highway congestion and air pollution.

In its deliberations on this vital issue, we would urge the subcommittee to carefully evaluate how best to invest our limited financial resources in meeting the nation's transportation requirements into the 21st century.

Intermodalism certainly must continue to play a vital role in our nation's transportation network in the next century. We look forward to working with you in achieving this goal.

Consolidated Rail Corporation
U. S. House of Representatives
Subcommittee on Surface Transportation
Committee on Public Works and Transportation Hearing
September 17, 1990

Good Morning. My name is William B. Newman, Jr., and I am Vice President and Washington Counsel for Conrail, and am accompanied by Brian H. Vogel, Director of Competitive Policy, Association of American Railroads, and four fellow Conrail employees, Dennis Appleman, Chairman-Juniata Local Number 1639, International Association of Machinists and Aerospace Workers; Allen T. Butterbaugh, General Chairman-Lodge 105, United Railroad Supervisors Association; Michael Giansante, Local Chairman, International Brotherhood of Electrical Workers; and Mr. Thomas D. Lutton, President, Transport Workers Union of American, Local Union No. 2017. We are here to strongly urge the Congress not to increase the limits on the weight and size of trucks allowed to travel the nation's highways.

We start by noting the substantial unused capacity in the rail network which can be part of the resolution of the many serious problems with our transportation infrastructure. The growing congestion, pollution problems and fuel consumption associated with highway traffic can be alleviated by greater use of the non-congesting, environmentally benign, fuel-efficient rail mode. Equally as important, greater use of the rail network will permit the limited resources in the highway trust (when compared to the infrastructure investment demands) to be invested so as

to maximize the use of these scarce tax dollars. The key to greater utilization of the rail mode is not to further tilt public policy against the rail mode. We believe that authorizing the use of longer combination vehicles (LCVs) would tilt public policy against the rail mode so as to seriously threaten the rail industry, and foreclose the opportunity for the public sector to capitalize on the railroad industry's investment in infrastructure in the face of serious questions about the safety of such vehicles, that has led to documented public opposition to them.

The Association of American Railroads has estimated that the railroad industry would lose a 9 percent of its revenues and 52 percent of its operating income to LCVs, if their use were authorized. Some of that income would be lost from traffic that LCVs would capture outright. More would bleed away because of rates forced down to artificially low levels as railroads try desperately to hold as much business as possible. Remaining rail customers would have to pay a larger portion of the cost to maintain the industry's fixed assets.

Because Conrail's markets are highly truck competitive, we estimate that up to 40 percent of our revenues -- about $1.5 billion -- could be lost to LCVs, which will be able to outstrip the carrying capacity of our equipment. Twin 48-foot or triple 28-foot combinations, for example can hold as much as 140 percent of the cubic capacity of the rail industry's standard boxcar.

The results of such a dramatic decline in revenue and income will be devastating for Conrail, and more importantly, for its employees. Here in Blair County, for instance, Conrail employs more than 1,700 people -- approximately 1,200 in its major locomotive repair and freight car repair shops, and another 500 in train service, track maintenance, supervisory and clerical jobs. A 40 percent decline in revenues will force Conrail to reduce expenses commensurately, thereby leading to the commensurate reduction in Conrail jobs here in Altoona because less traffic demands fewer trains, fewer trains demand fewer train service employees and less locomotives and freight car use results in fewer jobs for the employees who maintain that equipment and finally, fewer employees means less revenue to the railroad retirement fund. In short, Altoona, a city which is steeped in railroad history, would be on the vanguard of absorbing the economic havoc LCVs would rein upon the rail industry.

The same effects felt here in Altoona will be felt across our entire system. Multiply those effects by the number of railroads operating across the country, and you begin to see the sobering impact LCVs would have on employment in our industry.

Longer combination vehicles, at weights of up to 135,000 lbs., compared to the current 80,000 limit, represent an enormous burden for our nation's already exhausted highway and bridges, and a serious threat to the

safety of the motoring public as well. That's why the AAA, the Advocates for Auto and Highway Safety, the American Insurance Association, the Sierra Club, the Joint Council No. 7 of the Teamsters, the National Taxpayers Union, have all testified before your subcommittee in strong opposition to LCVs.

Hidden behind that smokescreen of trucking industry's claims of higher productivity is the fact that rail-competitive trucks now pay substantially under for the damage they do to the nation's roads and bridges. FHWA and numerous states have documented that the rail competitive trucks pay only 55-60 percent of the damage they cause to the highway network and that underpayment is calculated on a direct cost basis. If the indirect, the social and the capital costs of heavy trucks are calculated, that underpayment escalates sharply. That's not productivity; it's a subsidy, because it allows trucks to offer low rates without footing the entire bill, placing railroads at a public policy disadvantage and saddling the nation's motorists with the burgeoning costs of repairing our highways.

To allow larger, heavier trucks on the highways will only swell that subsidy. A full-loaded twin-48' does 1.9 times the payment damage of a single 48 with the same payload -- yet pays 31% less per ton mile in federal taxes. The twin-48 would cover only 18% of its total cost. In addition, portions of the highway system are not even

configured to accommodate trucks of the size being proposed, as the California Department of Transportation documented a few years ago in actual demonstrations. At a time when the federal budget is spread thinner and thinner each year, we must question whether taxpayers should continue to finance a mode of transportation bearing such an expensive price tag, especially when alternatives are available.

But these underpayments pale in comparison to the issue of the safety of the motorists who must share the highways with increasingly larger and heavier trucks. Trucks already account for nearly a third of all fatal highway accidents. Numerous independent studies, and many professional truck drivers, have raised serious questions about the ability of double and triple-trailer combinations to be operated safely. The trucking industry claims that operation of certain LCVs to date proves them to be safe, but that limited experience is based by and large on heavily supervised operations in sparsely populated states, often only in good conditions. A recent study commissioned by the Association of American Railroads, by Scientex shows the incidence of fatal accidents with existing doubles to be substantially greater than single trailer trucks. What would one expect from heavier, longer vehicles?

Railroads pose none of the social problems associated with larger trucks. The nation's railroads are efficient. We have the ability to dramatically increase, even double, our freight-carrying capacity at no cost to the taxpayer.

Railroads are privately funded. We pay the cost of maintaining our own roadbeds, track and signaling systems. In fact, railroads spend about $7 billion every year to improve and maintain track and signals.

Railroads are more fuel-efficient. What we can haul with three to five locomotives requires 200 tractors to move over the highway, at a substantial increase in fuel consumption and air pollution.

Railroads are safer. On a per-billion ton-mile basis, trucks experience 10 times as many accidents as railroads and three times as many fatalities.

There is simply no need to absorb the substantial increase in social costs LCVs will impose, particularly when railroads --a safer, more fuel efficient, cleaner, privately financed mode of transportation -- have excess capacity available to handle the needs of the shipping public.

I urge you to keep the nation's highways closed to larger, heavier trucks.

Competitive Policy Reporter
An AAR/Intermodal Policy Division Report

Volume I, Number 8

DOUBLES' UNSAFE RECORD IMPLIES LCV RISKS

L. Lee Lane
(202) 639-2163
August 24, 1990

INTRODUCTION

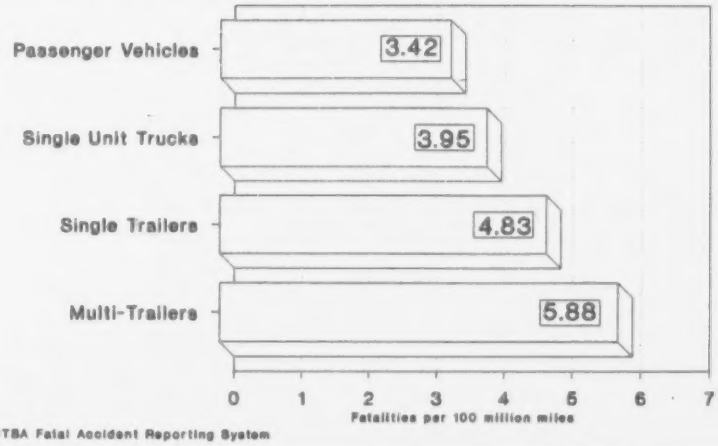
This Competitive Policy Reporter summarizes the principal findings of a Scientex, Incorporated study of multi-trailer combination vehicle safety. The study was conducted by Roger D. Mingo, Joy R. Esterlitz, and Bret L. Mingo under a contract with the Association of American Railroads.

The summary makes four key points:

- The Scientex study found that fatal accident rates for current doubles are 22-42 percent higher than for tractor semi-trailers;
- The operational characteristics of multiple combination vehicles have contributed to the cause or severity of many accidents;
- The statistical accident experience with existing longer combination vehicles (LCV) operations sheds little light on LCV safety; and
- The logic of this study has been to examine the safety record of western doubles in order to predict the safety of LCVs if operated more widely.

EXHIBIT I

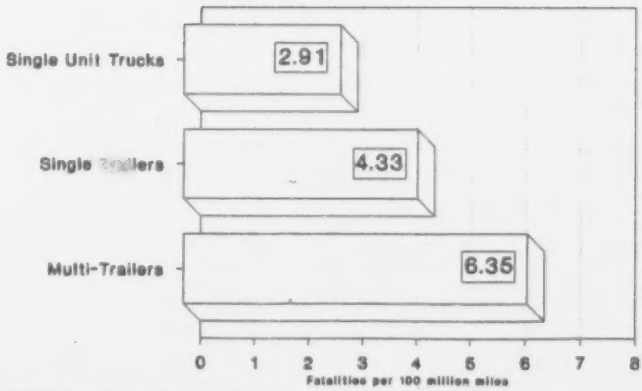
HIGHWAY FATALITY INVOLVEMENT RATES
1988 NATIONAL AVERAGE



NHTSA Fatal Accident Reporting System

EXHIBIT II

TIFA FATALITY INVOLVEMENT RATES
1986 NATIONAL AVERAGE



TIFA (Trucks Involved in Fatal Accidents)

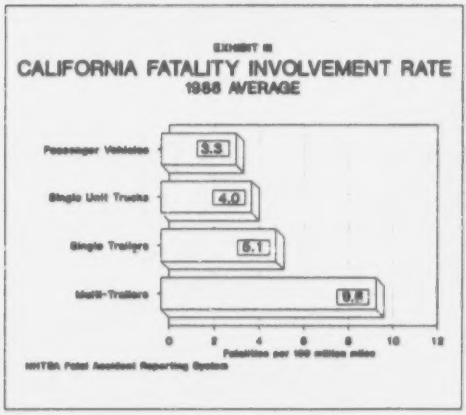
I. THE SCIENTEX STUDY FOUND THAT FATAL ACCIDENT RATES FOR CURRENT DOUBLES ARE 22-42 PERCENT HIGHER THAN FOR TRACTOR SEMI-TRAILERS.

A. This Study Used The Latest Year Of Each Of The Two Best Sets Of Fatal Accident Data Available: NHTSA's Fatal Accident Reporting System (FARS) For 1988 And The Trucks Involved In Fatal Accidents (TIFA) Database For 1986.

Travel data came from state reports to the Federal Highway Administration (FHWA) adjusted to match FHWA control totals. FARS shows a fatality involvement rate for multi-trailer trucks (virtually all "western" doubles -- twin 28s) that is 22% higher than for single trailer combination vehicles, 49% higher than for single unit trucks, and 72% higher than for passenger vehicles (Exhibit I).

TIFA, which goes to great effort to verify vehicle type and finds more doubles, shows fatal accident rates for multi-trailers that are 47% higher than for single trailer vehicles and 118% higher than for single unit trucks (Exhibit II).

B. The More Doubles Operations Resemble Those Of Conventional Trucks, The Higher The Fatal Accident Rates.



Doubles tend to be used in special circumstances, usually for longer hauls on safer highways than other trucks. A major exception is in California, where "western" doubles are used more like other trucks than in any other state. The 1988 FARS shows the fatality involvement rate for doubles in California to be 98% higher than for single trailer combinations, 115% higher than for single unit trucks, and 173% higher than for passenger vehicles (Exhibit III).

C. When Heavy Trucks Collide With Passenger Vehicles, The Occupants Of The Passenger Vehicle Are Far More Likely To Be Seriously Or Fatally Injured Than Are The Occupants Of The Truck.

Published figures from the 1988 FARS show that in accidents involving heavy trucks, approximately six passenger vehicle occupants are killed for every one heavy truck occupant. Most of the heavy truck fatalities, however, resulted from single vehicle accidents. Many of the rest resulted from collisions between two or more trucks, with no passenger vehicles involved.

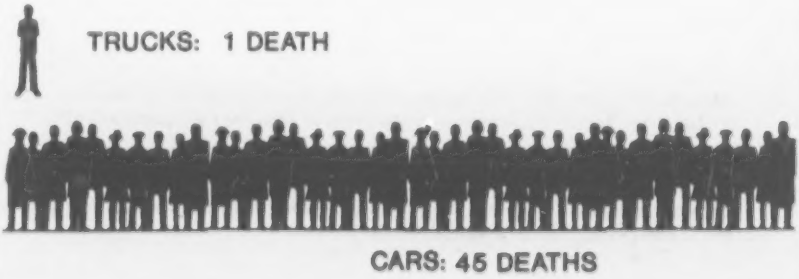
4

EXHIBIT IV

HEAVY TRUCK/AUTO COLLISIONS
29 TO 1 KILL RATIO

EXHIBIT V

MULTI-TRAILER TRUCK/AUTO COLLISIONS
45 TO 1 KILL RATIO



D. When Two-Vehicle Collisions Between A Heavy Truck And A Passenger Vehicle Are Considered, The "Kill Ratio" Increases Five-Fold To About 29 Passenger Vehicle Occupants Killed For Each Heavy Truck Occupant Killed (Exhibit IV).

E. The Passenger Vehicle-To-Truck Kill Ratio For Multi-Trailers Is Much Worse Than For Conventional Trucks.

In a two-vehicle collision between a passenger vehicle and a multi-trailer combination vehicle, there are 45 passenger vehicle occupants killed for each multi-trailer occupant killed (Exhibit V).

II. THE OPERATIONAL CHARACTERISTICS OF MULTIPLE COMBINATION VEHICLES HAVE CONTRIBUTED TO THE CAUSE OR SEVERITY OF MANY ACCIDENTS.

A. Data From The 1988 FARS Confirms A Higher Fatality Rate For Doubles Than For Singles For Accidents Involving Jackknifing Or Rollover.

Doubles are more prone to each of these phenomena than are single trailer combinations.

B. And The Operating Characteristics Of LCVs Are Known To Be Inferior To Those Of Tractor Semi-Trailers.

FHWA's 1985 study, *The Feasibility of a Nationwide Network for Longer Combination Vehicles*, reported that large multi-trailer vehicles are poorer at accelerating, maintaining highway speeds, offtracking, and maintaining adequate braking than conventional tractor semi-trailers. A recent University of Michigan Transportation Research Institute study found that length, weight, and number of trailers all have significant influence on low and high-speed offtracking, ability to brake in a straight line, rollover, and turn handling.

C. Moreover, There Is Extensive Anecdotal Evidence Showing The Contribution Of Operating Characteristics To Specific Accidents.

FHWA's Motor Carrier Accident Reporting System, while severely underreporting motor carrier accidents, provides many examples of LCVs involved in lane change, sideswipe, merging, and other such accidents where their operating characteristics could have been substantial contributing factors.

D. And Many Truck Drivers Regard Multiple Combinations To Be Unsafe.

In the 1986 FHWA study *Longer Combination Vehicle Operations In Western States*, a number of truck drivers wrote to the public docket to say that they considered triples to be unsafe vehicles with poor operating characteristics, particularly in bad weather. In addition, several surveys of triples drivers have shown widespread concern for the safety of their vehicles.

E. LCV Operating Characteristics Suggest They Would Be Even Worse Than Western Doubles.

Triples are worse than western doubles with respect to every operating characteristic that has potential safety consequences. Turnpike and rocky mountain doubles are worse in most of the important characteristics, the major exception being whip and sway. The higher gross weights are one factor that makes them inherently even more hazardous than are western doubles; the extra articulation of triples is another factor. Under identical operating conditions, LCV accident experience would clearly be expected to be worse than single trailer vehicles and even worse than western doubles operations. There would be more accidents, more severe accidents, more fatalities, and a higher kill ratio.

III. THE STATISTICAL ACCIDENT EXPERIENCE WITH EXISTING LCV OPERATIONS SHEDS LITTLE LIGHT ON LCV SAFETY.

A. Previous LCV Safety Studies Have Had Severe Limits In Sample Size And Data Reliability.

Vehicle configurations are inadequately and unreliably reported on state accident reporting forms. Current traffic data relies upon biased sampling methods with conjectural correction factors or no correction factors at all. The studies relying upon this data have therefore been inconclusive in demonstrating whether or not current special restrictions and operating conditions are sufficient to keep LCV accident rates close to tractor semi-trailer accident rates.

B. Moreover, LCVs Are Currently Used Only Under Special Conditions.

LCVs are limited in which roads they can travel on, what hours of the day, and what kind of weather conditions. They have special equipment requirements and are usually given the best drivers. They are subject to special, revokable permits and special inspections.

C. Experience Under Special Conditions Cannot Be Extended To General Conditions.

Even if accident and travel data were available with sufficient quality and in sufficient quantities reliably to determine current accident rates (which it is not), this would be of limited use in predicting LCV safety if their use were more widespread. As the California safety experience with western doubles shows, we could expect a large increase in fatalities and accidents if LCVs were permitted in more places or with fewer restrictions.

IV. THE LOGIC OF THIS STUDY HAS BEEN TO EXAMINE THE SAFETY RECORD OF WESTERN DOUBLES IN ORDER TO PREDICT THE SAFETY OF LCVS IF OPERATED MORE WIDELY.

A. If Western Doubles Have Inferior Safety Performance, Then LCVs, Which Have Even More Severe Operational Problems, Should Represent An Even Greater Safety Threat.

The FARS and TIFA data show that western doubles do, in fact, have a poorer safety record than tractor semi-trailers. The especially poor record in collisions with automobiles (the enormous difference in "kill ratio" between auto and truck passengers) suggests, too, that the danger to automobiles is a particular problem. The same phenomenon also implies the existence of a driver incentive problem for trucks.

And the California data shows that the safety of western doubles deteriorates sharply as their operations become more commonplace.

B. The Quality Of Available Data Will Improve Within A Few Years.

The National Governors Association has developed a model accident reporting form that states are expected voluntarily to implement. Vehicle configuration data will become more uniform and reliable than at present. Similarly, FHWA has recently issued the *Traffic Monitoring Guide*, which calls for much more statistically reliable traffic data collection by state highway agencies. The superior data that will be collected by states will allow more reliable determination of relative accident rates. If past patterns hold, it is likely that the accident rate of doubles and other less-common vehicles will appear to rise substantially as the degree of underreporting is reduced.

C. The Substantial Safety Problems Of Western Doubles Operations Argue Against Expanded LCV Operations Unless And Until New Data Shows That These Problems Can Be Overcome.

When the most reliable and available large national accident and vehicle travel databases are used to derive estimates of accident involvement rates, it is clear that existing doubles are much more dangerous than conventional tractor semi-trailers. If LCVs were used under the same conditions as current doubles, their accident rates would be even higher. Until the new data shows that the accident problems associated with multi-trailer combinations have been overcome, more widespread use of LCVs would represent a serious safety risk.

If you have questions or seek further information, please contact L. Lee Lane at (202) 639-2163.
A full copy of the Scientex study is available upon request.

"Route 220 and Route 15 - The Valley Route of the Central Appalachians"

Appalachian THRUWAY Association

1722 North Second Street • Harrisburg, Pennsylvania 17102 • (717) 236-0166

County Chapters

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Pennsylvania
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Centre
Clinton
Lycoming
Tioga

Testimony Presented by:

Kenneth H. Quigley
Executive Director
Appalachian Thruway Association

Monday, September 17, 1990
Altoona, Pennsylvania

Good morning. I represent the Appalachian Thruway Association. We are a private, grassroots organization working to improve the Appalachian corridor that stretches from Cumberland, Maryland through Central Pennsylvania to Corning, New York. Individuals, businesses and local governments make up the bulk of our membership.

Today, more than two-thirds of the 238-mile highway is either complete, under construction or in final design phases. The Thruway connects eight major east-west highways, including three Interstate highways, and it the only major north-south highway through central Pennsylvania.

I would like to make just two main points today:

1. Improved highways are crucial to the quality of life in the rural areas and small cities of our nation.

2. The federal Appalachian Development Highway Program has been a godsend for the Appalachia region of the nation and should be extended and augmented under any new federal transportation policy.

First, a few reasons why highways are so important to us...

Obsolete and deteriorated highways are unsafe highways. A case in point is the 62-mile section of the Appalachian Thruway between Williamsport and the New York State line. During the past six years, there have been 1,054 serious accidents. 1,165 people were injured and 62 people died. That averages out to about 15 accidents, 16 serious injuries and one death per month. That has been happening for every month for the past six years.

Or consider the fact that within three years we will have a beautiful, four-lane limited access highway that extends from the Pennsylvania Turnpike north toward Interstate 80 for more than 60 miles, only to empty onto unimproved, two-lane, hilly road through small towns -- 20 miles short of the Interstate.

In a very real way, our very lives depend on highway improvements.

Secondly, the Appalachian Region of the nation has lagged behind the rest of the nation in terms of economic development and growth. Safe, modern highways, we believe, can help to make up that difference.

A recent ARC survey underscores our faith. It found

that 81 percent of the 695,000 jobs created in the Appalachia region between 1980 and 1986 were located in the 241 Appalachian counties were there was a completed Appalachian Development or Interstate Highway.

A study completed last November on the impact of the completed sections of the Thruway in Blair and Bedford Counties revealed that commercial building permits in the Altoona area increased by 500 percent between 1987 and 1988. Also, between 1985 and 1989, 52 companies invested nearly $50 million to expand plants or establish new operations in Blair County alone, creating 2,500 new jobs.

And the corridor is not yet complete.

Thirdly, tourism provides a major source of revenue for rural counties. A study we completed several years ago concluded that the growth rate for tourism in the corridor would increase at twice the national average over 10 years if the highway were completed. Today, even with the highway still incomplete, we are seeing numerous tourism destinations being developed throughout the region.

My second main point is this. The highway development funds of the Appalachian Regional Commission have made a world of difference in Appalachia. Since it began in 1965, the nation has invested millions of dollars in the region; and it is now beginning to pay off.

However, the Appalachian Development Highway System,

promised by Congress so many years ago, is not complete. At the current rate of funding it will not be complete for another 75 years.

We cannot wait that long.

Thanks to strong support in the House, the ARC's highway program survived attempts by the Reagan administration to abolish it. And thanks to special efforts by Congressman Shuster we have been able to address the transportation needs of the City of Altoona and the Central Pennsylvania region.

But the job is not done. In your efforts to address the nation's transportation needs ... urban gridlock, suburban sprawl, mass transit, Interstate maintenance and more ... the needs of America's small cities and rural communities must not be neglected.

As you redraft the Federal Surface Transportation Act, and wrestle with how to spend down the unobligated balance in the Federal Highway Trust Fund, which we feel you must do, consider the unfinished Appalachian Region Development Highway System. Consider the transportation needs of rural and small town America. Consider the importance of Interstate Connectors, like the Appalachian Thruway, not only to the region, but to the nation as well.

In Money magazine's list of the "Top 100 Places to Live in America" for 1989, four of the cities listed are

located along the Appalachian Thruway corridor: Cumberland, Maryland; Altoona, State College and Williamsport, Pennsylvania.

We believe this says something significant about the level of community pride that exists in these cities and in other towns and cities along the route of the Thruway. The nation needs these people. It needs these towns to remain strong and to grow. In order to do so, we believe, safe, modern highways must link these communities to one another, and to the rest of the nation.

We ask that you recognize the importance of developmental highways to rural and small town America, and that you extend and augment the Appalachian Development Highway Program as you develop new federal surface transportation legislation.

Thank you.

38-253 O—91——92

TESTIMONY

OF

WILLIAM STOUFFER

COMMISSIONER, BLAIR COUNTY, PENNSYLVANIA

BEFORE

U.S. HOUSE OF REPRESENTATIVES

PUBLIC WORKS COMMITTEE

SURFACE TRANSPORTATION HEARING

ALTOONA, PENNSYLVANIA

SEPTEMBER 17, 1990

TESTIMONY OF WILLIAM STOUFFER, COMMISSIONER OF BLAIR COUNTY
BEFORE THE HOUSE PUBLIC WORKS COMMITTEE
SURFACE TRANSPORTATION HEARING
SEPTEMBER 17, 1990, IN ALTOONA, PENNSYLVANIA

MR. CHAIRMAN, I EXPRESS MY APPRECIATION TO ADDRESS THIS GROUP THIS MORNING. MY NAME IS BILL STOUFFER. A SIGNIFICANT PART OF MY LIFE HAS BEEN DEVOTED TO PUBLIC SERVICE. PRESENTLY, I SERVE AS COMMISSIONER FOR BLAIR COUNTY AND RECENTLY WAS ELECTED TO SERVE AS CHAIRMAN FOR THE TRANSPORTATION TECHNICAL ADVISORY GROUP OF THE SOUTHWESTERN PENNSYLVANIA HERITAGE PRESERVATION COMMISSION.

FURTHERING THE IMPROVEMENT OF ACCESS INTO AND WITHIN OUR REGION HAS BEEN A FUNDAMENTAL PRIORITY AND CONSTANT PURSUIT OF MY PUBLIC CAREER.

WE ARE EXTREMELY GRATEFUL FOR THE EXCEPTIONAL CONTRIBUTION THAT CONGRESSMAN SHUSTER HAS PERSONALLY MADE TO THE DEVELOPMENT OF A MORE EFFICIENT AND SAFE HIGHWAY SYSTEM IN OUR REGION. HIGHWAY IMPROVEMENTS LIKE U.S. 220 BETWEEN ALTOONA AND BEDFORD ARE INVALUABLE TO THE QUALITY OF LIFE AND FUTURE ECONOMIC WELL-BEING OF OUR COMMUNITIES.

WHILE WE APPLAUD THESE NOTABLE ACCOMPLISHMENTS, THERE REMAINS SERIOUS GAPS IN VITAL HIGHWAY LINKAGES THAT ARE CRIPPLING REGIONAL DEVELOPMENT OPPORTUNITIES IN OUR AREA.

PORTIONS OF U.S. 22 ARE A GOOD EXAMPLE OF WHAT I AM TALKING ABOUT. U.S. 22 HAS ALWAYS BEEN AN ESSENTIAL ECONOMIC AND REGIONAL LINE TO OUR AREA WEST OF HARRISBURG. DURING THE UPDATE OF THE PENNSYLVANIA DEPARTMENT OF TRANSPORTATION'S "1984-1996 12-YEAR BRIDGE AND HIGHWAY PROGRAM," A PLANNING STUDY WAS INITIATED FOR THE SECTION FROM CUBA MILLS IN JUNIATA COUNTY TO HOLLIDAYSBURG IN BLAIR COUNTY. THE STUDY, WHICH SHOWS OPTIONS AVAILABLE TO PENNDOT FOR IMPROVING U.S. 22, WAS COMPLETED IN MARCH 1989. THESE OPTIONS INCLUDED PROJECTS FROM MINOR IMPROVEMENTS TO CONSTRUCTING A COMPLETE FOUR-LANE RELOCATION.

UNDER ITS CURRENT 12-YEAR PROGRAM (1988-2000), PENNDOT HAS ELECTED TO ADD $10 MILLION TOWARD IMPROVEMENT PROJECTS ALONG THE CUBA MILLS TO HOLLIDAYSBURG CORRIDOR. ALSO INCLUDED ARE THREE BYPASS STUDIES AT LEWISTOWN, WATER STREET AND HOLLIDAYSBURG.

THE ENTIRE SECTION OF U.S. 22 FROM MUNDYS CORNER TO MONROEVILLE HAS ALSO BEEN PLACED ON THE CURRENT PROGRAM FOR RECONSTRUCTION TO FOUR LANES ON EXISTING ALIGNMENT IN VARIOUS FOUR-YEAR PERIODS. PROJECTS IN THE FIRST FOUR-YEAR PERIOD BEGIN AT THE MONROEVILLE END HEADING EAST, WITH THE MUNDYS CORNER PROJECT IN THE THIRD FOUR-YEAR PERIOD.

WE REAFFIRM OUR COLLECTIVE DETERMINATION THAT IMPROVEMENTS TO U.S. 22 BE EXTENDED AND THE HIGHWAY BE DEVELOPED AS A PARKWAY-LIKE, LARGELY LIMITED ACCESS, FOUR-LANE FACILITY THAT PROVIDES A SAFE AND QUALITY DRIVING EXPERIENCE FOR AREA RESIDENTS AND COMMERCIAL TRAFFIC BETWEEN PITTSBURGH AND HARRISBURG.

WE ALSO HOPE THAT NO SERIOUS CONSIDERATION WILL BE GIVEN TO THE IDEA OF USING FEDERAL HIGHWAY REVENUE FOR ANYTHING UNRELATED TO THE RESEARCH, DEVELOPMENT, INTERPRETATION AND MAINTENANCE OF OUR NATIONAL TRANSPORTATION SYSTEM.

SOUTHWESTERN PENNSYLVANIA EMBODIES THE COMPLETE HISTORICAL SPECTRUM OF SURFACE TRANSPORTATION DEVELOPMENT IN THIS COUNTRY.

CONGRESSMAN SHUSTER'S HOME, BEDFORD COUNTY, HAS CAPITALIZED ON THE OPPORTUNITY MADE POSSIBLE BY AMERICA'S INDUSTRIAL HERITAGE PROJECT TO SHOWCASE THE REGION'S RICH TRANSPORTATION HISTORY BY ADOPTING THE THEME, "TRAILS TO TURNPIKES." THE COUNTY PLANS TO DEVELOP A TRANSPORTATION MUSEUM AS AN INTEGRAL PART OF A NINE-COUNTY EFFORT TO ENCOURAGE ECONOMIC DEVELOPMENT AND TOURISM BY PRESERVING AND INTERPRETING KEY HISTORIC RESOURCES AND THEMES.

THE LEGISLATION CONCEIVED BY CONGRESSMAN MURTHA THAT ESTABLISHED AMERICA'S INDUSTRIAL HERITAGE PROJECT (A.I.H.P.) ALSO PROVIDED FOR THE DESIGNATION OF EXISTING STATE ROADS INTO A SYSTEM OF INDUSTRIAL HERITAGE ROUTES LINKING HISTORICAL SITES AND OTHER ATTRACTIONS WITHIN THE REGION. THIS PROVISION IS LISTED UNDER TITLE II OF PUBLIC LAW 100-698.

THIS INDUSTRIAL HERITAGE ROUTE IDEA HAS GENERATED CONSIDERABLE ENTHUSIASM AND HAS SUBSTANTIATED THE VIEW OF AMERICANS' ENDURING ROMANCE WITH THE ROAD.

BECAUSE OF THE ABSENCE OF A NATIONAL SCENIC BYWAYS PROGRAM COMBINED WITH THE FACT THAT THE COMMONWEALTH OF PENNSYLVANIA HAS NOT OFFICIALLY ADOPTED A SCENIC ROAD PROGRAM, AS CHAIRMAN OF THE TRANSPORTATION COMMITTEE FOR A.I.H.P., I APPOINTED A SEVEN-MEMBER TASK FORCE IN APRIL 1988 TO DEVELOP A PROCESS FOR IMPLEMENTING TITLE II OF PUBLIC LAW 100-698. THE TASK FORCE WAS MADE UP OF REPRESENTATIVES FROM THE NATIONAL PARK SERVICE, PENNDOT, PENNSYLVANIA HISTORICAL MUSEUM COMMISSION, THE TOURISM INDUSTRY, AND THE STATE LEGISLATURE.

THE WORK DONE BY THIS GROUP, WITHOUT THE BENEFIT OF A NATIONAL PROGRAM, HAS BEEN ADMIRABLE, AND I BELIEVE THEIR PLAN COULD SERVE AS A NATIONAL MODEL.

THE SUCCESS OF AIHP TO THIS POINT HAS BEEN THE GENUINE PARTNERSHIP BETWEEN GOVERNMENT AND THE PRIVATE SECTOR. EACH SERVES CLEAR ROLES WITH SPECIFIC RESPONSIBILITIES. WE VIEW SCENIC BYWAYS SIMILARLY -- WITH SPECIFIC FEDERAL, STATE AND PRIVATE-SECTOR ROLES.

THE FEDERAL ROLE, AT A MINIMUM, SHOULD INCLUDE TECHNICAL AND FINANCIAL ASSISTANCE IN SUPPORT OF SCENIC BYWAYS. THE COORDINATION OF REGIONAL, STATE AND FEDERAL AGENCY SCENIC BYWAYS PROGRAMS WOULD ALSO SEEM BEST SERVED AT THE NATIONAL LEVEL.

IN CLOSING, LET ME STATE OUR STRONG SUPPORT FOR A SCENIC BYWAYS COMPONENT IN THE 1991 HIGHWAY BILL.

US HOUSE OF REPRESENTATIVES

SURFACE TRANSPORTATION SUBCOMMITTEE

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

SEPTEMBER 17, 1990

STATEMENT OF

C. WILLIAM WARD

WARD TRUCKING CORPORATION
REPRESENTING THE

PENNSYLVANIA MOTOR TRUCK ASSOCIATION.

INTRODUCTION

Thank you for the opportunity to testify concerning the future of the Federal-aid highway program and related surface transportation issues. I am pleased to share with you the views of both the Pennsylvania Motor Truck Association as well as the American Trucking Associations.

Trucking is essential to the economic well-being of states' like Pennsylvania. A glance at some fundamental facts about the motor carrier industry in Pennsylvania will confirm trucking's critical role in ensuring the continuation of the state's economic vitality. Based on 1988 data, the industry:

- Employs 353,322 persons
- Had a payroll in 1988 totaling over $7.5 billion
- Serves all of Pennsylvania populated communities of which 80.6% depend entirely on trucks
- Paid $871 million in 1988 State and Federal Highway Taxes, accounting for 58.6% of the total state and Federal Highway Tax receipts paid by all motor vehicles, approximately $16.8 million each week.
- Trucks paid $381.8 million in State Highway User Taxes 34.7% of the total paid by all motor vehicles
- State and Federal Highway User Taxes paid on one large truck combination are 45 times greater than those paid by one medium passenger car.

Nationally too trucks have become the carrier of choice of America's shippers. Over 77% of the value of everything America grows and produces now moves on trucks. Freight revenue now exceeds $240 billion annually, and the trucking industry generates fully 5% of this Nation's gross national product. The trucking industry employs 7.5 million Americans, and pays them $160 billion in wages annually. Trucks pay over $50 million a day in highway use taxes which represents more than 45% of all state and federal taxes paid.

This testimony will present further information on six critical areas for your consideration:

- Program Structure
- Program Finance

- o Safety
- o Highway Design
- o Productivity
- o Related Issues

Program Structure:

We believe that the preservation, expansion, and reconstruction of the National System of Interstate and Defense Highways and major primary highways of national concern should be the cornerstone of a new Federal highway program. Other arterial routes necessary to develop a national network should be included in the system.

More specifically, the new national system should consist of 140,000 to 180,000 miles which will effectively connect all of the nation's population centers and accommodates approximately 45% of all traffic movements, including 70% of all commercial traffic.

Primary or arterial routes which are incorporated into the Highways of National Significance should be upgraded to standards adequate for the traffic volumes and vehicle populations using such routes on a priority basis. These routes which will carry more than 70% of the nation's intercity freight will require increased funding to meet these higher highway standards. Some may need to be upgraded to near Interstate System standards but many may simply need to be rehabilitated to modern geometric standards and to provide for adequate traffic movement.

Full Federal-aid funding, as now authorized, should be provided through FY 1991. After completion of the Interstate System, the Highways of National Significance must become the principal Federal aid system. This system should be funded at a level to meet essential future needs and at a higher Federal aid matching ratio than any other Federal aid highways. Fund distribution to the new system should be by an equitable formula.

Federal aid should continue for major bridges and for secondary and urban roads off the National system to improve urban, suburban and rural mobility. Many interstate freight movements begin or end on lesser rural and urban primary and secondary routes and federal aid programs should support major construction projects on these routes.

Accordingly, a significant federal aid program for routes not included on the new National system will remain a high priority for the trucking industry. Increased federal highway

spending should be sought for these categories through 1995 either by reducing specific categories or by block grant programs with some restrictions on use.

Program Finance:

The money is in the Federal Highway Trust Fund now to start this program with funding at an annual funding level of $18 billion. No new taxes are needed and none should be considered until the current fund balances in the Highway Trust Fund are adequately committed. Shifting the burden to state and local funding denies the national nature of the highway program. Continued federal funding for major secondary and urban road projects and for bridges is also needed and can be supported by this level of funding.

While DOT refers to tolls as a "limited" option, tolls do receive a great deal of emphasis in the National Transportation Policy. ATA strongly opposes any new tolls on existing roads. There should be no mixing of Trust Fund dollars with toll road bond funds. Some limited use of toll financing for congestion relief or other specified purposes could be considered in specific instances.

Expansion of the use of Highway Trust Fund dollars for purposes other than highways is not a viable option and should not be considered. Shifting a greater burden of highway construction cost to state and local governments could mean a back door tax increase and lead to the deterioration of the concept.

There is evidence of continued excise tax evasion. While the Internal Revenue Service has voiced concerns they have done little to stop it. We believe that the use of Federal Highway Trust Fund monies to enhance State and Federal highway tax enforcement efforts will also pay large dividends. ATA supports the emphasis contained in the National Transportation Strategy to curtail excise tax evasion. Proper audit and enforcement could add $1 billion to the Highway Trust Fund. And the elimination of 'gasohol' exemptions could also add nearly $500 million to the Trust Fund every year.

Safety:

According to the Fatal Accident Reporting System (FARS) of the U. S. Department of Transportation (the most reliably collected truck accident data on a national scale) the data from

1976 to 1986 indicates that fatal accident rates per million truck miles have steadily fallen through the 1980's. (See chart below)

Fatal Accident Statistics for Combination Vehicles

1976-86

	Number of Fatal Accidents	Vehicle Miles Traveled (billions)	Fatal Accident Rate (per 100 million miles)
1976	3260	49.7	6.56
1977	3613	55.7	6.49
1978	4066	63.0	6.45
1979	4307	67.0	6.43
1980	3731	68.7	5.43
1981	3863	69.1	5.59
1982	3519	66.7	5.28
1983	3545	69.8	5.23
1984	3907	77.4	5.05
1985	3892	79.6	4.89
1986	3825	82.7	4.63

Note: Combination vehicles include all separate tractor-trailer combinations.

The Motor Carrier Assistance Program has been an extremely successful federal - state partnership to reduce commercial motor vehicle accidents. The program has received increased funding levels every year to its present level in FY 90 of $60 million. We believe the program should continue and that funding should be increased. We believe that increased funding should be directed towards providing more effective training for inspectors charged with the responsibility of inspecting commercial motor vehicles.

Since 1974, almost $5 billion has been obligated from the Highway Trust Fund for rail-highway crossing improvements under the section 130 rail-highway crossing program, other Federal-aid programs, and the section 163 railroad relocation demonstration program. Almost 40% of these funds have come from Federal Highway user fees paid by the trucking industry into the Highway Trust Fund.

Because these programs provide substantial benefits to the railroad industry, the law requires the railroads to contribute private funds to individual projects. Under section 130(b) of title 23, the railroads are required to contribute up to 10% of total project costs which the Secretary determines will represent the net benefit to the railroads of each project type.

Unfortunately, the regulations under which the railroads have operated since 1975 have served to limit their required contributions to a minuscule level, perhaps 1% of Federal-aid project costs. These sweetheart regulations should be reevaluated to assure that the railroads pay their fair share of rail-highway crossing project costs.

Highway Design:

A recent study by Kenneth A. Small, Clifford Winston and Carol A. Evans, Road Work, published by the Brookings Institution, observes that the trucking industry and the Nation are paying a steep price for suboptimally designed pavements and that "trucks would damage roads far less if roads were correctly built in the first place." In reaching this conclusion, the study assumes life cycle highway costs would be minimized through optimal highway design -- in their words, by adding "pavement thickness (or other measures to improve durability) until the incremental cost of additional durability equaled the incremental savings in maintenance and (highway) user costs." With these durability improvements, the study suggests that the costs attributable to heavy combination vehicles would be 1/3 less than their current road user charges.

The economies of scale of building stronger and thicker pavement structures are enormous. According to American Association of State Highway and Transportation Officials (AASHTO) design procedures, one additional inch of pavement effectively doubles the strength (and life) of the pavement yet adds only 4% to pavement related construction costs and less than 1/2 of 1% to the total construction costs of a rural Interstate highway (according to Federal Highway Administration [FHWA] cost data). Virtually without exception, the incremental savings in future highway maintenance, rehabilitation and highway user costs will far outweigh the incremental costs of thicker pavements.

A typical concrete pavement section on rural Interstate highways today is 10" thick. According to current AASHTO design procedures, this design will accommodate a minimum of 5 million 18,000 pound axle load applications (or its equivalent). Eight times more durable than a 10" concrete pavement, a 14" concrete pavement adds but 15% to pavement related construction costs and less than 2% to the total construction cost of a new highway. Pavements on main line truck routes should be built at least 14" thick.

The economies of scale of thicker pavements have long been acknowledged by the highway engineering profession. In testimony before Congress, FHWA has stated that pavement strength goes up with the seventh power of pavement thickness.

We strongly recommend that the Nation begin building and rebuilding its major highways with stronger and thicker pavement structures and better draining base courses. This strategy will increase the probability that pavements will last their intended lives, dramatically reduce life cycle pavement and highway user costs, and make the transportation sector a more productive part of the economy.

Productivity:

Highway freight transport is the largest freight transportation element in the gross national product -- by a large margin. But its importance far transcends direct dollar input to GNP because it is so interwoven in the fabric of virtually every other economic activity in our complex modern economy. For that reason, improved truck productivity could greatly benefit our domestic economy and will be vital to our competitive position in the international markets of the next decade. Arbitrary caps on truck productivity, like the federal 80,000 pounds GCW limit are artificial handicaps. They are exacting a price from every consumer, producer and exporter in the nation -- which collectively amounts to billions of dollars annually. This fact was discussed in detail in the recent Transportation Research Board (TRB) Special Report -- Truck Weight Limits: Issues and Options. One of TRB's major recommendations is a permit program that would allow states to authorize the use of vehicles with gross weights over the 80,000 pound limit provided such programs control the characteristics and operations of these vehicles and require permit fees that cover any increases in highway agency costs.

A recently released study by the Trucking Research Institute (TRI) assesses the productivity benefits to the national economy that can be expected if longer combination vehicles were allowed to operate on a national network. The findings are particularly significant for those interested in agricultural economy. A review of Exhibit 10-1 (see attached) reveals that three commodity groups -- farm products, lumber and building materials, and food products -- account for the largest share of the non-LTL (less-than-truckload) savings. The annual saving in the cost of truck transport for these three commodity groups represents about two-thirds of the reduction in non-LTL truck costs. The TRI study is entitled Productivity and Consumer Benefits of Longer Combination Vehicles (May 14, 1990). I would strongly recommend it for your review.

Related Issues and Conclusion:

Beginning in fiscal year 1992, $50 million should be earmarked each year for trucking-related research and development expenditures within the Department of Transportation. These funds should be employed for research, development, and demonstration programs aimed specifically at enhancing trucking safety, productivity and international competitiveness. This research should include efforts to improve off-ramp construction and signing, downgrade signing and truck rest area solutions.

Finally, we urge this Committee to make its decision based on sound economics, engineering, demographics and business and international trade issues. We must not lose sight of these issues and make decisions based on politics. The course we set in this new highway reauthorization legislation will set the stage for our children and our society for years to come.

EXHIBIT 10-1

ANNUAL SHIPPER COST SAVINGS BY COMMODITY GROUP (millions of 1988 dollars)

Commodity Group	For Current Truck Users	For Current Rail Users[1]	Total
Farm products	$ 698	$ 20	$ 718
Mining products	46	13	59
Food products	466	78	544
Lumber and building materials	590	73	663
Paper products	94	142	236
Chemicals	112	30	142
Petroleum and petroleum products	110	15	125
Primary metal products	143	58	201
Fabricated metal products	68	3	71
Machinery and electrical equipment	120	12	132
Transportation equipment (incl. parts)	45	47	92
Scrap	70	34	104
Other TL and CL commodities	82	6	88
Subtotal	$2,643	$ 531	$3,174
LTL	1,114	48	1,162
Total	$3,757	$ 579	$4,336

[1]Savings to "current rail users" represent savings resulting from both modal diversion and competitive reductions in rail rates.

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

SUBCOMMITTEE ON SURFACE TRANSPORTATION

HEARING ON

REAUTHORIZATION OF THE POST-INTERSTATE

SURFACE TRANSPORTATION PROGRAMS

SEPTEMBER 17, 1990

ALTOONA, PA

Statement by

Howard Yerusalim, P.E., Secretary

Pennsylvania Department of Transportation

1200 Transportation & Safety Building

Harrisburg, Pennsylvania 17120

Mr. Chairman and distinguished members of the Subcommittee, I am Howard Yerusalim, Secretary of Transportation for the Commonwealth of Pennsylvania. I am also Chairman of the Pennsylvania Turnpike Commission, and I would note that this is the first time in the Turnpike's 50-year history that a Secretary of Transportation has served also as Chairman of the Turnpike Commission. On behalf of Governor Robert P. Casey, it is my pleasure to welcome you to Pennsylvania to receive testimony on this most critical transportation issue. Before I begin my testimony, I would like to recognize Congressman Bud Shuster, ranking Minority Member of the Subcommittee, for all his efforts on behalf of the citizens of the Commonwealth of Pennsylvania. I am proud to say that the Casey Administration has enjoyed a fine working relationship with the Pennsylvania Congressional Delegation, and particularly with those members who serve on the Public Works and Transportation Committee -- Congressmen Shuster, Borski, Clinger, and Kolter. And, I would also like to acknowledge the efforts that Congressman Jack Murtha has put forth to improve transportation in this region and throughout the Commonwealth.

Over the past four years, the Commonwealth of Pennsylvania has invested $4.2 billion in its highway and bridge program. In 1989, we opened more miles of new Interstate highways than in any other year over the past two

decades. More than 1200 bridges have been replaced or rehabilitated since 1987. These accomplishments illustrate the success of the federal/state/local transportation partnership. All around us are testaments to the cooperation and positive working relationships the Pennsylvania Department of Transportation shares with our Delegation and the Federal Highway Administration. We now have all the remaining miles of Pennsylvania's Interstate system under construction and expect to have the last segments open to traffic by 1992. We are grateful to Congressman Shuster for the $72 million in special federal funding authorized in the 1987 Surface Transportation Act which will finance the relocation of Route 220 between Altoona and Tyrone. When this link is completed in 1992, U.S. 220, the Bud Shuster Highway, will be a four-lane expressway facility from the Turnpike Interchange at Bedford to Tyrone. And we look forward to continuing the improvement of U.S. 220 north to I-80 as part of a "gateway to Canada." To help us continue, Congressman Shuster has included $2 million in special federal funding for preliminary engineering on the section of U.S. 220 between Bald Eagle and the Centre County line in the House version of the FY 1991 Transportation Appropriation Bill. Also in the Altoona area, the year-old bus testing and research facility represents implementation of a $3.2 million program authorized in the Surface Transportation Act of 1987. New

and modified bus models are tested at this facility before qualifying to be purchased with federal funds.

Thanks to the diligent efforts of Congressman Murtha, the Johnstown area has also been the recipient of $22.5 million in special federal funding for the Ebensburg Bypass in Cambria County, which will be completed next month. Congressman Murtha has also included $20 million in federal funds in the pending FY 1991 Transportation Appropriation Bill for reconstruction of Route 56 in Cambria, Somerset and Westmoreland Counties.

Federal funding is crucial to Pennsylvania's transportation program. Over the last four years the Commonwealth has received $1.971 billion in highway and bridge funds as well as another $685 million for mass transit. We are grateful for additional highway and bridge discretionary and special funds totaling $797 million over that same period, which are so important in supplementing the regular federal-aid program. These federal funds, combined with state, local and private resources, have enabled Pennsylvania to become a national leader in transportation. However, I would note that we could have an even better program if a way could be found to gain full release of the nearly $18 billion in current balances in the federal highway and mass transit trust funds. Moreover, another $7 billion is currently being held in the federal

airport and airway trust fund, bringing the total transportation trust fund balances to approximately $25 billion.

Pennsylvania is also proceeding with major expansions to its highway network through toll financing. Work is underway on the Mon/Fayette Expressway, one of the pilot toll projects authorized in the 1987 Surface Transportation Act. A $55 million section of this new highway will be opened in the near future. Because of the provisions of the 1987 Act, we are able to combine federal funds and toll financing on this project. The Pennsylvania Turnpike Commission also has two other major toll roads under construction in western Pennsylvania at a total cost of more than $500 million without federal participation -- the Beaver Valley Expressway and the Greensburg Bypass. Clearly, we believe that tolling is an important method of financing new highway construction.

Turning now to the challenge at hand -- to undertake what will be the most comprehensive review of the nation's transportation policies and programs in decades and to chart their passage into the 21st century. The formidable challenges that await us all come on the heels of a successful Interstate era, forged in 1956 to link the major activity centers of this country. The time has come to combine the energy and resources of the

federal/state/local/private levels to revitalize our transportation system, the backbone of commerce in the United States. I believe that there is an appropriate role for each level of government in planning, building, maintaining and financing surface transportation facilities. As we look to the year 2000, these roles are changing. Increasingly, there is also a key part for the private sector to play. However, the overriding principle which has guided transportation programs over the past seventy-plus years has been a strong federal/state/local government partnership. This relationship must be nurtured and must continue to evolve even as circumstances change. Change is constant, thus we must be innovative, creative and flexible to anticipate and adapt to change.

Overall, I envision a federal transportation role which is much more sharply focused on setting broad national policy and addressing issues of national significance. Federal financial resources would be targeted in large part to national priorities such as preserving the present Interstate system, other major highways along with major urban and rural arteries, and initiatives to improve safety and reduce congestion. Building on the past, the federal program policies which have worked well are those that represent a firm commitment to a national objective, like the Interstate Highway System. As we enter the post-Interstate era, federal transportation programs

desperately need a new rallying point upon which to base a future commitment of energy and resources. It seems to me that this new theme should focus on improved mobility, with emphasis on finding the most efficient ways to move people and goods, not vehicles. By this I mean that we must find solutions to mobility issues other than just building more highways.

Another major change I see occurring is that the states have become more capable of managing transportation programs and are assuming a larger role. Increasingly, the states realize that a new federal program is not always the proper solution to a transportation problem, and they are demonstrating the ability to successfully launch major transportation initiatives on their own.

For example, in Pennsylvania, we began a Billion Dollar Bridge Program in 1982, which to date has resulted in the replacement or rehabilitation of more than 1,300 bridges at a total cost in excess of $1.4 billion. The key to this success is a dedicated source of state revenue raised through truck registration fees and a motor carrier road tax. The revenues from these sources total more than $72 million per year, which when combined with federal and local funds, has enabled us to undertake a $200 million bridge program each year. We still have much work ahead of us and believe that the continuation of a strong federal commitment

to bridge improvements is critical to the success of our own program. Such a federal commitment is especially appropriate when one considers that by eliminating bridge weight limitations and bridge closings which impede truck traffic, we gain intrastate and interstate commerce benefits which have a positive ripple effect throughout the economy.

In contrast to the bridge success story, there has been a continual and dramatic decrease over the past decade in federal support for mass transit. Federal capital and operating assistance for Pennsylvania mass transit systems has been reduced from $379 million in 1980-81 to $151 million in 1988-89, a drop of nearly 60 percent. Meanwhile, the Commonwealth, with two of the nation's largest transit systems in Philadelphia and Pittsburgh, has significantly increased its state funding commitment. During the state fiscal years from 1979-80 to 1990-91, annual state funding for operating assistance to the Commonwealth's urban transit systems has nearly tripled from $119.3 million to $331.3 million. During the same period, federal operating assistance has dropped from $86.2 million to the $11.4 million proposed by the Administration for FY 1991 -- a decline of nearly 87 percent. Even though Congress, in recent years, has enacted higher levels of operating assistance than proposed by the Administration, these levels still fall far short of the assistance provided a decade ago.

The Southeastern Pennsylvania Transportation Authority (SEPTA), serving the Philadelphia region, has large operating assistance requirements and has also identified billions of dollars in capital investment requirements. During the current fiscal year, the Commonwealth has pledged a total of $318.8 million in combined state operating and capital assistance to SEPTA. Of this amount, $223 million represents state operating assistance, which is nearly three times the amount provided only a decade ago. On the other hand, federal operating assistance for SEPTA has dwindled to $27 million in FY 1990, approximately one-eighth the amount provided by the Commonwealth. Moreover, the Administration proposed the total elimination of federal operating support in FY 1991 for SEPTA and other systems serving a population of one million or more. Given this situation, it will be extremely difficult to finance needed transit capital improvements from current federal, state and local sources. The experience with federal support for rural public transportation over the past decade has been equally discouraging. In spite of increasing state financial support, the decline in federal funding for Pennsylvania through UMTA's Section 18 Program from $4.8 million in FY 1981 to $3.5 million in FY 1990 has presented a tremendous challenge in maintaining public transportation for our rural residents.

These trends in transit funding are not unique to Pennsylvania. The critical importance of reestablishing a strong federal role in the transit mode cannot be overstated. Finally, with a balance of nearly $7 billion in the Mass Transit Account of the Highway Trust Fund, it is clear the federal government could play a larger financial role in the federal/state/local transit partnership without an increase in taxes or user fees. In fact, this dedicated tax for transit is ineffective if it is not released for the purposes for which it is intended, rather than being held for deficit reduction purposes. Pennsylvania has been and will remain a strong partner in financing transit needs, but it is equally important that the federal government fulfill its part of the partnership.

I believe that public transportation must assume a larger role in the future as we strive to balance the demands of an increasingly mobile society against environmental concerns, unpredictable fuel supplies and limited rights-of-way to support the continuation of individual automobile travel at only slightly more than one person per vehicle on average. The public has demonstrated that it will endure relatively high levels of inconvenience and cost before diverting to higher occupancy modes of travel. Therefore, strong incentives will be required to attract individual auto occupants to public transportation. Frequent, reliable, safe and affordable public

transportation cannot be achieved without the federal government as a strong and consistent partner. It is essential that the steady decline in federal financial support for transit be reversed so that we can collectively plan, design and implement effective and efficient transportation systems for the future.

Clearly, there are large transportation improvement needs throughout the Nation and there will never be enough resources to address them all. This makes it very important to use available resources wisely and to make full use of all available transportation funds. Accordingly, I urge Congress and the Administration to draw down the transportation trust fund balances and to increase the level of federal support for transportation programs. The trust fund balances, dedicated taxes which presently total nearly $18 billion, are dedicated to highway and transit purposes. However, these funds are being held to offset the federal budget deficit on paper, a policy which I believe is unfair to the American people who have every right to expect a full return on the transportation user taxes and fees they have paid. Recently, U.S. Department of Transportation officials have indicated that by drawing down the trust fund balances over the next several years, the level of federal funding for the federal-aid highway and bridge program could be increased from the present $13 billion per year to an $18-20 billion per year range and that annual transit funding could

be increased from the present $3.1 billion to $4.5 billion. I support these higher funding levels and assure you that Pennsylvania, as in the past, will have projects ready to utilize any additional federal funding which may be made available. I am proud to say that during my tenure as Secretary of Transportation, we have avoided lapsing federal funds and that we have aggressively and successfully pursued opportunities to increase federal funding through the various discretionary funding programs. As mentioned previously, discretionary and other special federal funding has added more than $797 million to our program over the last four years.

While I applaud proposals to spend all available federal transportation revenues, at the same time, I am concerned with the Administration's plan to lower the federal matching ratios on federal highway and transit projects. This would force the use of higher percentages of state and local revenues to match federal dollars, and would require that we revamp the financial plan for our transportation improvement programs. While large states like Pennsylvania have some latitude in changing the mix of federal/state/local funding in their programs, I expect that a decrease in the federal share would have a devastating effect on some small states. It seems ironic to me that the federal government would consider reducing its funding share

while sitting on large balances in the Transportation Trust Funds.

Dedicated user financing has been and must continue to be the hallmark of federal surface transportation programs. I oppose any increase in the motor fuels tax for deficit reduction purposes or for any other non-transportation purposes. Although reducing the federal budget deficit is a definite national priority, the importance of transportation infrastructure to the nation's well-being is likewise very clear. Also, in the interest of equity, I believe that certain federal tax exemptions such as the current lower tax rate for gasohol should be eliminated, especially in light of the mandated alternative fuel provisions in pending federal clean air legislation.

Construction of the Interstate System has dominated the federal-aid highway program for more than thirty years. Although the System is nearly completed, there are additional federal funding requirements for Interstate Construction that must be addressed in the next surface transportation bill. This is because there are still a few segments of the System to be placed under construction throughout the Nation and because Pennsylvania and other states have utilized the "advance construction" provision to place projects under construction before federal funds are actually apportioned to cover the federal share of project

costs. In Pennsylvania's case, we have $275 million in advance construction projects yet to be converted to regular federal-aid funding. I've heard reports that nationwide an additional authorization in the range of $7 billion is needed to complete the Interstate System. This is of critical importance since the states have proceeded to construct the Interstate System with the assurance that federal funding would eventually be available to cover the full federal share of project costs.

Also, in Pennsylvania's case, there is a unique requirement for Interstate Construction funds which must be addressed. The Surface Transportation Assistance Act of 1982 designated a portion of the existing Pennsylvania Turnpike in eastern Pennsylvania as Interstate Route 95 and referred to a yet-to-be-built interchange between the Turnpike and existing I-95 to provide for a continuous Interstate route from New Jersey through Pennsylvania. In assessing this mandate, we have determined that the cost for building the new interchange, widening the existing Turnpike and building a parallel structure across the Delaware River into New Jersey to accommodate the additional anticipated traffic will be more than $500 million. I believe that the full 90 percent federal share normally provided for Interstate Construction projects should be made available to cover the implementation of this federal mandate. Furthermore, since this is a mandate, the Pennsylvania

Turnpike Commission should not be required to remove tolls on the portion of its facility which is ultimately signed as I-95.

I believe that transportation system preservation must remain a high priority for the future. Past philosophy centered on building more and building better, but we must realize that the primary task now is to preserve and enhance the transportation network we have in place. Our transportation infrastructure cannot be taken for granted; it needs constant attention. We must build upon the almost completed Interstate Highway System to ensure continued economic vitality for the nation. Segments of this network have exceeded or are nearing their design life and require major rehabilitation or reconstruction. In Pennsylvania, we have averaged approximately $125 million per year over the last four years to restore and preserve our Interstate System. Moreover, we need an expanded and more flexible 4R-type program which extends beyond the Interstate System to include those highways which have similar standards and functions as the Interstates. Perhaps a major funding category focused on so-called Highways of National Significance is the answer, but in any event, it is absolutely essential that resources be made available for these Interstate look-alikes.

As urban and suburban congestion become the pressing issue of the day, it becomes clearer than ever that highway solutions are not the only alternative. States are in the best position to pursue congestion relief initiatives in urban and suburban areas and to coordinate transportation priorities through multi-modal planning and applying techniques such as transportation demand management. We can not look to build our way out of congestion in urban and suburban areas as the solution. Changes in thinking as well as behavior modification will be necessary. Expanding and coordinating the role of transit to link with the existing highway network, not compete with it, is an achievable objective. The American habit of one person traveling alone in an automobile just must stop. Ramp metering, high occupancy vehicle lanes, park and ride lots, and car and van pools will also help in meeting our goal to maximize the efficient movement of people and goods. Parking strategies, staggered work hours and a wide range of incentives which can impact the demand for transportation facilities must be explored and selectively implemented to release us from the potential strangle hold of congestion. Federal transportation programs should include financial incentives for states to pursue innovative congestion relief measures.

We have begun planning for an innovative model 21st century urban transportation corridor on Interstate 95 in the Philadelphia area. This initiative will emphasize

improvements which reduce congestion, enhance intermodal connectivity, improve safety, minimize transportation-related air and noise pollution and showcase advanced transportation technologies. Priority will be given to the movement of people rather than the movement of vehicles. I believe that an efficient and mobile transportation network will be achieved only through intermodal activities such as those proposed for the I-95 corridor. Better coordination and integration of the various transportation modes along with the application of the latest available technology can serve to make our transportation system more productive. The new surface transportation program should make federal funding available for innovative intermodal programs such as this which are presently difficult to implement due to categorical funding restrictions. The FHWA and UMTA Administrators have expressed interest in this concept during discussions we have initiated with them.

Safety in all modes is an ongoing commitment on the part of all the participants in the federal/state/local transportation partnership. It must be the cornerstone of the future surface transportation program. Pennsylvania is a recognized safety leader by virtue of its innovative Corridor Safety Initiative which has been hailed as a national model. The Corridor Safety Initiative is a comprehensive approach that integrates highway, driver

performance, vehicle, enforcement and emergency medical service elements to improve safety along 55 of our major corridors which have had severe accident problems throughout the years. This program has been recognized by the FHWA with the Administrator's Safety Award for Innovation, and by the American Association of State Highway and Transportation Officials with its Highway Traffic Safety Award.

The American Association of State Highway and Transportation Officials has prepared a "Highway Safety Strategic Plan for 1991-2000" which contains ten recommended areas for action: safe driving performance; improved pedestrian safety; corridor safety improvements; improved highway safety; enhanced vehicle safety; safe commercial motor vehicle operations; vehicle crash avoidance; enhanced rural emergency medical services; strategic research for safety; and safety management. Careful consideration should be given to including these components in the surface transportation reauthorization legislation and to providing resources to enable effective implementation of a national safety initiative that would lead to substantial reduction in serious driver performance failures and associated highway accidents and fatalities.

In terms of program changes I would recommend, the most basic would be to allow more flexibility in federal transportation programs. The proven track record of the

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states merits less stringent federal requirements, guidelines and mandates in both the highway and transit programs. Reducing the dozens of current federal funding categories and permitting transfers among the remaining consolidated categories would enable states to make full and effective use of limited resources while simplifying administrative details as well. Also, funding sanctions to force state actions are counterproductive and should be eliminated.

While the concept of an "Highways of National Significance" (HNS) system as the primary focus for the future federal highway program is a rational one, it is difficult for me to support it without knowing the related program details. I am concerned about the current approach to a system of HNS. The FHWA, in response to a request by this Committee, is presently asking the states to identify preliminary HNS networks based on those highways which serve 35% and 40% of vehicle miles of travel. This seems arbitrary to me, particularly since the relationship of the size of the HNS to funding and other program details is not at all clear. In Pennsylvania, the target for the "40 percent HNS System" is 4,885 miles out of a total state-owned network of 41,000 miles and a total public road network of approximately 116,000 miles. This makes the selection of an HNS system extremely difficult. Fortunately, the FHWA has allowed an additional alternative

which will permit the states to identify an HNS network based on relevant criteria without regard to mileage targets. I believe that this alternative approach will result in the most logical network. Furthermore, I understand that the FHWA is considering a proposal to target up to 70% of total highway funding to the HNS system, without an option to transfer between other categories or systems. I oppose such a rigid delineation of program funding, since it is contradictory to the principle of flexibility in federal funding which I spoke of previously.

The Federal Highway Administration's proposal to include pavement, bridge, congestion and safety management systems in the surface transportation reauthorization is a good suggestion, and many of the states already have some form of such management and decision support systems in place. However, mandating the states to develop these systems as a precondition to federal aid causes me some concern. States remain the best judge of their own particular situations and the most appropriate solutions, and should be allowed to target funds where they are most needed and provide the greatest benefit without undue oversight from federal authorities. I also believe that innovative financing techniques are necessary to supplement traditional revenue sources. In particular, I favor relaxation of the present federal restrictions on toll financing so that tolling can be applied with more latitude.

Earlier, I mentioned Pennsylvania's specific toll financing initiatives, which I am confident will demonstrate the feasibility of broadening the use of toll financing.

Turning to another key issue for the next surface transportation act, I would like to see a more needs-based allocation of federal funds among the states. Fair and equitable apportionment formulas must be devised to reflect current conditions. The effects of truck traffic on pavement and bridge conditions and overall bridge replacement and rehabilitation needs are two factors which I believe need to be emphasized in any new formulas. For example, the present apportionment formula for federal Interstate Restoration funds is based on Interstate lane-miles and vehicle miles of travel and does not take into account the effects of heavy truck traffic which occasion a large portion of the pavement restoration requirements in Pennsylvania, nor does it take in account the restoration and rehabilitation requirements on Pennsylvania's bridges. As a result, Pennsylvania receives only about 2.5% of the total funds apportioned nationwide for Interstate restoration, compared to 4-5% or more in other major federal funding categories. This makes it extremely difficult for Pennsylvania to continue our massive Interstate restoration program which has reduced the overall improvement needs by 18 percent since 1987. To keep our Interstate restoration program going, we have used

federal-aid primary funds and state maintenance funds for repairs to Interstate highways.

Speaking of the effects of truck traffic on pavement and bridge conditions, I am convinced that trucks are not currently paying their fair share of maintaining the Nation's roads compared to the damage they cause. A more equitable way of allocating highway costs among users of the system is needed at both the federal and state levels. In a related issue, I am very concerned with proposals to allow larger and heavier trucks, especially on roads in states like Pennsylvania with topographic and geometric limitations. My concern for truck size and weight is in three basic areas -- safety, pavement and bridge damage and modal competition. In my mind there is no compelling reason to change the existing truck size and weight limits in view of the potential negative impacts in each of the above areas. Much more research is needed in truck size and weight issues before any changes in current limits are legislated.

Although there are many difficult issues that must be addressed in developing new surface transportation legislation, I want to emphasize the very positive impacts that transportation programs have had and will continue to have on the Nation's economic and social health. The condition and performance of our transportation

infrastructure is directly linked to economic development and to national and international competitiveness, since the ability to move people, goods and services quickly and efficiently is key to economic health and vitality in today's fast paced world. Right here in Altoona, Route 220 demonstrates the positive business, employment and tourism impacts investing in our transportation network can have, not only for the community but the state and nation as well.

However, money and new construction will not necessarily solve every transportation issue. As we move toward the 21st century, we must find ways to make our transportation systems work smarter and work better. We must be willing to invest in research and development to produce the advanced technology that is needed to ensure that our previous investments are protected. The federal government has been a leader in transportation research and development, and I urge a continued federal leadership role in this critical area. The transportation programs of the future just simply can't be "business as usual."

To summarize, transportation has and will continue to be a key determinant of this country's economic and social progress. We must continue to strengthen the existing federal/state/local partnership while also forging new partnerships between the public and private sectors. We must be innovative and persistent in finding better ways to

do things. And, above all, we must be steadfast in our resolve to use all resources available for transportation programs to the best possible advantage.

In my view, the key features of future federal programs which are required to address the transportation challenges of the coming decades include:

- flexibility in the use of federal funds
- continuation of dedicated user financing
- full use of available federal transportation revenues
- equitable distribution of funds among the states
- emphasis on national issues: system completion and preservation, safety and congestion relief
- reduced federal oversight

I offer my full support in any way to the Committee as you proceed to craft the new surface transportation bill. I would hope that your work could be completed and that new legislation is in place when the present Act expires at the end of FY 1991. This timing is important to avoid disruptions in state transportation programs. In any event, I am confident that you will develop strategies and programs for the future which will lead America boldly into the 21st century.

Thank you for inviting me here today to share my views on the reauthorization of the Post-Interstate Surface Transportation Programs. I would be pleased to respond to any questions you may have.

ADDITIONS TO

THE RECORD

Office of the President Pro Tempore

ROBERT C. JUBELIRER
PRESIDENT PRO TEMPORE
THE STATE CAPITOL
HARRISBURG, PA 17120-0030
717-787 5490

30TH DISTRICT
PARK VIEW CENTER
TWELVE SHERATON DRIVE
P. O. BOX 2023
ALTOONA, PA 16603
814-942-5495

Senate of Pennsylvania

Sub-Committee on Surface Transportation

Committee on Public Works and Transportation
Altoona, PA

September 17, 1990

The start of a new decade marks a time of new direction. This nation's transportation policy is on the verge of monumental change, and so each state must reassess its role in the context of the federal government's move to modify its role in the highway program. I am pleased to present testimony on the future of our transportation network to the Sub-Committee on Surface Transportation, Committee on Public Works and Transportation, on behalf of my district and the Commonwealth.

The 30th Senatorial District, and the state as a whole, has undergone a number of economic transitions in the past ten years. A major contribution to this positive growth and development is our modern highway system. Through the leadership of Congressman Bud Shuster, we have been able secure the federal dollars necessary to complete Route 220 North and South, a four-lane limited access highway linking Altoona to the Turnpike. We look forward to pursuing the next stage of this project, linking 220 North to Route 80, further expanding our connection with new markets.

In addition, we have made substantial progress on the Route 22 project, an important east-west artery linking Harrisburg to Blair County. We will continue to work with the federal government to secure the funds necessary to upgrade this highway.

The continued availability of federal funds has given Pennsylvania a strong incentive to commit a substantial amount of state dollars to our transportation system. In 1989 alone we witnessed an investment of $3 billion in state and federal funds, a strong indication that this partnership works. We have a very

good track record in securing and using federal funds, primarily because we have not gone to the well until we have done our homework. We know what we need and why we need it before we knock at your door.

As we enter the 1990's, it is apparent that our transportation policies, like those of the federal government, will have to be restructured. The Commonwealth's interstate system is near completion. Connector routes must become the priority of the 1990's.

Every rural economic development plan set forth in the state has emphasized the importance of transportation routes and infrastructure. If our rural communities are going to be in a position to attract business and industry, their transportation networks must be safe and convenient. Route 522, a major north-south stretch, connects McConnellsburg and Mt. Union. When planned improvements are completed, this connector route will spur economic development activities in Huntingdon and Fulton Counties.

We must also consider the fact that the trucking industry in this state has far exceeded any transportation experts' expectations. In some areas of the state 35 to 40 percent of the traffic are trucks. We need a sufficient number of connector routes to expedite the transport of raw materials and finished products in and out of more rural parts of the state.

Pennsylvania wants to see the same level of financial support continue to flow from the federal government, but we are

not blind to factors that may affect this commitment. I believe it is incumbent upon leaders in Harrisburg to ensure sufficient funds are set aside to meet growing transportation needs, particularly those involving maintenance and restoration.

The state and my district have witnessed major improvements as a result of a shared state-federal commitment to highway construction and maintenance. The federal government must continue its support in this area to encourage continued economic growth and development.

Most important, from a state perspective, we hope that Congress can pass the Surface Transportation Act without tying in any amendments that would hold back any portion of the state's transportation funds, keeping intact the standard procedure involving customary matches.

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STATEMENT OF

REPRESENTATIVE ALLEN G. KUKOVICH, CHAIRMAN

MAJORITY POLICY COMMITTEE

PENNSYLVANIA HOUSE OF REPRESENTATIVES

Before the

PUBLIC WORKS AND TRANSPORTATION COMMITTEE

UNITED STATES HOUSE OF REPRESENTATIVES

SEPTEMBER 17, 1990

The Federal Government, in partnership with the states, has constructed an interstate highway system that effectively links the major metropolitan areas of the continental United States. However, that same partnership has not effectively created a funding mechanism to absorb the high maintenance costs that occur each year as the system continues to age.

In addition to a growing inventory of maintenance needs new highway construction costs present fiscal dilemmas that can not be adequately met by traditional sources of revenue.

In February of this year the Department of Transportation pronounced the national transportation policy in a publication entitled "Moving America". It stated that strategies for action were needed in a number of different areas. One area cited was the need to "institute user fees to recover costs from users of federally funded or federally provided transportation facilities and services who are not now paying user fees". There is a rational progression from this federal transportation policy point to a legislative goal listed in Chapter IV of "Moving America" which calls for allowing greater use of toll financing on Federal-aid highways.

If tolls would be instituted on Interstate 80 in Pennsylvania, with no federal aid repayment, 92 million dollars would be generated annually assuming passenger car

rates of 3.7 cents per mile and higher toll rates for trucks. The additional revenue source could solve the I-80 maintenance funding dilemma as well as provide a predictable revenue source for construction costs of proposed limited access highways in Pennsylvania. I believe the institution of user charges or tolls on multi-regional interstate highways are necessary if we are to achieve the highway infrastructure goals stated in the national transportation policy. This additional revenue would enable the states to perform the necessary reconstruction and maintenance of aged interstate highways as well as provide a predictable source of revenue for new limited access highway construction.

PENNSYLVANIA
HIGHWAY USERS CONFERENCE

JAMES R. MOORE
SECRETARY/TREASURER
P.O. BOX 248
NEW CUMBERLAND, PA 17070
717/774-3440

for the record

TESTIMONY
OF

ALFRED F. LYNG
CHAIRMAN

PENNSYLVANIA HIGHWAY USERS CONFERENCE

TO THE
SUBCOMMITTEE ON SURFACE TRANSPORTATION
U.S. HOUSE OF REPRESENTATIVES

ON THE
REAUTHORIZATION OF THE THE POST-INTERSTATE
SURFACE TRANSPORTATION PROGRAMS

SEPTEMBER 17, 1990

ALTOONA, PENNSYLVANIA

Chairman
Al Lyng
Erdman and Anthony
Associates
903 Ellen Road
Camp Hill, PA 17011
717/761-1842

1st Vice-Chairman
George Seidel, Jr.
Associated Industries of PA
P.O. Box 92
Harrisburg, PA 17108
717/234-7983

2nd Vice-Chairman
Kenneth Mayer
PA Aggregates & Concrete Assn.
3309 N. Front St.
Harrisburg, PA 17110
717/236-8803

3rd Vice-Chairman
William Yocum
PA Motor Truck Assn.
P.O. Box 278
Camp Hill, PA 17011
717/761-7122

Mr. Chairman, my name is Alfred F. Lyng. I am Chairman of the Pennsylvania Highway Users Conference. I regret that I was unable to attend today's hearings but the logistics of getting to Altona were just too great, especially on a Monday morning.

The Conference views these hearings as vital in the process of getting a new Surface Transportation Act. We appreciate your continued dedication to transportation, and we join with you in an all-out effort to get a new Act, and get it before the October 1991 deadline.

It may seem to some that the era of the auto and bus are over. That roads and bridges are a need of the past, but you only have to look at your local or metro newspaper to see that the public and the media are greatly concerned with the condition of all our systems. Far too often, school buses have to go miles out of their way because of bad bridge conditions. While bridges are a main worry of many citizens, the condition of the roads and highways is also of great interest to the motorist, because bad roads cost money in lost fuel mileage, tire replacement or repair and as a safety hazard.

We shudder to think that Gramm, Rudman, Hollings could still take some $ 3 billion from the Trust Fund, this year, unless Congress takes the proper action. Let's face it, the highway and bridge needs are too critical to take a

hit like this. Further, we have always felt that the Highway rust Fund should not be part of the federal deficit and should be taken off budget.

For some time now the Conference members have felt that the Highway Trust Fund should be drawn down. The surplus today is more than $17 billion. Not making this surplus available to the states has mean't that many vital road and bridge projects have been delayed or postponed indefinitely. We have fought, for two years, the idea that a gasoline tax increase should be used for budget reduction. We also believe that the gasohol exemption should be phased out as soon as possible. The proposals to use more gasohol makes it imperative that this Trust Fund loss not continue.

We are an affiliate member of the Highway Users Federation, and we support their nine-point program designed to fit into a new Surface Transportation Act. There are users who feel we may need an increase in user taxes, but we couldn't support such an effort until the surplus in the Trust Fund is drawn down.

The need for all highway user taxes to go for transportation has never been greater. With the call for alternative fuels must come a new method of determining how such use can be measured for inclusion in the Highway Trust Fund. To lose additional user taxes would put many state and federal transportation projects in jeopardy. it must not happen.

As a key member of the Public Works and

Transportation Committee you recognize the problem we will probably have getting the other members of Congress to make the new Act a top priority. We look forward to working with you in getting the new Act and getting it on time.

In closing, I invite you to attend the Highway Transportation Futures Congress, sponsored by the Highway Users Federation to be held in Washington July 14-16 next year. We will be there in numbers focusing on the goal of a new Act. Our members are planning on visiting their Congressional delegation and helping to put in focus the need for a new Act.

Thank you Mr. Chairman for holding these hearings, and for the opportunity to testify before your Committee.

Alfred J. Luzy, P.E.
9/10/90

LOGAN TOWNSHIP / BOARD OF SUPERVISORS
800 39TH STREET, ALTOONA, PA. 16602

September 17, 1990

GENTLEMEN:

LOGAN TOWNSHIP WISHES TO REAFFIRM ITS CONTINUING COMMITMENT TO THE PROPOSED HIGHWAYS, THAT BEING THE FOUR LANE LIMITED ACCESS FROM CHESTNUT AVENUE AND FOURTH STREET, ALTOONA TO THE NEW PINECROFT INTERCHANGE AT RTE. 220.

ALSO, WE WISH TO REITERATE OUR ONGOING COMMITMENT TO THE ROSEWELL STREET BRIDGE PROJECT LOCATED IN LAKEMONT, LOGAN TOWNSHIP.

WE FURTHER SUPPORT ANY OTHER ROADS WITHIN THE TOWNSHIP, OR AREA, WHICH WERE PREVIOUSLY MENTIONED WITHIN THE TWELVE YEAR PLAN.

The Chamber
Altoona-Blair County
Chamber of Commerce
1212 Twelfth Avenue Uptown
Altoona, PA 16601-3393
Celebrating 100 Years of Service

April 23, 1990

Ms. Rose Lucey
Blair County Planning Commission
Blair County Courthouse
Hollidaysburg, Pennsylvania 16648

Dear Ms. Lucey:

As recommended by the Transportation Committee of the Altoona - Blair County Chamber of Commerce at their meeting on Wednesday, April 18, 1990, the following is a list of our priorities relative to the Twelve Year Highway Planning Process:

Capital Improvements

1. William Penn Highway - Pittsburgh To Cuba Mills (First Four Years - Design, Right Of Way And Construction)
2. PA Route 764 - Cross Keys to Duncansville (First Four Years - Construction)
3. Airport Access - Leamersville To Route 164 Turn Off For Martinsburg On Route 36 In Roaring Spring (Approach Funding With Possible In-Kind Contributions)
4. Ninth Avenue (PA Route 764) - 31st Street To Lloyd Street (On 12 Year Plan - Enterprise Zone Match)
5. SR4008 - Horseshoe Curve Road From Altoona's 40th Street/Broad Avenue To Gallitzin Interchange At Route 22 (On 12 Year Plan - AIHP Match)

Major Concerns

1. Appalachian Thruway - 17th Street To Grazierville (First Four Years - Construction)
2. Appalachian Thruway - Bald Eagle In Blair County To Martha Furnace In Centre County (First Four Years - Design And Engineering, Second Four Years - Right Of Way And Construction)
3. Chestnut Avenue - 4th Street To Pinecroft Interchange (On 12 Year Plan)

Mass Transit

1. Support Of High Speed Rail Initiative From Pittsburgh To Philadelphia (On 12 Year Plan)

Sincerely,

Theodore D. McDowell

Theodore D. McDowell
President

TDM:alp
CC: Dick Haines
County Commissioners
Jack Matthews
Rep. Rick Geist
Rep. Ed Johnson
Rep. Sam Hayes
Senator Bob Jubelirer

TESTIMONY PRESENTED TO THE PENNSYLVANIA TRANSPORTATION COMMISSION AT THE PUBLIC HEARING IN ALTOONA, APRIL 6, 1989 REGARDING THE TWELVE YEAR HIGHWAY AND BRIDGE PROGRAM ON BEHALF OF THE ALTOONA - BLAIR COUNTY CHAMBER OF COMMERCE BY JERALD L. SACKS, DIVISION VICE PRESIDENT FOR TRANSPORTATION/GOVERNMENTAL AFFAIRS.

The Altoona - Blair County Chamber of Commerce, representing the business voice of its 800 members in various Blair County communities wishes to thank the Commission members for their support in the past. We've continually been in the forefront for transportation improvements, knowing the economic opportunities which avail themselves from our support. After years of promises, the work that has finally been completed and that which is heading toward construction has been of major economic impact to the Altoona/Blair County area. It may soon connect us with the outside world. Much additional work is necessary before the highway network in the area may be considered adequate. With this in mind, may we outline those items our Chamber identifies as vital for the Twelve Year Program.

First, four vitally important projects are currently programmed.

ONE: U.S. Route 220 from 17th Street to the Tyrone Bypass must be constructed. Because of the time provisions on the federal funding match we need to accelerate the construction phase so as not to lose this opportunity for completion.

TWO: We applaud the vision of the Department on the inclusion of various needed improvements programmed presently for U.S. Route 22 West from Ebensburg to Pittsburgh. We urge the Commission and the Legislature to maintain their focus on these projects. This route is important to Blair County as it will open Central Pennsylvania to the Pittsburgh market place, Pennsylvania's second largest city.

THREE: U.S. Route 22 East Planning Study (March 1989) is now completed and recently released. Let's immediately use the findings of this comprehensive document. We concur with its recommendations and specifically request that funding for engineering design and right of way be placed in the second four years, with construction programmed for the third four years. We support the five major improvements of the study: the Hollidaysburg Bypass, Short Mountain, Water Street, Lewistown Bypass and the Lewistown Narrows to Cuba Mills projects. This route is vital to Blair County as it will open Central Pennsylvania to the Harrisburg market. Both our number two and three priorities are consistent with the broad base support of the William Penn Highway Association and the America's Industrial Heritage Project.

FOUR: PA Route 764 from Cross Keys, the U.S. 22/220 Interchange to Duncansville must be built. This project has been moved about within the program during past years and it must be restored permanently to its position in the first four years for immediate construction.

Secondly, we wish to address new projects identified by our Chamber which need initial inclusion on the Twelve Year Program.

ONE: U.S. Route 220 must be extended northward from the Tyrone Bypass at Bald Eagle to the Blair/~~Centre Co.~~ line. Logically, this highway will then be completed through the entire Blair County region. Specifically, we recommend a location study be placed in the first four years, engineering design and right of way in the second four years and construction in the third four years. This position is consistent with the Applachian Thruway Association's goals.

TWO: The Chamber sees difficult and unreliable airport access, traffic congestion, safety concerns and the opportunity to open economic development to the southern portion of Blair County as reasons to request inclusion of highway improvements from the Leamersville Interchange, U.S. Route 220 and PA Routes 36/164 East to the Altoona - Blair County Airport, PA Route 866. The program should reflect studies, design and right of way in the first four years, and construction in the second four years.

THREE: Altoona needs the ability to develop its northern portion of the city. We concur and support the City of Altoona in its effort to have Chestnut Avenue from 4th Street in the city

extended completely to the Pinecroft Interchange of U.S. Route 220. This project needs to be positioned on the Twelve Year Program and phased so that design work may be initiated immediately.

FOUR: Again, transportation system improvements in the City of Altoona are of concern with the next project, Ninth Avenue from 31st Street to Lloyd Street. This project area encompasses the city's entire Enterprise Development Zone, with Ninth Avenue having been identified as the primary corridor for retention and expansion of industry and attraction of new industry by making land more accessible and new development parcels available. At the same time it would relieve traffic congestion and improve safety in the Altoona Area School District Campus by relocating the PA Route 764 corridor. This total corridor needs placement on the Twelve Year Program to ensure that design work be started at once.

We also have reviewed the bridge improvements part of the proposed Twelve Year Program and recommend expediency for those projects identified for the first four years.

A summary of the recommendations of our Chamber of Commerce is attached as part of the testimony.

Lastly, the Altoona - Blair County Chamber of Commerce has supported and recently reaffirmed its support that the Administration and Legislature take immediate positive action to offer an enhanced revenue program for highway construction via an increased fuel tax.

Thank you, once again, on behalf of the Altoona - Blair County Chamber of Commerce, for allowing our organization to express priorities on this subject so vital to our area.

For the Record

WHEREAS the use of double tractor trailers has increased in Pennsylvania over the past few years; and

WHEREAS there is now pending before the U.S. Congress a bill which would require Pennsylvania to allow triple tractor trailers on our highways; and

WHEREAS the safety factors involved in the operation of these triple vehicles has not been ascertained

NOW THEREFORE the Pennsylvania State Coroners Association urges the defeat of any federal legislation that would require Pennsylvania to allow triple tractor trailers on our highways until it has been determined that they can be operated safely

The above resolution was adopted by the PA State Coroners Association at it's annual conference in Altoona, PA on September 15, 1990

_____
Secretary

REAUTHORIZATION OF THE POST-INTERSTATE SURFACE TRANSPORTATION PROGRAMS

MONDAY, SEPTEMBER 17, 1990

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON SURFACE TRANSPORTATION,
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Ebensburg, PA.

The Committee met, pursuant to call, at 11:00 a.m., in the Ebensburg Municipal Building, 300 West High Street, Ebensburg, Pennsylvania, Hon. Norman Mineta (Chairman of the Subcommittee) presiding.

Present: Representatives Mineta, Murtha, Hammerschmidt, Roe, Clinger, Shuster, McEwen, Packard, Lightfoot, Hastert and Hancock.

Mr. MINETA. The Subcommittee on Surface Transportation of the U.S. House of Representatives Committee on Public Works and Transportation will please come to order.

Before we proceed into the main part of the Subcommittee's business, I do want to take the time to make several observations.

First of all, we are holding these hearings here in Ebensburg, Pennsylvania in view of the major transportation role that is played by your own member of Congress from the 12th District, Congressman Jack Murtha. Now, as many of you know, there are—we have a two-track system. We authorize things to be done in law; and once we authorize it to be done, then the monies have to be appropriated for that purpose. And so, your member of Congress, Jack Murtha, is a very, very important member of that appropriation process. You know him as the Chair of the Defense Appropriation Subcommittee. We know him as the person we can go to in order to say, "These are our issues on Public Works and Transportation, and Jack, we need your help." And Jack has always been responsive. He is the kind of behind the scenes worker who really knows the kinds of needs—not only here in the 12th Congressional District of Pennsylvania, where he has been able to significantly increase the amount of funding for transportation projects that you need in this area—but more importantly, for the money that this great country of ours needs for transportation infrastructure.

And so, it is especially because of his work in this regard that we are here at his invitation to come and see other facets of the transportation infrastructure that we ought to be dealing with because we ought to have not only a balance in terms of transportation modes, but of looking at the transportation needs of the differing regions of our great country.

Now, I know how proud you are of Jack Murtha. But as a colleague of his, I know that I can personally vouch of how tirelessly Jack works in Washington, DC to improve the well-being of the 12th Congressional District. I know that I can count on Jack Murtha during these next 13 months as we attempt to craft the new legislation dealing with the National Transportation Assistance Programs as we try to deal with transportation issues for the balance of the 1990s and as we prepare for the 21st century.

Let me also thank today's witnesses in advance for their testimony. I apologize for having to shorten the time period today. But we, unfortunately, are being faced with a number of votes in Washington, DC, and so, we have had to sort of contract today's schedule in order to get back in time for those votes.

And I also want to thank very much the Ebensburg local officials for our—for the use of this fine facility here in Ebensburg. Again, to you, Jack Murtha, thank you so much for inviting the Subcommittee to visit Ebensburg and Pennsylvania's 12th Congressional District.

Now, I would like to, at this time, yield to my very fine colleague, the ranking Republican on the Subcommittee on Surface Transportation, the very distinguished member from the 9th Congressional District here in Pennsylvania, Bud Shuster. Bud.

Mr. SHUSTER. Thank you very much, Mr. Chairman. We are here today because of Jack Murtha. Not only because of our tremendous respect for Jack Murtha; but also because of the tremendous leadership which Jack provides in the Congress. And I can tell you, in the 18 years that we have served together and I have gone to Jack time and time again to enlist his support on important projects, never—never once has there ever been a question of, "Is it Republican?" or "Is it Democrat?" The question has always been, "Is it good for Pennsylvania?" "Is it good for the nation?" And, we have worked together on a bipartisan basis. And in fact, I think there is probably a little extra plus to the fact that this region of Pennsylvania is represented by both Republicans and Democrats. And so, we are here because of Jack Murtha and we are looking forward to the testimony today. Thank you.

Mr. MINETA. Mr. Roe.

Mr. ROE. Thank you, Mr. Chairman. I want to echo the same sentiments that have been echoed by yourself and the distinguished gentleman from Pennsylvania. Now, I came here not only to participate, with Jack Murtha, in what is happening in Pennsylvania; but I observed something, and I want to share with the people of this great state that there are four distinguished members in the House of Representatives, here that are on the Public Works Committee. And I find that being our close relationship—New Jersey, my state, being next door—it is very important to know the people that are on the authorizing committee. Particularly here, Bud Shuster, our distinguished ranking member and Bill Clinger.

But also to you. I want to thank you publicly. I know there are members of your legislature here because you have been extremely helpful, not only to the state of New Jersey, but as Chairman of the Science, Space, and Technology Committee—and they would say, "Well, what has that got to do with roads?" There may be the roads of the future, and they will be. I want to thank you from our

Committee's point of view for the extraordinary effort and energy you put forth and the resources you have provided for the Science, Space, and Technology Committee programs of this nation. I want to thank you publicly for your help in that direction.

Thank you, Mr. Chairman.

Mr. MINETA. We have with us the ranking Republican on the full Committee on Public Works and Transportation. A person I have had the joy of working with when he was the ranking Republican on the Surface—or on the Aviation Subcommittee that I chaired for eight years. And in four of those years, Congressman Hammerschmidt from Arkansas was my ranking Republican. There is not a finer gentleman in the House of Representatives or better teacher. But, I would like to introduce at this time the ranking Republican on the full Committee on Public Works and Transportation, Congressman John Paul Hammerschmidt of Arkansas.

Mr. HAMMERSCHMIDT. Thank you very much, Mr. Chairman. Thank you for holding these hearings at the request of our good friend, Jack Murtha, a fine colleague in the Congress.

You know, I know I join all the members of this panel when we say we are delighted to be here in the 12th District to explore the highway and transit issues that affect the people who live in this beautiful central Pennsylvania area. So Jack, thank you for hosting the members of our Committee that are here today.

You know, Jack has served this district well in Congress for almost 18 years. He served for 15 years, as has been said earlier on the powerful Appropriations Committee. And just last year, became Chairman of the House Appropriations Defense Subcommittee—indeed, a very powerful position. In addition to his significant duties overseeing all military spending, he has been very instrumental in achieving funding for various highway projects in this area, including the Ebensburg Bypass, Route 22, new interchanges on Route 219, Route 56 and the airport access road to the Johnstown Airport. Clearly, he recognizes the importance of a strong highway infrastructure to this area's economic development and strength.

So, I am delighted to be here, and I look forward to hearing from our witnesses.

Mr. MINETA. Congressman Clinger.

Mr. CLINGER. Thank you very much, Mr. Chairman. And, I join with all the others in saying how delighted we are to be here with our good friend, Jack Murtha. You know, some months ago, I was honored to be here when we broke ground for the Ebensburg Bypass, and that project would not have happened without Jack Murtha. That is symbolic of the kind of thing he has been able to accomplish in this district and, indeed, throughout Pennsylvania. Jack Murtha recognizes that a good highway system is essential for rural areas. And where we are going to be groping with that over the next year or so to try and come up with a bill that is going to recognize and add to the highway network in this country. And, I have worked very closely with Jack Murtha and followed his lead in working on Route 219, which I think can be a major highway, opening up our trade with Canada, would be complementary to Route 220.

So, I just want to commend you for the fine work that you have done, not just for your district, but for the state and the nation.

Mr. MINETA. The gentleman from Ohio, Congressman McEwen.

Mr. MCEWEN. Thank you, Mr. Chairman. I am fully aware of the limited time that we have available to us; and yet, I have said this privately to our host on more than one occasion. It is only proper that I should say it here. And that is that three members of this Committee, Mr. Roe and Mr. Shuster and myself, have served on the Intelligence Committee. And in recent years, as very difficult decisions have been made as to our nation's security, that in every one of those discussions, we have—the name of Jack Murtha has constantly played in the decision process of other Committee members. He has been a true leader and one that I admire greatly.

The President of the United States, in recent weeks met with the head of the Soviet Union and phone conversations repeatedly with the head of Great Britain and France and Japan and others, was able to make a strategic decision with the support of the United Nations that in three and a half weeks accomplished more than President Truman was able to do in six months in the transportation and military affairs. No small measure of that was made possible because of the leadership of the member of the Appropriations Committee and Defense Subcommittee, Mr. Murtha, over the recent years, and placed the President in a position to have the facilities available to him to make the decisions necessary.

I am delighted to be in the district of one of my political heroes and trust that I can be of some return favor on the Public Works Committee as he has been to our nation by his service on the Defense Appropriations Subcommittee.

Thank you, Mr. Chairman.

Mr. MINETA. Congressman Packard, a very fine colleague of mine from California.

Mr. PACKARD. I will be very brief. I am just delighted to be in your district, Mr. Murtha, and am looking forward to the witnesses that you have arranged for, certainly the information we gather from the witnesses this afternoon and this morning will be very important as we develop the next highway plan for the country.

Mr. MINETA. From the great state of Iowa, a very fine colleague, Mr. Lightfoot.

Mr. LIGHTFOOT. Thank you, Mr. Chairman. Again, as my colleagues have already said, it is a great pleasure to be here this morning, and it is because of Jack that we are in town. And one of the things that I have enjoyed on this Committee is the bipartisan way that we have approached issues over the past. We tend to leave our letter sweaters at the door and look at the problems and what solutions are to those. And one of the things I think that Jack has done for Congress—and possibly it is because of that great Marine Corps heritage—but, he has brought a little semper fi to the U.S. House of Representatives. And by gosh, in these times, we need a whole lot more of that.

Jack, I just appreciate the leadership that you have given us. And particularly, when we are down in the floor and you are up in the chair, we know that it is going to get done and get done quickly and thoroughly. And that is something that we really appreciate. Appreciate your work.

Mr. MINETA. From the state of Illinois, a very fine colleague, Congressman Dennis Hastert.

Mr. HASTERT. Thank you, Mr. Chairman. To reiterate what Bud Shuster said, Jack Murtha, we are here because of you today. And certainly, you are one of the giants in the United States Congress. But, I think beyond that, it is important for this Committee to get out beyond the beltway of Washington and really talk to real people and see what real problems are and try to come up with some good solutions. And in the brevity of time, I am not going to go much farther than that; but, I appreciate your leadership in getting us out here to talk to these great people. Thank you.

Thank you, Mr. Chairman.

Mr. MINETA. Congressman Mel Hancock from Missouri—freshman member, but one who is learning very quickly about the jurisdiction of the Committee on Public Works. Congressman Hancock.

Mr. HANCOCK. Here again, I appreciate, Norm, that you did not introduce me as the oldest member of the freshman class. I mean that is—I keep waiting on that, but he is being a gentleman. Thank you, Mr. Chairman.

I would just like to say that I truly appreciate Jack and Bud's courtesy and hospitality to me and to this entire delegation and of the people of the Commonwealth of Pennsylvania. It has been a very pleasant trip for me to be back up here. I have been in this area one time about 20 years ago, and I have always wanted to come back. I did not know I would be coming back at retirement age as a Congressman, though. Thank you very much.

Mr. MINETA. At this time, I would like to call on a very distinguished friend and colleague, Congressman John P. Murtha. Again, Jack is highly respected in Congress. And Jack, it is great to be here in your community. And if you would go ahead and introduce your colleagues with you.

Mr. MURTHA. We have to my left the Chairman of the County Commissioner's Board, Joe Roberts. We have to the left of him Ron Stevenson, a Democratic member of the Board. And to my right, one of the staunchest members of the County Commissioner's Board, Kathy Holtzman. And, I wanted them to join me in Cambria County, where you are sitting—and of course, we have legislators mainly from Cambria County, but some from Westmoreland County and even Allegheny County—but, to join me to welcome you. And, I will turn to Mr. Roberts to do the formal welcoming.

Mr. ROBERTS. I am very happy and honored to honor such a distinguished crowd. It is the first time, you know, that people around here have seen so many Congressmen all at one time, only on TV. And, I know you are here for a good mission—a mission that we should have had years ago. And, we are very, very proud to welcome you to this area of Pennsylvania.

And right now, I would like to say, starting his tenth term of the United States Representatives, Congressman John B. Murtha has combined his leadership in national legislation areas with a key role in local economic development in the 12th Congressional District to produce a record of legislative and job development accomplishments. Today, he is here to welcome the Committee for the Regional Hearing of the Surface Transportation Subcommittee of Public Works.

Jack Murtha's accomplishment during his tenure in Congress are too many to mention. He was convinced in the area of FAA not to set down to flight service station until a known federal control tower is in place at the Johnstown Cambria County Airport. The FAA will fund the tower at $100,000—$100 million—$100,000 per year for the next five years. He has included language in the fiscal year 1991 to fund Route 56 for $20 million. He has responsible—was responsible for the funding of $13.7 billion to construct the Ebensburg Bypass. He was responsible for the funds appropriated for the airport access road which was just completed. He has received numerous local, state and national honors. I could go on and on. It would take hours. He has helped the Boy Scouts, Girl Scouts and so many others that the list is endless.

So now, I turn this over to Congressman Murtha, one of the best friends of our good Congressman.

Mr. MURTHA. Thank you very much, Joe. Let me again reiterate how much I personally appreciate this distinguished panel coming to Western Pennsylvania. No question in my mind, we have one of the most distinguished groups that you will find throughout the entire nation, representing a wide spectrum of responsibilities. And I know you made a substantial sacrifice to come to this area, and we deeply appreciate it.

I want to commend and compliment the Chairman of this Surface Transportation Subcommittee, Norm Mineta, who came from California especially for this. And Bud Shuster, an old-time friend, the premier surface transportation promoter in all of Pennsylvania and one of the best experts in the entire country. And of course, Bob Roe, Chairman of the Science and Technology Committee, who I work so closely with. John Paul Hammerschmidt from Arkansas, who we have worked so closely together in getting so many things done over the years. A prominent member of so many committees and such responsibility in Congress. Bill Clinger and I, of course, go back a long ways. We have worked hard on trying to extend Route 219, and we have been—had some great success. But, all of you, I want to express my appreciation for your coming to this area.

And then, I just want to mention a couple of items because they are so important. You came down 22. Of course, 22 is the main access into Pittsburgh—a deplorable situation. One of the things that was mentioned in the other hearing was how important it was to transfer now from the interstate highway system and the primary construction to maintenance. The states just have not been able to afford the maintenance—no question about it. This would be a tremendous help to us to broaden 22, to widen it and to have some federal responsibility in that regard. 219—Bill and I will be working on this with the Committee. Hopefully, we will be able to get some sections in there because that, again, is the north/south access. 56, another highway which comes in to Johnstown.

We have been devastated—Bud's area and my area and Bill Clinger's area—by the lack of coal jobs, by the loss of coal jobs, by the loss of steel jobs. The unemployment rate was at one time 24 percent just a few years ago in this very area. And of course, we tried to attract industry. One of the first things they said was, "Where are your highways?" "How can we get in and out?" We have a diversified program for trying to present America's industri-

al heritage, which is a unique nine-county program where we built museums and highlighted the industrial beginnings of this great nation right here in western Pennsylvania. But, you cannot get the people in. Half of the population of the United States is within 500 miles of Johnstown, of Altoona. And, you know, we are working on roads, but we certainly need your help. And I endorse what you are saying about the fact that you should start doing maintenance work and change to building infrastructure and roads and so forth.

And one other thing I want to endorse and I know most of the Committee members feel this way. I do not think, under any circumstance, that we should use tax money from highway funds for reduction of the deficit. I know there are all kinds of rumors, and I just believe it should be dedicated to fixing, repairing and building infrastructure and highways in this country. And it would be a terrible mistake to divert it to any other type funding. And so, as important as the deficit is, I agree with this Subcommittee and this Committee completely that that would be a major mistake to start to divert those funds when there are so many needs in this great nation.

So again, I just want to express my deep appreciation for all of you coming to this area and look forward to hearing the rest of the witnesses, and some of these here will testify later on. Thank you very much.

Mr. MINETA. Thank you very much, Jack. Let me have you join us up here at the panel if you would.

And at this time, I would like to call on the Cambria County state legislators, led by Senator William J. Stewart. Senator Stewart will be accompanied by Representative Andrew Billow, Jr., Representative Edward J. Haluska, Representative Leona G. Telek and Representative John N. Wozniak. Senator Stewart, it is great to have you here with us, and your statement will be made a part of the record. And, if you would go ahead and proceed in your own fashion, sir.

[The prepared statements of Mr. Murtha and Mr. Clinger follow:]

38-253 O—91——94

Opening Statement of
The Honorable William F. Clinger, Jr.
During the Surface Transportation Subcommittee Hearing
on Reauthorization of the Federal Highway
and Mass Transit Programs

Monday, September 17, 1990
Ebensburg, Pennsylvania

Mr. Chairman, highways are literally the economic lifeline for every community in this country. And for most areas, highways are the sole form of transportation, whether for business or personal travel.

But in this day and age, being located next to a 1950's era highway is not good enough. Today industry depends on the efficient movement of goods and materials. If a town or city does not have easy access to an interstate or a good four-lane highway, they are at a severe disadvantage attracting new industry and may, in fact, have difficulty retaining existing industry.

The federal interstate system has provided our country with a network of highways that is the envy of the world. But at the same time, the completion of our interstate system has had the curious effect of segregating our communities between the haves and have-nots. If a rural or urban area is not presently served by an interstate or four-lane highway, its chances of gaining access to this system in the future is severely limited. And without good access, the ability to attract or sustain economic growth is jeopardized.

With that in mind, as our Committee begins to fashion a new highway bill in the post-interstate era, I believe we ought to begin focusing on improving highways in those areas that lack easy access to interstate or four-lane highways, especially if highways represent the only form of transportation. And I believe special attention should be given toward building on the interstate system by strengthening the web of connecting federal-aid highways so that they can improve access to towns and cities removed from the interstate.

Route 219 provides an excellent example of what the future direction of our highway system should be. It is a direct north-south link running between Canada, via Buffalo, New York, through central Pennsylvania, and into western Maryland and West Virginia. If given the necessary improvements, it would prove to be an invaluable trade route between our area of the country and Canada.

For the present though, 219 is largely two lane and is considered too mountainous and narrow to serve as a long-distance route. Most communities lying along 219 are totally reliant on it not only for north-south movements, but they also need to travel 219 in order to eventually connect with major east-west corridors.

Many of these communities clearly fall into the category of the "have-nots" that I alluded to earlier. Their prospects for future growth will be hampered until, and unless, 219 is upgraded.

We have an excellent example here in Pennsylvania of the economic benefits that flow from an upgraded highway system. Our colleague, Rep. Bud Shuster, has been instrumental in directing federal support to Route 220, rebuilding what was once a narrow, twisting two-lane highway into a state-of-the-art four lane system. Industry -- and with it jobs -- are now relocating along 220 to take advantage of its access to interstate 80 and the Turnpike. Bud has set an example of the type of successful highway projects that should be authorized in the new highway bill.

In the same context, an improved Route 219 would supplement the movement of traffic to and from Canada, Interstate 80, the Turnpike, and western Maryland and West Virginia. It would serve as a complement to 220 and would no doubt result in even more industry citing along that corridor.

With that, I want to thank our Chairman, Mr. Anderson, Subcommittee Chairman Mineta, and our hosts and my neighbors, Bud Shuster and John Murtha, for scheduling today's hearings. I look forward to hearing from our witnesses, and I want to thank them for taking time out from their busy schedules to appear before us this morning.

Thank you, Mr. Chairman.

TESTIMONY OF CONGRESSMAN JOHN P. MURTHA

Before the Public Works and Transportation Committee

Subcommittee on Surface Transportation

Regional Hearings at Ebensburg, Pennsylvania

September 17, 1990

TESTIMONY FOR SURFACE TRANSPORTATION SUBCOMMITTEE

Mr. Chairman and Members of the Subcommittee:

I appreciate the opportunity to testify before the Subcommittee on Surface Transportation of the Public Works and Transportation Committee. I would like to thank the Members of the Subcommittee for coming to Ebensburg today to get an up-close look at the transportation situation in our area. The many local officials and private citizens from the area who will testify today will provide details of many of the road projects that are important to the region, and discuss the impact that these projects have for the people and the development of the region.

The legislation which has prompted this hearing, and which will be considered by Congress next year, will re-authorize surface transportation programs. This legislation comes at an important time, as we near completion of the Interstate highway system. The Interstate system has been the focus of federal assistance for highway programs for the past thirty years. It is now time to turn a new page, and decide where next to focus our efforts.

One area of vital importance to much of the nation is the United States highway system and connecting roads. Although the Interstate system has helped to connect one end of our great Nation to the other, as well as serving many points in between, there are still many parts of the Country which are not serviced by Interstate highways. The ever-increasing importance of surface transportation, and the necessity of easy access to improved surface transportation for many businesses, means that areas not served by Interstate highways are at great risk of falling behind economically unless they are able to improve their existing highways.

The Congressional Research Service has estimated that an expenditure of $1 billion on highways and bridge construction will result in a total output of $2.4 billion in the economy. 52,000 people are estimated to gain employment by an expenditure of $1 billion on highway and bridges. For every 1,000 individuals employed directly in highway and bridge construction, another 1,058 would gain employment elsewhere in the economy. Obviously, the construction of highways and bridges is an important boost for the economy of a region in both jobs and increased production.

As you may know, the economy of Central and Western Pennsylvania went through a severe slump in the late 1970s and early 1980s. The region had relied on the coal and steel industries for its livelihood for a century, and the collapse of these industries left our region in desperate shape. Thousands of individuals lost their jobs, and we were in danger of seeing the entire economy of the area fail.

But one of the distinct advantages our region has is the resourcefulness and dedication of our people. We began a massive economic diversification program which has brought many new and exciting job opportunities for the workers in our area. Federal programs have assisted in retraining many of our workers for these new jobs. And we have looked at other ways to boost our economy. An innovative tourism program, America's Industrial Heritage Project, highlights the history of the area, and has increased tourism greatly over the first two years of its existence. Over the Labor Day Weekend, the Johnstown area hosted the American Folklife Festival, which brought thousands of tourists into the area. And planning is still going on for more projects designed to stimulate our economy.

The importance of highways to this economic revitalization cannot be underestimated. One of the first things that manufacturers ask as they investigate our area is the condition of the highways. Manufacturers need access to markets, and the highway infrastructure in an area is a key to their decision whether to locate there. A study by Pennsylvania State University demonstrated that inadequate transportation was the biggest complaint of companies who were investigating location in Central and Western Pennsylvania. We have managed to attract manufacturers to the region in numbers large enough to begin our economic revitalization and diversification. But highways will continue to be critical if we are to continue this effort. In addition, if we are to attract growing numbers of tourists to the area, we must have the roads to handle an increasing number of vehicles.

Another factor which cannot be taken lightly is the potential for recession over the next few years in the U.S. The construction of highways, leading to a economic diversification, is a significant buffer against recession, because of the money which is pumped into the local economy. Although a recession is harmful to all sections of the Nation, it could be particularly devastating to our region, which is just getting back on its feet after our severe problems. Highway construction must play a part in battling the effects of any downturn in the overall economy.

One unique feature of our region is the difficulty of constructing roads because of our mountainous terrain. The Members of the Subcommittee saw some of these difficulties as they went over Cresson Mountain to come to Ebensburg. The dangerous curves and treacherous mountain climbs that we are forced to deal with make driving very difficult for the average motorist in our area. Although we have discussed the economic impact of road construction, we must also stress the safety factor for the people of Central and Western Pennsylvania. Climbing lanes on many of our roads, improvements to increase visibility in bad weather, and the widening of narrow lanes in rural areas are all factors which can increase the safety of travelers on our roads.

A number of projects have been begun in our area which are beginning improvements to the highway system. One of the most important for the overall region is the improvements to U.S. Route 22 from Altoona to Pittsburgh. U.S. Route 22 currently consists of sections of limited access highway interspersed with two lane rural road. U.S. Route 22 is the main route from the northern part of our area to Pittsburgh, and is an important access road for numerous industries and individuals who live along this route. Continued improvements to this route are important for the development of this area.

U.S. Route 219 is a main North-South route in Pennsylvania from the New York to the Maryland line. As with U.S. Route 22, sections of this highway are limited access, while other sections are two-lane highways, going through small towns and mountainous rural areas. U.S. 219 from Somerset to the Maryland line is of particularly importance to the area, because it would provide a connecting route to the South, which would connect with a four-lane limited access highway, U.S. Route 40, providing connections to West Virginia and the Washington, DC area. Plans for improvements to portions of this highway have been approved, but significant sections must continue to be developed. I have discussed this highway with many of you on the Subcommittee, and I greatly appreciate the interest you have shown in helping us to reach our goal of improving this route.

Pennsylvania Route 56 is the main access from U.S. 22 and the Pennsylvania Turnpike to Johnstown, the largest city in my Congressional District. Federal funding for a demonstration project on this road has been approved, and continued improvements will increase access to Johnstown from points east and west.

It is important to continue the work on these projects, as well as considering other important projects in the area. The importance of improved roads for the safety and economic development of our region cannot be over-emphasized. Beyond the expansion of some of the main roads in our area, funds for bridge improvement and reconstructions are urgently needed. Many of the bridges in our area are old and extremely dangerous. The Pennsylvania Department of Transportation has underway a extensive repair program, but we need to complete work on this concern as quickly as possible.

This has been a brief overview of the transportation situation in our area. The testimony of our public officials and private citizens will provide more details on specific projects that we are considering. Again, I would like to thank the Subcommittee for coming to our area and listening to our concerns on the future of highway funding. I hope our information has been helpful, and I will be available for further discussion about the transportation needs of our area with the Members of the Subcommittee at any time.

TESTIMONY OF PENNSYLVANIA STATE SENATOR WILLIAM J. STEWART

Senator STEWART. Thank you, Chairman Mineta and members of the Committee, Congressman Shuster, Congressman Clinger from our own area, and obviously, Congressman Murtha. Our sincere thinks for the opportunity to talk with you and chat with you today about our highway needs.

We really appreciate the opportunity to comment on the critical transportation needs—infrastructure needs of our region as you and Congress prepare to map out a strategy for the nation's highway future. Just as state legislatures will have to make difficult decisions when we redraw the legislative district maps and the Congressional maps next year, we know that Congress will have to make difficult decisions when you redraw the transportation needs map of not only this region, but the entire country.

I must say that we in the Pennsylvania legislature have been used to making difficult decisions regarding our infrastructure as federal dollars have been steadily decreasing. When federal sewer and water monies went by the wayside, we responded in Pennsylvania with a $500 million state bond issue. We call it PennVest.

We took the lead in funding a billion dollar program to repair and replace our unsafe and deteriorating bridges.

Our state and local government economic development efforts have been rated as one of the best in the nation.

And in the highway area, we even developed a strategy to construct and reconstruct some of our major roads as part of the Pennsylvania Turnpike system—construct and reconstruct them as toll roads. This is an onerous alternative to the historic freeway concept, but one that we felt was the only realistic way to accomplish what we need—what we all agree needs to be done. U.S. Route 219 is part of that package, and I would like to emphasize the "U.S." designation.

Alice Rivlin, former Director of the Congressional Budget Office and now with the Brookings Institute, has said, "If the United States is to have a world class economy for the 21st century, state governments will have to take that lead."

I submit to the Committee that Pennsylvania has demonstrated a clear willingness to do just that. And I must appeal to you to reverse the "fend for yourself federalism," particularly in the area of highway and mass transit needs.

One major highway need that desperately needs federal assistance is U.S. Route 22—specifically, in this area, from Mundy's Corner to Pittsburgh. Everyone in the economic development community has identified this connection to Pittsburgh as being critical to our future growth. Everyone in the Pennsylvania Department of Transportation recognizes this, as evidenced by a recent one million dollar commitment of state money to begin engineering and design on this section. And most assuredly, every member of the families of the 1,530 that have been killed or injured in a five-year period on this stretch of highway understand the critical need for improvement. But without federal dollars, this goal will probably never be achieved.

I congratulate you for the work that you have done and Congressman Shuster has done on the Route 22 section from Altoona to Mundy's Corner. But, we desperately need to continue westward.

I want to implore you that when you make those difficult decisions that I mentioned earlier, whether it be prying the highway trust fund money loose from the budget balance sheet—which I think is absolutely—should be a priority—or even to raising the gasoline tax. I implore you to consider prioritizing projects in states and areas—states like Pennsylvania and areas like ours—who have already made difficult fiscal decisions.

I feel certain that I speak for my colleagues in saying that we stand ready to assist you in this most important work. Our economic future in this region depends highly on what this Committee does or does not do.

We would like to thank you again for the chance to express what we feel is the majority opinion of our mutual constituents.

[The prepared statement of State Senator Stewart appears on p. 3088.]

Mr. MINETA. Thank you very much, Senator Stewart, for your very fine statement. When you say here that you have a difficult decision in terms of redrawing legislative districts and we have got a tough decision in terms of funding transportation projects, I am not sure. I think I would rather do what I am doing than trying to redraw legislative districts, especially when I see that from your Congressional perspective, I believe Pennsylvania will be losing—what? Two seats?

Mr. SHUSTER. We will be happy to help him draw the lines. [Laughter.]

Mr. TELEK. Just as we will be happy to map out the area.

Senator STEWART. We are going to keep this bipartisan transportation needs in this area?

Mr. MINETA. In terms of that U.S. Route 22 that mention in your testimony, when will the engineering and design phase of that be completed?

Senator STEWART. The million dollars I mentioned in my testimony was released about three weeks ago. That has already begun. It is primarily designed at this moment to add a climbing lane in what is known as the Chicory Mountain area. There is a lot of truck traffic on Route 22, and it is two-lane now. That section definitely needs a third lane, and that is about all Penn DOT says we can afford by ourselves—is a third lane to alleviate some of that truck traffic. Widening it to four lanes and extending it beyond that section of highway is certainly going to take federal dollars. But, what I want to stress is that Penn DOT and the legislature has made a commitment to come up with our share, whether it be 90/10 or 80/20. But, without the federal dollars, it is not going to happen.

Mr. MINETA. Well, I appreciate the attendance of the Representatives to the State House from the county as well.

Mr. Shuster.

Mr. SHUSTER. Thank you very much, Mr. Chairman. I simply want to thank you for your testimony and all of you being here today.

Mr. MINETA. Mr. Roe.

Mr. ROE. I echo the sentiments. Thank you very much for your testimony.

Mr. MINETA. Mr. Hammerschmidt.

Mr. HAMMERSCHMIDT. Thank you for your testimony very much. No questions, Mr. Chairman.

Mr. MINETA. Mr. Clinger.

Mr. CLINGER. I would like to also thank you for your testimony. But having driven on Route 22 from this area to Pittsburgh, I can only say, "Amen," that it is desperately in need of upgrading. My only question would be, if it was, in fact, upgraded to a four-lane limited access or even an improved 22, how long do you think it would take to get from here to Pittsburgh?

Senator STEWART. As far as constructing the road or in travel time?

Mr. CLINGER. Travel time.

Senator STEWART. Congressman, it would probably cut the travel time by one third. But more importantly, commercial carriers would use less fuel. The natural commerce connection between Johnstown area and Pittsburgh would be greatly enhanced. And I think there is a clear economic need, as I mentioned in my testimony, that the best and the brightest of those who deal with economic development have said that time and time again.

Mr. CLINGER. Thank you.

Mr. MURTHA. And the safety aspect is tremendous.

Senator STEWART. Yes, again in my testimony, the—in a five-year—recent five-year period, there have been 1,530 deaths and injuries on that section of highway that are primary—were primarily caused by its design. It is two-lane. In some places, it goes to three lane and then back to two lane with very little warning. It is a—it is just a horrendous situation. And we need your help with it.

Mr. MINETA. Mr. Murtha.

Mr. MURTHA. No questions, Mr. Chairman.

Mr. MINETA. Mr. McEwen.

Mr. MCEWEN. Mr. Chairman, I would just say that Route—U.S. Route 22 bisects my Congressional district as well. And if there ever is a road of national significance, that is it, and I will do all that I can to assist.

Mr. MINETA. Mr. Packard.

Mr. PACKARD. No questions, Mr. Chairman.

Mr. MINETA. Mr. Lightfoot.

Mr. LIGHTFOOT. No questions.

Mr. MINETA. Mr. Hastert.

Mr. HASTERT. No questions.

Mr. MINETA. Mr. Hancock.

VOICE. He is not here.

Mr. HASTERT. He fell off the counter. [Laughter.]

Mr. MINETA. That is what he gets for being a freshman.

Let me again thank you, Senator. Are there any members of the Representative—or the State Representative body that would like to make any quick statement?

Mr. HALUSKA. I would like to make one.

Mr. MINETA. Okay, Mr. Haluska over here. Okay, who is Mr. Wozniak?

Mr. WOZNIAK. I am Mr. Wozniak.

Mr. MINETA. This gentleman's cousin is a constituent of mine.

Mr. WOZNIAK. I sent him a fund raising letter.

Mr. MINETA. Is that right?

Mr. WOZNIAK. He sent a brochure back.

Mr. MINETA. Is that right? Steve Wozniak is a very good friend, and he is a resident in my constituency.

Mr. HALUSKA. Members of the Committee, I would like to call one matter to your attention. I think the Federal Government just recently has made a study of tourism in rural U.S.A. I mean, we have an exodus of industry from all rural areas, not only in Pennsylvania, but across the nation. And they came out with a report that simply states that they should now look at their natural resources in rural America to try to take advantage of the great resources they have of water, ports, historic sites and et cetera, and try to build an industry in each respective community. And they pointed out very vividly that 28 people, as tourists, coming into any area in one year's time—28 people a day is the equivalent of $100,000 payroll in that community, without the responsibility of providing schools and so forth. So, I think it is important that we try to get our major arteries of transportation into the rural areas to make it possible for the people to enjoy a new industry.

In Pennsylvania tourism is the second largest industry. I think across the nation, it is the third largest industry. And it is proposed that within the next ten years, that this will be number one in Pennsylvania and number two across the nation. So, I think we should look into this very seriously and try to do everything we can. It not only does that. It enables the people in the rural areas, if we have good access, to get into metropolitan areas, not only for recreation, but for educational and cultural purposes as well, and I think this is very important to do that. Thank you, sir.

Mr. MINETA. Thank you very, very much. Again, Senator, appreciate your presence here and to the members of the panel with us. I appreciate it.

I would like to now call on the Somerset County, state and local legislators, Senator William J. Lincoln, accompanied by Representative William R. Lloyd, Jr., and County Commissioner Brad Cober, Commissioner Robert J. Will and Commissioner Greg Chiapelli.

Senator Lincoln, your statement will be made a part of the record, and so, if you would proceed in your own fashion, sir.

TESTIMONY OF PENNSYLVANIA STATE SENATOR WILLIAM J. LINCOLN

Senator LINCOLN. Mr. Chairman, thank you very much. I also would like to echo the sentiments of the previous speakers and everyone who probably will follow in our appreciation for your bringing the Subcommittee into this area. You will hear many statements of the importance of roads throughout the period of time that you are going to be here today. And, I have a prepared statement; but, I think probably, I do things better a little bit off the cuff. And, I would like to thank Congressman Murtha and Congressman Shuster and Congressman Clinger for bringing this very important Subcommittee into Pennsylvania to see first-hand how

badly we need 22 and the 219 corridor from New York to Maryland.

And—before I do that, though, I would like to get into just one little story about Jack Murtha. And, Mr. Lightfoot reminded me of this. My first impression of Jack Murtha came back in 1973 when he and I served together in the Pennsylvania House. And many of you remember that that was the time in the history of this country when it was very popular to be critical of our country and burn flags and do all the other horrible things that people were doing. We had one freshman member of the House that came in with me at that time who was up giving a speech one day, being very critical of this country and demeaning and just about as bad as you could be. And my first impression of Jack Murtha was this much thinner, very fiery young Marine charging down the floor of the House and taking the microphone and giving the best defense of this country that I have ever heard. I will never forget that. I think it is something that truly gives you the type of person that Jack Murtha is. And if I live to be 100 and he lives to be 110, that will never leave me.

And, my respect for him has just grown since that period of time. I also have a strange philosophy, being in politics at least two-thirds of my life now. I really admire ability, but I respect power. And Jack Murtha has combined both of those. And he proved that to me recently when he went into Washington and shook that big tree down there and came up with $60 million for the Myersdale Bypass, which is a very important link in getting 219 finally completed. So Jack, I thank you personally for your activity on behalf of what is part of my district and yours.

The 219 project——

Mr. MINETA. Senator Lincoln, you think of it as the Myersdale Bypass. We think of it as the Murtha Bypass. [Laughter.]

Senator LINCOLN. Well, just as long as it does not become a memorial Murtha Bypass. [Laughter.]

The 219 project is the one that I would just briefly like to off the cuff speak about. We have all the ingredients in this area for getting back economically to where we were a number of years ago and where we could be in the future. We have good, hard-working people. We have a tourist promotion effort in Pennsylvania. It is bringing millions of people in. We have high tech studies and universities developing those high tech studies. We have the potential for opening international trade through all of—through Canada and New York, Pennsylvania, West Virginia and Maryland. We have a—all the good ingredients that we could need. We also have a road that is over-traveled, winding, hilly, absolutely a total impediment to anything good happening economically in this whole central part of Pennsylvania. With your help and the good Congressman from Altoona and Bedford County and Blair County, and I am trying to think of the home county. Forgive me.

Mr. SHUSTER. Bedford County.

Senator LINCOLN. Bedford, okay. I know the hard work that he and Jack Murtha have combined together on bringing roads throughout Pennsylvania, not just in their districts. And with your recognizing the need by coming here today, their efforts, I think, will be successful, and ten years from now, we are probably going

to see a much better economic climate in this part of Pennsylvania. And, I personally appreciate that because I have seen the bad days, too.

So, I am going to shorten my statement because I know you have a lot more to go. And thank you very much.

[The prepared statement of State Senator Lincoln appears on p. 3046.]

Mr. MINETA. Well, thank you very much, Senator. And let me also—I should have mentioned this earlier, but—and I am not really sure as we rewrite this new highway legislation what it really is going to look like today. I do know that there are some very general principles that we are trying to follow in terms of crafting this new legislation. One is, what will this legislation do in terms of highway and transit type programs for urban and rural needs in terms of helping our companies be internationally competitive? What will this legislation do to help local and state governments do economic development? What will this legislation do to help in terms of the quality of life? What will this do to help us in terms of public safety? And, what will this legislation do in order to keep a consistent, stable, flexible source of funding from the federal levels to local and state government? And so, with those broad principles, I think we are trying to encompass those kinds of things that both you and Senator Stewart have tried to bring to us in your statements.

I would like to ask, however, in reading your statement—I would like to ask about this Route 219 because you refer to an upcoming meeting with state officials regarding the inclusion of Route 219 on the Pennsylvania 12-year transportation plan. Are you fairly optimistic that Route 219 will be included in that plan?

Senator LINCOLN. Mr. Chairman, I believe that the time has come for that to happen, so I would have to say, yes, I am optimistic. The reason for the exclusion from the 12-year plan 10, 12 years ago was that Pennsylvania had themselves in a position where they were borrowing more money to build roads than they could afford. And we went through a period of time where we really did not have a lot of construction using state dollars. And, the 12-year plan reflected that in the manner in which it was put together. I believe that next year, whenever the hearings are held and the recommendations are made for changes in the 12-year plan, that you will see a very bipartisan concerted effort by all public officials within that corridor in getting the 219 projects back into the first four years of the 12-year plan.

Mr. MINETA. And, do you anticipate a speedy environmental clearance for Route 219, given that there is, I guess, some local opposition to various segments of the proposed project?

Senator LINCOLN. I can speak for the section south of Somerset borough to the Maryland border, in which Congressman Murtha was successful in getting the $60 million for the bypass, which is part of that section. And the state released $500,000 at that time to update the environmental impact studies. Now, this project was funded about 20 years ago. All of the design, right-of-way and everything else was in place. And because of local opposition, failed to be built. And as you know, the cost is extremely higher now, and there are now environmental impact studies that must be in place

that we are prepared and we are moving forward in that aspect of 219 south of Somerset.

Mr. MINETA. That is a growth in estimate of the costs at that time compared to today is what?

Senator LINCOLN. Probably four or five times—six times—eight times. It is hard to tell. But, I would think as it was, say, a million dollars a mile 15 years ago, it is probably $10 million dollars a mile now.

Mr. MINETA. Very well. Mr. Shuster.

Mr. SHUSTER. No questions. We just very much appreciate your testimony.

Mr. MINETA. Mr. Roe.

Mr. ROE. Yes, thank you, Mr. Chairman. I realize time is short, but I think you are making an extremely important point and so did the panel before. America has a tendency—and everybody is in the budget mind at this time—to cut here, cut there. What we have been trying to get across to them, under the leadership of Mr. Anderson and Mr. Mineta of this Committee, is that as we invest in the highway transportation system and improve the bridges and provide the access to a state as beautiful as yours, in effect, you are creating new wealth. That is where the new wealth of America is going to start to emerge. So that when we are spending one dollar, which in a way, that is saving on the budget. And, we are going to make ten. It seems to me, you ought to spend the $10. You ought to spend it, be able to make the resources to pay the deficit in the first place.

So, I would hope, if I may make the suggestion, Mr. Chairman, that as the new program—the 12-year program—unfolds, somebody ought to do an overview in Pennsylvania, I would think, and would come back and say, "Basically, if we make these kinds of investments, here is how we will estimate what it will mean in the increase of revenues coming into the state of Pennsylvania." So that we start to change the mindset in America—when we are investing something to create new wealth, we are improving our country versus the point of retracting and retreating from what we attempt to be doing so far.

I just want to make that observation. And, thank you for the input you have made to the Committee.

Senator LINCOLN. Mr. Roe, I would think that your statement probably is the most encouraging thing the people that live in this depressed area could hear because that means that there are people outside of our area that are listening to Congressman Shuster and Clinger and Murtha.

Mr. ROE. That is true.

Senator LINCOLN. And, we do need that help.

Mr. ROE. Everybody from New Jersey listens to Shuster. [Laughter.]

Murtha and Bill Clinger.

Mr. MINETA. Mr. Hammerschmidt.

Mr. HAMMERSCHMIDT. Thank you, Mr. Chairman. Senator Lincoln, we appreciate your statement very much.

Let me just comment on something that my colleague, Mr. Roe, just said. He may have inadvertently misled the general public, and I think it is something that needs to be said about the deficit.

You know, highway trust funds do not have anything to do with the deficit. They come out of dedicated revenue. That is an important point for the general public to understand. I know you all understand it because you are professionals and you work with it. But sometimes, the general public and the media thinks when you are spending all of these dollars that you are spending it out of the general treasury, but you are not. You are spending it out of the trust fund that cannot be spent for any other purpose.

Mr. ROE. Will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to my friend.

Mr. ROE. I think the gentleman is right. I was not inadvertent, because I think one thing ought to be said, and I am so glad you raised the issue. One thing the legislature of Pennsylvania ought to say to the Congress of the United States—and that includes me and everybody here, and particularly what is going on right now—that Mr.—John Paul Hammerschmidt is absolutely correct. The Congress of the United States should not use public trust funds that are paid for by the people of this country against their automotive, gasoline and their fuel taxes and so forth and shield the debt with it. That is not fair to the people of this country, and that is the point that I think has to be made.

I thank the gentleman for yielding.

Mr. HAMMERSCHMIDT. Well, I agree with all you have said. It is just that it is such an arcane process, the general public gets lost in all this complicated budget procedure, and that is exactly what they are doing. They are shielding the deficit by not spending the dollars that cannot be spent for any other purpose.

Thank you very much for your testimony.

Mr. MINETA. Mr. Clinger.

Mr. CLINGER. Thank you, Mr. Chairman. Thank you, Senator, for your very excellent testimony.

With regard to 219, which Congressman Murtha has been very effective in promoting, do you see that as between 219 and 220 that they are competitive, are or they complementary, in your view?

Senator LINCOLN. Congressman, I believe that the success with 220—the completion of 220 in the area that I am familiar with has had a tremendous impact on the economy of the area, and I think rather than being competitive, I think we will use that as an example as to why we should continue to press forward for completion of 219.

Mr. CLINGER. It would actually benefit both corridors, I think.

Senator LINCOLN. Without question, I would agree with that.

Mr. CLINGER. Thank you very much.

Mr. MINETA. Mr. Murtha.

Mr. MURTHA. Just one point on 219. And, Bill talked about how it was held up and the extra cost. We actually had federal dollars available early on in the Appalachian Regional Commission money. And of course, because of a few people, that highway has not been completed and is going to cost a lot more money. So, it is unfortunate; but, it is something we recognized early on should have been done and just fell by the wayside because of bureaucratic regulations.

Mr. MINETA. Mr. McEwen.

Mr. MCEWEN. No questions, Mr. Chairman.

Mr. MINETA. Mr. Packard.

Mr. PACKARD. No questions.

Mr. MINETA. Mr. Lightfoot.

Mr. LIGHTFOOT. I am busy pouring water, Mr. Chairman. I am taking care of our distinguished colleague from New Jersey.

I would only like to add to your comments about writing the new highway bill. I come from a very rural state with many, many miles of interstate and not very many people, and the formulas do not work for us, as is common in many rural areas. But, there is also an old proverb that we live by in our part of the country that a successful rain dance is the result of good timing. [Laughter.]

Quite frankly, I think that is where we are in this whole highway process, that the time is right to what the Chairman alluded to a moment ago. That we are looking at a lot of things—economic development and safety and so on. It is time to get on with the rain dance.

Thank you gentlemen for coming.

Mr. MINETA. Mr. Hastert.

Mr. HASTERT. No comment.

Mr. MINETA. Mr. Hancock is not back yet. Still has not found his——

Senator LINCOLN. We have these very fine Commissioners, and I know, having come from local government myself—again, if you would like to mapposition which has already been raised twice. I believe, at least in southern Somerset County, where we desperately need this, we have lost some economic development because of poor access. I believe that the time is right also, that the opposition is gone, at least from the southern section, to be completed from here south. So, I just want you to be aware of that. Any efforts you could do would be greatly appreciated.

Mr. MINETA. Thank you very much. Mr. Will.

Mr. WILL. I do not want to be repetitive; but, along with those comments, we have 219 from Ebensburg to Somerset, and it is sort of dead ended in both places. And, it would be a great benefit if it was connected from Somerset to Route 48, the Maryland line. I want to thank the entire Committee.

Mr. MINETA. Well, thank you very, very much, Senator Lincoln and Mr. Will and Mr. Cober.

Senator LINCOLN. Thank you.

Mr. MINETA. Now, I would like to call on the panel from the Westmoreland County. And, that is Representative Thomas A. Tangretti, accompanied by Paul Parsells, Executive Director of the House Transportation Committee.

It is my understanding that Representative Petrarca, who is the Chair of the House Transportation Committee is unable to make it, and so, Representative Tangretti will be making the statement on his behalf. That statement will be made a part of the record, and so, if you would go ahead and proceed in your abbreviated form. Thank you.

TESTIMONY OF STATE REPRESENTATIVE THOMAS A. TANGRETTI, ON BEHALF OF STATE REPRESENTATIVE JOSEPH A. PETRARCA, BOTH FROM PENNSYLVANIA

Mr. TANGRETTI. Thank you, Mr. Chairman. I appreciate the opportunity to be here on behalf of Mr. Petrarca, who regrettably is unable to attend. But, Mr. Parsells, as you indicated, is here, Staff Director of the Transportation Committee of the House, as well as James Dill, Administrative Assistant to Senator Porterfield from Westmoreland County.

Mr. Chairman, we are beginning a decade which I believe will prove to be the most critical test of our ability as individual states and as a nation to meet our transportation needs. The Persian Gulf crisis has given us the necessary and well-timed slap in the face reminding us that we will be unable to meet our transportation needs in the 21st century if we do not make critical decisions now.

Pennsylvania is prepared to make those decisions; but, we need the help of you and Congress and the Bush Administration. Clearly, we can no longer depend on oil as a reliable energy source in the next century. There are alternative fuels available that can be produced today that are not only a good substitute for oil; but are beneficial to both the consumer and the environment.

Specifically, compressed natural gas is a fuel which is abundant in supply burns much cleaner and is less expensive. And most importantly, the technology exists today to utilize it. I bring this to the attention of the Subcommittee for your consideration mainly for its potential applications in mass transit, a subject which I would like to discuss in more detail in a moment. Mr. Petrarca's Committee has had the opportunity to see this technology at work when we took a ride on a bus which was fueled exclusively by compressed natural gas.

Transit authorities are very interested in this technology; but they need help with the initial capital investment. While the operating costs are projected to be low, spending scarce mass transit funds to retrofit buses and to build pumping stations is very costly. If we could help with these start-up costs, the long-term benefit would be well worth it. This help should also extend to large vehicle fleets, such as school buses. And ultimately, I believe that we should concentrate our efforts and funding to make alternative fuels, such as natural gas, more accessible to the general public.

One of the critical decisions facing us today as we approach the next century involves mass transit. At a time when the Federal Government should be encouraging mass transit, it has turned its back on the states. The decision to mask the federal deficit by refusing to allocate funds from the more than $6 billion mass transit account of federal highway trust fund, we think, is irresponsible. The United States Department of Transportation Secretary Skinner has criticized Pennsylvania's public transportation financing. His criticisms and inactions on funding is not only insulting, but has caused great friction between members of the Pennsylvania General Assembly, as well as between our members of Congress.

For the information of the Subcommittee, Pennsylvania ranks second in the nation in its contributions to mass transit. Over the past eleven years, Pennsylvania operating assistance for urban

public transportation has nearly tripled. Local government assistance has increased by 72 percent. And federal assistance has declined by 87 percent.

Appendix A of written testimony is a copy of a resolution Mr. Petrarca approved, along with his fellow Commissioners of the State Transportation Commission, taking strong exception to Secretary Skinner's comments and inactions. The Commission is a bipartisan 15-member body established by statute to work with the state government to establish transportation improvement programs. I urge you to take the time to read this resolution so that you may better understand our situation. Secretary Skinner's inaction has created a sense of panic among elected officials in areas served by a crumbling mass transit. In Pennsylvania General Assembly, a bill was defeated which proposed a Constitutional amendment to allow monies restricted to highway and bridge improvements be used for mass transit. This legislative was very divisive to the Assembly because legislators unserved—or underserved by mass transit saw it as an effort by Philadelphia, Pittsburgh to grab monies critical to their transportation infrastructure.

In Washington, Congressman William Gray has added a provision to the House of Representatives Transportation Appropriations bill in a frustrated effort to help this problem. The amendment would require the United States Secretary of Transportation to withhold 25 percent of Pennsylvania's 1991 federal highway monies, unless we enact a dedicated mass transit revenue source.

Congressman Gray has a very unhappy constituents—constituency, and I am sure is trying to come up with the best solution possible. From a statewide perspective, however, I feel that this measure will create more problems than it solves. Pennsylvania does not react well to coercion, punitive legislation from Washington, and I can assure you that the resulting dedicated fund will do little to address this problem. I would hope that the members of this Subcommittee can convince Congressman Gray to rethink this proposal.

I would also hope that you will look very carefully at how the Federal Government is neglecting our systems, remembering all of the good work that was done promoting mass transit after the last energy crisis, and consider the wisdom of Secretary Skinner's inaction as the events in the Persian Gulf unfold.

The highway funding picture has been much brighter in Pennsylvania, thanks to the efforts of Congressman Murtha, my good friend, Congressman Kolter and Shuster and Mr. Clinger. Pennsylvania has received nearly $2 billion highway and bridge funds over the last four years, as well as nearly $800 million additional discretionary funds. This money, when combined with state, local and—state and local and an encouraging amount of private funds, has allowed us to rebuild crumbling infrastructure and has helped to promote transportation facilities vital to Pennsylvania communities hard hit by recent changes in our industrial base.

The strong federal, state and local partnership is critical to our nation's transportation needs and must continue. As we approach the next century, the Federal Government has an opportunity working in this partnership to prepare the country for the dramatic change in transportation that will occur.

Federal resources remain focused on critical transportation needs. As we enter the post-interstate era, I believe that we should begin to concentrate on maintaining the existing interstate and its supporting arteries. For example, as was mentioned numerous times this morning, U.S. Route 22, which traverses Westmoreland County, is in a very dangerous state of disrepair.

We also have many non-interstate missing links here in Pennsylvania that need your continued support. Route 356, for example, would open up much of the northern Westmoreland County to Pittsburgh markets. Relieving congestion in our facilities must become a priority in completing these missing links, particularly in the rural and suburban communities is essential.

This great public partnership we have focused should also be augmented by user fees. We, in Pennsylvania, have begun major projects that will be funded by tolls. Consideration should be given in Congress to allow us to toll existing facilities. Interstate 80, for example, costs Pennsylvania nearly $60 million per year to maintain. We believe that tolling facilities such as this way, in near future, will be the only practical way to keep it usable and safe without neglecting the rest of our system.

We must, however, do more than build more highways. We must find better ways to move people and freight. Efforts must be made to rebuild our rail systems. We cannot afford to let our rail rights of way disappear. We are very excited about the advances in high tech speed—high speed passenger rail technology. And I am encouraged that Washington has begun to take an interest.

We have the opportunity to go from a third world passenger rail system that we now have to a nation on the cutting edge. I am convinced that the implementation of an integrated, coordinated, high-speed passenger rail system in this country will be the first step in the ending of our love affair with the automobile, and we all know that that affair must soon end.

One final comment. There has been much discussion recently about the possibility of raising the federal gas tax for the purpose of deficit reduction. Those of you who—that serve on this Subcommittee, I am sure, will agree that this would be very detrimental to our transportation system, as would likely have occurred had the recent effort here in Pennsylvania to use the gas tax for mass transit been successful. Such a move in Washington would have made the gas tax fair game for every crisis that came along.

Thank you for inviting me here today. I assure you that the House Transportation Committee is ready to work with you on the critical issues of transportation needs of our nation. Thank you on behalf of Representative Petrarca and the rest of the Westmoreland County Delegation.

[The prepared statement of State Representative Tangretti on behalf of State Representative Petrarca appears on p. 3054.]

Mr. MINETA. Representative Tangretti, thank you very, very much for your very complete and fine statement. Let me ask how you would respond to someone who suggests that highways that are built with user fees, such as motor fuel taxes, should not be retrofitted as toll facilities.

Mr. TANGRETTI. Well, in the example that was cited in the testimony of Mr. Petrarca, I would suggest to you that a large percent-

age of the traffic on that interstate are non-Pennsylvanians, and it seems only fair that those non-Pennsylvanians should make and be able—be made to pay for the use and the maintenance of that particular facility. So, I would suggest to you that that is not a circumstance that is one that should not be considered.

Mr. MINETA. How do we get ourselves out of this Catch 22 we apparently are in right now that someone says, "Well, I am not going to fund anything in terms of transit if you do not have a dedicated fund." The constitution of your Commonwealth says, "You cannot have dedicated funds." And now, we have got a piece of legislation in the Transportation Appropriations Subcommittee that says—you know what it says. How do we get ourselves out of that Catch 22?

Mr. TANGRETTI. I would suggest that that $6 billion that is sitting in Washington could be tapped to help the circumstance as it relates to SEPTA particularly, where all of the problem occurs. A large part of Pennsylvania problems, the mass transit fund split—and Paul, correct me if I am wrong—is 70, 25 and 5.

Mr. PARSELLS. Right.

Mr. TANGRETTI. Where SEPTA and Philadelphia system gets 75 percent of the mass transit, Port Authority 25 percent and the rest of the state divvies up the remaining 5 percent.

Mr. MINETA. How much does Pittsburgh—the PAT—get out of this?

Mr. PARSELLS. 25 percent.

Mr. MINETA. That is the 25 percent. I am sorry, Port Authority.

Mr. TANGRETTI. Correct. Yeah. So, as a consequence, the rest of the state, and particularly, the rural areas are left wanting. And in Westmoreland County particularly, I have to tell you that we are a major corridor to the Pittsburgh market, and our mass transit system—although moving along adequately—is inadequate because of lack of funding. And we certainly, in Westmoreland County, could utilize additional funding for the system that we have. And, I would suggest that that would be an area that you ought to be considering, and I know you will.

Mr. MINETA. Thank you very much.

Mr. Shuster.

Mr. SHUSTER. We certainly appreciate your testimony. In fact, Representative Tangretti, you have given me an idea that I have asked the staff to pursue with regard to this problem in Philadelphia. It seems to me that we might consider in our legislation language that says something like this. "If funds are withheld from a state due to a lack of dedicated transportation funding source, then that state should lose 100 percent of its transportation—of its transit funds for those metropolitan areas of over two million people." So, if Philadelphia wants to play this game of penalizing the whole state, I think we should perhaps consider——

Mr. TANGRETTI. I do not think you want me to comment on that.

Mr. SHUSTER. Well, of course, my hope would be I would not really want to see this ever go into law; but, it seems to me it might be a way to get somebody's attention.

Mr. TANGRETTI. I would only offer this comment. Being from southwestern part of the state, it is easy to be Philadelphia bashers, and there are—not that you are, and I do not mean to

imply that—but, there are those who would make that a constant stream of political rhetoric. And, I think Philadelphia is a very large and integral part of the state economy, and I think we ought to take a whole state point of view. And, we need to solve Philadelphia's problem; but certainly, we cannot forget the rest of the state.

Mr. SHUSTER. I could not agree with you more. And Philadelphia, likewise, should take a whole state point of view. Thank you, Mr. Chairman.

Mr. MINETA. Mr. Roe.

Mr. ROE. No comments, Mr. Chairman.

Mr. MINETA. Mr. Hammerschmidt.

Mr. HAMMERSCHMIDT. No questions.

Mr. MINETA. Mr. Clinger.

Mr. CLINGER. Thank you. No questions.

Mr. MINETA. Mr. Murtha.

Mr. MURTHA. I just want to say, Tom Tangretti used to work for John Dent for years. So, he has——

Mr. MINETA. Everybody knows Johnny.

Mr. TANGRETTI. I wish he were still around with us.

Mr. MURTHA. A good man—a good man.

Mr. MINETA. Mr. McEwen.

Mr. MCEWEN. Nothing.

Mr. MINETA. Mr. Packard.

Mr. PACKARD. Nothing.

Mr. MINETA. Mr. Lightfoot.

Mr. LIGHTFOOT. I just appreciate your support for alternative fuel, especially when we raise so much corn. [Laughter.]

Mr. TANGRETTI. We do, too.

Mr. MINETA. Which raises an interesting question if I could ask about that because, you know, compressed natural gas vehicles will not be paying the gas user tax. The question is, that same vehicle that is powered by compressed natural gas uses the same space as a gasoline powered car or has the same weight as a diesel powered truck; but yet, they will not be paying any user tax. I think that is something that we would have to take a look at in terms of how we deal with that issue.

Mr. Hastert.

Mr. HASTERT. Nothing.

Mr. MINETA. Mr. Hancock.

Mr. HANCOCK. Nothing.

Mr. MINETA. Okay. Again, thank you very much, Representative Tangretti and Mr. Dill and Mr. Parsells for your being here.

Mr. TANGRETTI. Thank you.

Mr. MINETA. At this time, I would like to call on Mr. Richard H. Mayer, Chairman of the Board, Johnstown Tribune Publishing Company. Mr. Mayer, we are pleased to have you here. Your statement will be made a part of the record. If you would go ahead and proceed in your own fashion, sir.

TESTIMONY OF RICHARD H. MAYER, CHAIRMAN OF THE BOARD, JOHNSTOWN TRIBUNE PUBLISHING CO., JOHNSTOWN, PA

Mr. MAYER. Thank you, sir. I am going to deviate a little bit from my written testimony, if I may. I am delighted to be the first

private citizen here in this—testifying in front of you. You fellows are the ones who fund and build the highways, and the rest of us are the people who simply hope to direct your interest in the way we think they ought to be done.

For 30 years, I have fought the fight for 219 north and south, and it looks as though that might get built in another 50 years. That is 80–85 years to build one highway. That—I do not think that that is right. I think that we should be able to fund and build highways and transportation systems much faster than that.

I do not know how long it is going to take to build 22—22 will be built. There is no way you can ignore 22. Pittsburgh is on one end, and the rest of eastern Pennsylvania is on the other end. 22 will be built. It will be four-lane or six-lane. Whether it is limited highway or not, that is something for political types to discuss. But, 22 will get built. I am not too concerned about that.

56 is the first diagonal highway that is needed in Pennsylvania. Most of our highways go north, south, east and west because that is how the people travel. We do need in Mr. Murtha's area between Indiana and Bedford linking Johnstown, we do need a highway—a decent highway—that goes diagonally across so that people in Indiana, if they want to go to Washington to see what their Congress is doing, do not have to go in a roundabout way going south and then east. So, I have no doubt that 219 will get built in 80 years. 22 will probably be four-lane or six-lane within 10 or 15 years. 56 might take a little longer, depending on Mr. Murtha's ability to change your minds and get a little money going in that direction.

What I would ask you to do, if you will, is to consider putting some money aside for a look at high-speed rail between Altoona and Pittsburgh. We have talked about high-speed rail going the other way, from Altoona to Philadelphia; but, we do not go that way any more. We tend to go to Pittsburgh. We tend to go to Pittsburgh and get on an airplane to go wherever we are going to go. We in Johnstown and in Altoona find it difficult to get to Pittsburgh in inclement weather. We have got little commuter airplanes that go that way; but, they do not go if it is bad weather—and thank God they do not because they are not equipped for it. But, high-speed rail is an interesting thought. You could start Greensburg to Pittsburgh. You could continue then from Johnstown to Greensburg to Pittsburgh. And you could bring it over the mountain, Altoona, Johnstown, Greensburg, Pittsburgh.

And, I think it might be worth your while just to take a look. I am not asking for big funding—but, just to take a look at the possibility of asking somebody to see if it is feasible.

Thank you very much.

[The prepared statement of Mr. Mayer appears on p. 3049.]

Mr. MINETA. Thank you very much, Mr. Mayer. Given the limited financial resources that we have and looking at 219, looking at 22, and then also looking at the topography that 56 is going to have to traverse, in terms of priorities, what do you think ought to be—how would you prioritize these three projects—219, 22 and 56?

Mr. MAYER. That depends on which hat I have on.

Mr. MINETA. All right, which hat would you like to wear to give us what your ideas of priorities might be?

Mr. MAYER. My Johnstown hat says, "For goodness sakes, let us do 56. It gets me in and out of town. It gets our tourists into town faster."

Mr. MINETA. But, that is the toughest one from a topographic perspective, is not it? Going through the mountains like that. Engineering is a great art, but——

Mr. MAYER. The—you know—the Pennsylvania Railroad had the same problem 100 years ago, and they got built fairly easily. It was privately developed—that might be one of the problems—rather than federally funded.

Mr. MINETA. After they got their federal land grants from the federal——

Mr. MAYER. Yeah.

Mr. MINETA. Let me ask about the fact that we have been—and you say, you know, from your perspective as a publisher of a very, very fine paper—we have been holding these kinds of hearings starting here in Pennsylvania, and we are going to go to different parts of the country to try and generate grassroots support for making transportation infrastructure an important subject. And unless we get that kind of grassroots support, it makes it tough on the Congress to act as well. But in light of this, has the Tribune-Democrat editorialized in support of increased funding for transportation at the state and federal level?

Mr. MAYER. Yes, sir. Absolutely. We have—we tried to push for an increase in the Pennsylvania gas tax, and it did not work. The politicians did not want it. I do not know where they expect to get their funding. But, we are in support of paying for what we ask for.

Mr. MINETA. That is great. Thank you very much. I appreciate that kind of support.

Mr. Shuster.

Mr. SHUSTER. I have no questions. I just appreciate very much my good friend's testimony.

Mr. MAYER. Thank you, sir.

Mr. MINETA. Mr. Roe.

Mr. ROE. No questions, Mr. Chairman.

Mr. MINETA. Mr. Hammerschmidt.

Mr. HAMMERSCHMIDT. No questions.

Mr. MINETA. Mr. Clinger.

Mr. CLINGER. Thank you, Mr. Chairman. I just want to make one comment. I hope your prediction about 219 is off by a few decades.

Mr. MAYER. How long ago was it that we dedicated the Ed McNalley Bridge? 30 years.

Mr. CLINGER. Yes. Well, perhaps it is wishful thinking. I am hopeful that we are going to be able to accelerate that process. The only other thing I would comment is there are a number of us who are very interested in exploring the use of high-speed rail and mag lev in order to relieve some of the congestion we have at our nation's airports because of the fact that we have not managed to meet the demands that are now being placed on the airports. And, one way that we might do that is to use high-speed rail as a means of getting people to the major hub airports. So, I certainly agree with your thought that we begin exploring that in some depth. Thank you.

Mr. MAYER. Yes, sir.

Mr. MINETA. Mr. Murtha.

Mr. MURTHA. Let me just compliment Dick Mayer for all of the work he has done over the years in highway needs in this area. As a matter of fact, he was on the State Transportation Commission for ten years. And, he has been in the forefront, as his predecessor, Walter Krebbs, was in knowing the importance of highways in this area. And, we appreciate your continued hard work in trying to bring to the attention of people who will eventually make the necessary division in funds how important it is to our area.

Mr. MINETA. Mr. McEwen.

Mr. MCEWEN. Nothing.

Mr. MINETA. Mr. Packard.

Mr. PACKARD. Yes, Mr. Chairman. I would just like to inquire if you feel that the state of Pennsylvania is average, below average or above average in terms of their commitment dollar-wise to highways in the state. That is in terms of all revenues for highways, gas tax and other sources.

Mr. MAYER. Presently, I think Pennsylvania is way behind. Way behind in the necessary—looking forward to the problems in order to get them funded in order to build the highway. I think Pennsylvania has taken a back seat.

Mr. PACKARD. And so, you feel that it is difficult for them to ask for a greater share of federal monies, particularly as those federal monies become matching monies, in most instances?

Mr. MAYER. I am not really in a position to comment on that. But, it looks to me as though Pennsylvania is looking to the state to do all of their funding on highways.

Mr. PACKARD. Thank you, Mr. Chairman.

Mr. MINETA. Mr. Lightfoot.

Mr. LIGHTFOOT. No questions, Mr. Chairman.

Mr. MINETA. Mr. Hastert.

Mr. HASTERT. No question, Mr. Chairman.

Mr. MINETA. Mr. Hancock.

Mr. HANCOCK. No questions.

Mr. MINETA. Thank you very much, Mr. Mayer. I appreciate it very, very much.

Now, I would like to call on Mr. Lawrence A. Rogers, Transportation Representative for Bethlehem Steel Corporation's Bar, Rod and Wire Division, Bethlehem Steel Company in Johnstown, Pennsylvania. Mr. Rogers, we are pleased to have you here. Your statement will be made a part of the record. And so, if you would go ahead and proceed in your own fashion, sir.

TESTIMONY OF LAWRENCE A. ROGERS, TRANSPORTATION REPRESENTATIVE, BAR, ROD AND WIRE DIVISION, BETHLEHEM STEEL CO., JOHNSTOWN, PA

Mr. ROGERS. Thank you, Mr. Chairman, Mr. Murtha, Mr. Shuster. I kind of find it hard to follow such a group of people. I am not a professional as you people are, and my voice is quivering a little bit and it is because it is my first time.

As my statement says, I am Transportation Representative for Bethlehem Steel, and we are located in Johnstown. I do not know if you people have seen the latest conditions that have existed or

have been published in our newspapers where Bethlehem Steel has announced that they will invest $100 million into the Bar, Rod and Wire Division, depending on some concessions by their employees. With that, we feel that 56, 219 and 22 are very essential to the transportation and the growth of Johnstown area, as well as Bar, Rod and Wire Division.

Bethlehem is both a supplier to and a user of our country's highway system. We ship more than 400,000 truckloads a year. The efficiency and safety of the highways directly affect our operations. If we spend too little on maintenance, our ability to compete in the international economy will be weakened and our standard of living will suffer. We need a new federal commitment to upgrade and repair our highway system. Both economics and fairness justify allowing some preference to American businesses bidding on these projects. One billion dollars spent by the Federal Government on new highways increases total output in the economy by $2.4 billion annually and creates 50,000 additional jobs.

A great deal can also be done to improve productivity, efficiency and safety of the commercial use of the highway system. We need to eliminate unnecessary, outdated and inefficient regulations. We need to establish uniformity and reciprocity between the states on regulation, registration, taxation, and we need to establish strict truck rules.

Specifically, the reduced regulation of motor carrier entry and rates which has contributed hundreds of billions of dollars in savings on interstate trucking since its adoption in 1980 should be extended to the intrastate operations of those same carriers.

The cost of continued state regulation of intrastate truck entry and rates is enormous. Professor W. Bruce Allen of the University of Pennsylvania Wharton School estimates the cost at between $5 and $12 billion per year. Bethlehem Steel recently tried to inject some additional competition within Pennsylvania by sponsoring a trucker's application for authority to haul steel from our Johnstown, Bethlehem and Steelton plants to destinations within Pennsylvania. Our studies showed that rates within Pennsylvania were higher for the same mileage than they were if the destination was out of the state. The trucker has been carrying thousands of tons of steel from the same plants to destinations outside the state for several years. Therefore, there was no questions of his fitness; but it still took 16 months and $25,000 in legal expense to get an even highly restricted operating authority which forces inefficiencies on the trucking operations. The regulatory process denies the consumer the benefits of competition and forces motor carriers to operate unnecessary empty miles.

The diversity of state tax regulations also imposes large, unnecessary administrative costs on motor carriers operating in multiple states. More uniformity and reciprocity are needed to reduce such unproductive paperwork.

H.R. 4261, the Safe and Competitive Trucking Act of 1990, is directed at these improvements in the commercial use of the nation's highway system. We urge the inclusion of provision H.R. 4261 in the Highway Reauthorization legislation in 1991. Bethlehem Steel and the country's industries, in general, need the efficiencies these

provisions would bring to our distribution system if we are to be competitive in the 1990s.

First, we have to have a good highway system. And second, we have to use it efficiently. Thank you very much.

[The prepared statement of Mr. Rogers appears on p. 3066.]

Mr. MINETA. Thank you very much, Mr. Rogers. Mr. Rogers, in your statement, you refer to the use of incentive systems by transportation managers. What type of incentive systems would you envision being implemented in order to reduce congestion at peak hours?

Mr. ROGERS. I do not have an answer for that. I would like to look into it and give you a written reply.

Mr. MINETA. If you have a thought or two on that, if you would write to us on the Subcommittee, that would be fine.

[The following was received from Mr. Rogers:]

Bethlehem
BAR, ROD & WIRE DIVISION
JOHNSTOWN, PA 15907 (814) 533-7441

October 3, 1990

The Honorable Norman Y. Mineta
United States House of Representatives
2350 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Mineta,

I want to express my appreciation for your courtesy in connection with my testimony before the Subcommittee on Surface Transportation of the House of Representatives' Public Works and Transportation Committee in Ebensburg, Pa., on September 17. Despite my nervousness, I enjoyed the experience and was particularly impressed by the manner in which you conducted the hearing and by the knowledge and thoughtfulness shown by you and the committee members.

With regard to your question on systems to relieve highway congestion at peak hours, I promised to supply additional thoughts. What we had in mind were things like high vehicle occupancy lanes, park and ride lots, toll structures which varied with the time of day, parking fees which encouraged the use of mass transit and, perhaps, some advanced technological devices such as automatic vehicle identifying toll machines with monthly billing. The Federal Government may be in the right position to encourage research and standardize approaches to the peak hours congestion problem. Federal funds might be wisely invested in demonstration projects and research and certainly in coordinating the standardization of technical approaches.

As we suggested in our testimony, how we operate and regulate both the passenger and freight traffic on our highways is extremely important in gaining the maximum return from our investment in steel and concrete.

Respectfully,

Lawrence A. Rogers

Lawrence A. Rogers

cc: Subcommittee members attending Ebensburg hearing
Rep. John P. Murtha

Mr. MINETA. You mention in your testimony that you support H.R. 4261, which is the bill introduced by our colleague from Illinois, Dennis Hastert. Are there other specific legislative proposals currently before our Subcommittee which you support and also wish to bring to our attention?

Mr. ROGERS. Not at this moment.

Mr. MINETA. Mr. Shuster.

Mr. SHUSTER. I have no questions, and I appreciate your testimony.

Mr. MINETA. Mr. Roe.

Mr. ROE. No questions. I appreciate your testimony.

Mr. MINETA. Mr. Hammerschmidt.

Mr. HAMMERSCHMIDT. No questions.

Mr. MINETA. Mr. Clinger.

Mr. CLINGER. No questions.

Mr. MINETA. Mr. Murtha.

Mr. MURTHA. No questions.

Mr. MINETA. Mr. Packard.

Mr. Lightfoot.

Mr. LIGHTFOOT. No questions.

Mr. MINETA. Mr. Hastert.

Mr. HASTERT. Thank you, Mr. Chairman. I appreciate your testimony, Mr. Rogers, and I would like to move forward and try to find some solutions to those regulation problems.

Mr. MINETA. I call on Mr. Robert D. John, Vice President of the 219 Association. We are pleased to have you here with us. Please proceed in your own fashion, sir.

TESTIMONY OF ROBERT D. JOHN, VICE PRESIDENT, ROUTE 219 ASSOCIATION, JOHNSTOWN, PA

Mr. JOHN. Thank you, Mr. Chairman. I am here as a representative of the Route 219 Association, which consists of six counties; Cambria, Somerset, Clearfield, Jefferson, Elk and McKean, with a population of about a half a million people. I am going to keep my remarks brief because I have given a written statement to the Committee.

Mr. MINETA. And that will be made a part of the record, sir.

Mr. JOHN. I hope all of you get a chance to review it.

Mr. MINETA. Yes, sir.

Mr. JOHN. As a former political writer for the Johnstown Tribune-Democrat, I can appreciate the fact that this Committee has taken the time from its busy schedule in Washington to visit this county and hear about our transportation problems. Several members of this group, Representatives Murtha, Shuster and Clinger, are well aware of our need for a modern transportation system. And I hope all of you will join them in making our highways and transit goals a reality.

One of those major goals, of course, continues to be completion of the north-south Route 219 as a four-lane limited access highway from border to border in Pennsylvania. The idea of the modern Route 219 originated back in the 1950s and received the endorsement of Governor David Lawrence, who at that time, stated, "Without highways, you cannot have industrial development. With-

out industrial development, you cannot achieve abiding prosperity." Every Governor since Mr. Lawrence has supported the 219 proposal. And while we have not set any construction records, by the end of this month, we will have 55 miles of the limited access four-lane Route 219 in use from Somerset to Johnstown and the Ebensburg area.

Of course, we still have a long way to go. We are hopeful that 219 can be completed as a toll road from Ebensburg to Bradford. And that funding would be provided by this Committee for construction of the 20-mile length between Somerset and Maryland. The Somerset-Maryland segment was part of the original Appalachian Economic Development Program designed to—which was designed, as you know, to aid economically distressed areas. With the approval of the Appalachian Regional Commission, a corridor was approved connecting Somerset to Route 48 in Maryland. Right-of-way was acquired for two sections of the highway. Final design was completed for two other sections.

When it was decided to phase out the Appalachian program, Congress recommended that Route 219 to Maryland be constructed during the phase-out period. Unfortunately, the money for this project went elsewhere, and we now have a four-lane highway to nowhere that ends in a wooded area in Somerset County.

Meanwhile, we have been working with New York State to extend 219 to Buffalo, and 37 miles of this highway have been completed in that state. Maryland officials also have made plans to provide a connecting link between the southern terminus of Route 219 and Route 48.

Robert A Gleason, Jr., President of the Route 219 Association, who could not be here today, has been conferring with Canadian officials on the possibility of extending this highway to Toronto. This would result in an international highway connecting Toronto to Washington, DC and the Baltimore area by 219 and Routes 48, Interstate Route 70 and 270. I might have a map on the wall there. Some of you may go see it. It shows how that highway would go.

And, Buffalo, New York, Mr. Gleason noted, would become the gateway city, linking the world's two largest trading partners. Mr. Gleason pointed out that the recent trade agreement between Canada and the United States could have a great economic impact on Route 219. Buffalo, New York, Mr. Gleason noted, would become the gateway city, linking the world's two largest trading partners. The trading agreement, he added, makes it mandatory to rebuild 219 as a four-lane limited access highway which would open up west central Pennsylvania as a new economic boom area to produce the goods that Canadians will be demanding from our country. There is no greater reason for a new U.S. Route 219 than the Canadian/United States Trade Agreement.

Thank you, gentlemen. That concludes my statement.

[The prepared statement of Mr. John appears on p. 3038.]

Mr. MINETA. Well, thank you very much, Mr. John, for your fine statement, both the submitted testimony, as well as your statement here this morning. I know that you have been a long-time supporter of 219 and associated with promoting 219. Given the recent free trade agreement between Canada and the United States, what kinds of products do you think will become increasingly dependent

or the existence of a good Route 219 between Canada and the United States?

Mr. JOHN. Under the sponsorship of the Route 219 Association, a study is now underway to answer that question, Mr. Chairman. We hope to have that answer shortly.

Mr. MINETA. And, do we have any kind of an estimate as to how much it will cost to complete this 130-mile segment of 219?

Mr. JOHN. That is from——

Mr. MINETA. To finish the 130 miles within Pennsylvania of the unimproved U.S. Route 219 to make it a four-lane limited access highway?

Mr. JOHN. No, $10 million a mile seems to be a reasonable estimate for these mountainous areas. I think Mr. Shuster would agree to that.

Mr. MINETA. Let us see now. My math is not that fast; but at $10,000 a mile for 130—what are we talking about—$1.3 billion? That is a sizable sum. Okay.

Mr. JOHN. It does not always run that high for every mile. But in the mountains, it usually does.

Mr. MINETA. Sure, recognizing the terrain it has to cover.

Mr. Shuster.

Mr. SHUSTER. I have no questions. I just want to welcome my old friend.

Mr. JOHN. Thank you.

Mr. MINETA. Mr. Roe.

Mr. ROE. No questions, Mr. Chairman.

Mr. MINETA. Mr. Hammerschmidt.

Mr. HAMMERSCHMIDT. No questions, Mr. Chairman.

Mr. MINETA. Mr. Clinger.

Mr. CLINGER. Thank you, Mr. Chairman. Mr. John, I want to thank you for your ringing endorsement of moving ahead with 219. Has the Association taken any view as to the priority of this thing? Obviously, given the price tag for the overall project, it would have to be done in pieces. Has the Association developed any priority listing of what segment they would like to see happen?

Mr. JOHN. The Association itself is pushing for the completion of 219 to Dubois. I personally favor completion of 219 to Maryland because it would connect us to the entire southern interstate system and would open up the whole Somerset area to industrial development.

Mr. CLINGER. All right, but the Association says——

Mr. JOHN. Yes. Because they are proposing a toll road, they had an engineering firm do a study of the area between Dubois and Somerset, and they proposed two corridors, one of which will be adopted as the corridor for the toll road.

Mr. CLINGER. Thank you.

Mr. MINETA. Mr. Murtha.

Mr. MURTHA. I just want to say, Bob, not long ago, I called a good friend of mine and he was a big supporter of the Boy Scouts. I knew he was dying when I called him, but he made an appeal for the Boy Scouts. This guy is supposed to be retired. I know if you call him on his death bed, his last request will be, "Finish 219."

Mr. JOHN. We have one Congressman who wants to be—late Congressman, Saylor—I might as well mention him—he wants to be—well, reincarnated, I guess, and travel over the new highway.

Mr. MINETA. Mr. McEwen. He is not here.

Mr. Packard.

Mr. PACKARD. What, in your judgment and the judgment of the Association, are the predominant impediments to the project moving ahead? What needs to be done besides more studies?

Mr. JOHN. We have had enough studies. Like I say, right now, we are hopeful here in Pennsylvania, to have the toll road system proposed. We are building a Westmoreland toll road section and put Allegheny County on toll road. If we get on a toll road set-up, then of course, it will pay for itself. We hope there will be enough traffic. The southern section is also part of the toll road, but it is in the third phase of the program and we are more anxious to get some funding for that between the federal and state government.

Mr. PACKARD. Is the problem mainly with state government or with the Federal Government?

Mr. JOHN. Well, with the Federal Government to some extent. The Appalachian—you know, the 20-mile section from Somerset to Maryland was part of the original Appalachian Program, which provided 80 percent federal funding. And they started doing all this work on it, get the right-of-way and everything. And, when the Appalachian program was phased out, we were recommended for completion by the Commission and the Governor. But, the funding—Appalachian funding went elsewhere.

Mr. PACKARD. Thank you, Mr. Chairman.

Mr. MINETA. Mr. John, just on that point about the toll road. Do you fear that if, in case, that there might be some movement of traffic from 219 over to 220 if 219 were a toll road?

Mr. JOHN. Well, of course, 220 is an important north-south highway, too, as Mr. Shuster knows. But, no, I think what we are hoping, if we complete—as that map shows—our highway to Toronto, Canada, there is going to be a big increase in traffic from Canada down through New York and Pennsylvania to the Washington state—to Washington, DC and Baltimore. So, both highways are necessary.

Mr. MINETA. Okay. Mr. Lightfoot.

Mr. LIGHTFOOT. No questions, Mr. Chairman.

Mr. MINETA. Mr. Hastert.

Mr. HASTERT. No questions.

Mr. MINETA. Well, Mr. John, thank you very, very much for your testimony and for your fine work over a long period of years in terms of what you have done in promoting transportation and safety. Thank you very much, sir.

Mr. D.C. Nokes, Jr., Chairman, Highway and Transportation Committee, Greater Johnstown Chamber of Commerce. Mr. Nokes, your statement will be made a part of the record. And so, if you would go ahead and proceed in your own fashion, sir.

38-253 O—91——95

TESTIMONY OF D.C. NOKES, JR., CHAIRMAN, HIGHWAY AND TRANSPORTATION COMMITTEE, GREATER JOHNSTOWN CHAMBER OF COMMERCE, JOHNSTOWN, PA

Mr. NOKES. Thank you very much. In addition to being the Chairman of the Highways and Transportation Committee, which is an unpaid office, I also chair four Johnstown-based corporations. So, I will be addressing basically the economic impact of highways and how important that is to our region.

In 1964, a report was completed entitled, "What Future Do Kids Have Around Here?" The consultant's task was to identify the problems facing the Greater Johnstown area. And the four that they identified in that report in 1964 were poor transportation access to our area, outward migration of our youth, chronic high unemployment and having reliance on steel and coal. I was ten years old, and now, 26 years later, we are really facing many of the same problems. And, it is important to note that I think the poor transportation access will solve—if we can solve poor transportation access—we will go far to help the economic development of our region.

Many citizens of our region have toiled long and hard and continue to work hard to enhance the economic climate of our region. But, the poor highway access to the Greater Johnstown area makes our efforts not only difficult, but nearly impossible at times.

Our economic development representatives have for years boasted that 50 percent of our population is within 500 miles of Johnstown, Pennsylvania and Altoona. That is the good news. The bad news is, the proximity really does not help us a great deal, unless we can get our products to those 500 people in that radius and 50 percent of the population. So, it is also important that we try to bring those people here for our tourism, recreation opportunities and to consider economic development sites. As you have heard already, our region has analyzed and reanalyzed what highway corridors are the top priority. Route 22 to Pittsburgh, Route 219 north and south, Route 56 to Bedford, and I submit that the completion of any corridor is essential to those of us seeking to create economic revitalization and to solve the problems identified in 1964 and repeated in many reports thereafter.

We must—and I emphasize, we must—that is, I am suggesting to you the people of our region are anxious and, in fact, for many decades worked hard on economic development. But, we will work with you—and I pledge to you my personal commitment for the rest of my lifetime as one of the five people under 40 that is probably going to live here the rest of my life for sure—that we will work with you if you can help us with the transportation. And we must also, of course, work with the state of Pennsylvania.

So, I look forward to optimistically working with you on those different programs. No other problem is more often mentioned when we survey local businesses as an impediment to economic growth in our region than poor transportation access, and the principal concentration is on highways. As a representative of the Greater Johnstown Chamber of Commerce and the Johnstown Area Regional Industries Board of Directors, and the Economic Development Corporation of our two-county region of Cambria and

Somerset Counties, we ask that you join in partnership with us to offer our children—and I have got four urchins at home—the opportunity to create a greater future for our region.

And, I will be happy to address any questions any of you may have.

[The prepared statement of Mr. Nokes appears on p. 3051.]

Mr. MINETA. Thank you very much, Mr. Nokes. That is a very telling story when you say that the 1964 report identified these, and now at this point, 36 years later, we are revisiting that——

Mr. NOKES. Right.

Mr. MINETA [continuing]. Same—the same reasons. Has the Chamber looked at this issue in terms of these three roads here and come to any kind of conclusion as to whether or not they would support a state or federal gasoline tax increase to fund these improvements?

Mr. NOKES. I am not really certain. But, one thing that I guess you addressed and maybe some of the other members feel the same way, I do not think you guys can be out there alone pitching the hard solutions. And, I pledge to you, I will work toward whatever resolution you guys recommend to us that will work. And, I realize it is a hard choice; but, we are willing to make the hard choices here to accomplish whatever it takes to get the roads done.

Mr. MINETA. The gasoline tax here in Pennsylvania is how much?

Mr. NOKES. I am not really sure.

Mr. MINETA. It is about 12 cents. Is is 12 cents for gasoline tax? Okay.

Mr. Shuster.

Mr. SHUSTER. I have no questions, but appreciate your testimony. Thanks.

Mr. MINETA. Mr. Roe.

Mr. ROE. No questions, Mr. Chairman.

Mr. MINETA. Mr. Hammerschmidt.

Mr. HAMMERSCHMIDT. Thank you for your fine testimony. No questions.

Mr. MINETA. Mr. Clinger.

Mr. CLINGER. Thank you.

Mr. MINETA. Mr. Murtha.

Mr. MURTHA. I just want to say, D.C. Nokes is a long line of business family working for highways and progress in Johnstown and the surrounding area. We appreciate it, D.C.

Mr. NOKES. Yes, sir.

Mr. ROE. Will the gentleman yield?

Mr. MINETA. I was just going to ask if you would yield. Again, this thing about if you took Johnstown as a center and drew a ring 500 miles around it. Now, within that ring, there would be 50 percent of the population of the United States would be in that ring?

Mr. NOKES. Yes, sir.

Mr. ROE. We do not include New Jersey either.

Mr. MINETA. Everybody claims New Jersey——

Mr. ROE. Includes New Jersey.

Mr. MINETA. Includes New Jersey. But, that is a hard statistic to fathom. That 50 percent of the U.S. population is within 500 miles—Chicago, New York, Philadelphia.

Mr. NOKES. Washington.

Mr. MINETA. Washington, DC.

Mr. NOKES. I do not know if we have Iowa out there.

Mr. ROE. Will the gentleman yield?

Mr. MINETA. Mr. Murtha, it is your time, sir.

Mr. MURTHA. I will yield to the gentleman.

Mr. ROE. You know, you make two good points there, it occurs to me. One, that one of the major issues facing the evolution of the Soviet Union and Eastern Europe absolutely unequivocally, they have no distribution system and people cannot get around those countries in that vast empire. And, that could bring down that government in due course, unless they do something dramatic about that.

It seems to me that there ought to be a new view taken in this highway transportation bill. I think you make a very good point. If you are trying to increase the source of revenue throughout an entire state, you know if it is the urban centers and so forth, they have what they perceive to be their needs. Rural areas have what they see to be their needs. But when you talk about taxing ourselves to achieve something, in open candor, there is not enough votes in western Pennsylvania against the cities to be able at this point to divert any economic resources to this area.

And it may be, Mr. Chairman and fellow colleagues on this Committee, that we ought to consider a formula somehow that emerges out of this new highway bill that gives recognition to that fact and maybe the state legislatures ought to say to themselves, "Well, if there is a particular capital improvement that has to be made in any region of a state," and you can delineate the service area. I think that is what Mr. Mineta was beginning to approach. If you delineate the service area, why should those people not be given the opportunity to tax themselves if it would achieve the economic dynamics they are trying to achieve? I think maybe we have to take a whole fresh look as to how we raise funding, both at federal and state levels, to achieve specific goals, if I am making any sense to you. And, I think that might be something worth pursuing, and we will look into that issue for you.

Mr. NOKES. Thank you.

Mr. LIGHTFOOT. I thank you.

Mr. MINETA. Mr. McEwen is not here.

Mr. Packard.

Mr. MCEWEN. Mr. McEwen is here.

Mr. MINETA. Oh excuse me. I am sorry. Back again. I am sorry.

Mr. MCEWEN. I have nothing.

Mr. MINETA. Mr. Packard.

Mr. PACKARD. Yes. I would like to expand on what Chairman Roe just spoke of. In California—and I can use that perhaps as an example—we are struggling with the same problems, being able to get enough local matching money for transportation to even apply for federal monies. But, we are struggling with transportation problems also. Not all, but many of our counties have put on the ballot—and many of them have passed—a half-cent sales tax, for example, that is earmarked for transportation purposes only. And in order to get the voters to be willing to support a self-taxing proposition on the ballot, the money was to be distributed to counties

getting a third of the funds, cities getting a third of the funds and mass transit programs getting a third of the funds. It was very attractive in the County of San Diego, where I live. It passed by 78 percent. And, we now are starting. That was just a year and a half ago. We are now starting to get literally millions of dollars into our cities and into the county of funds that we can use to leverage for state and federal funds.

One of the problems we have in our cities often, and in the county, is that we simply—even if we can get federal funds, we cannot get the matching funds to make it all work. And, I think I have heard the testimony today that indicates that there are some projects that has gone wanting here in Pennsylvania simply because there was not the matching funds available.

I think we are going to have to look more and more for local and state monies to do more and more for highway and, frankly, for all public works projects. That the Federal Government simply is not going to have 90/10 monies or even 80/20 monies very much longer. We are going to have to see more coming from the local sources, and that means we are going to have to look for innovative ways to raise that money at the local level. I was wondering if anything is being done or if it is even being discussed in terms of county right here in the two counties you are referring to—any thought to methods of raising local money?

Mr. NOKES. I know our Cambria County is concerned it may not be able to fund all the projects currently underway for this current fiscal year. Although, Somerset—the one to our south—is in a little bit better fiscal position. And, I think the rebuttal would be that there is enough on their plate already that they may not be able to address this. But, it is a matter of whether we are going to address it first and get enough revenues, and it at least has to be considered. And, I will share that with our Commissioners in both counties and see what response we may get.

Mr. PACKARD. Thank you, Mr. Chairman.

Mr. MINETA. Mr. Lightfoot.

Mr. LIGHTFOOT. Thank you, Mr. Chairman. I just tag on to what Mr. Packard was saying, only with a little bit of a different approach. There is also another figure that says 75 percent of the people in the United States live within 100 miles of a major ocean, which basically puts it East Coast and West Coast. And, I live right out in the center of that, and Lake Manawa does not qualify as a major ocean. In fact, in a dry year, you can walk across it.

But, one of the problems that we have in our area, and you are suffering from that same dilemma to some degree—we do not have a tax base big enough to support doing a lot of these kinds of things. The people are not there; the resources are not there. We have in Iowa now the highest state gasoline tax of any state in the nation, and we are pretty proud of our roads. But, that was a difficult issue to pass the state level, and particularly when you have border counties and states next-door that are 6, 7, 8, 10, 12 cents a gallon less. The competition becomes very tough at the Mom and Pop stores and the gas stations and so on.

But again, I think it is a basic unfairness that is in the formula system, and we need to devise a system that determines where the needs are, rather than where the people are because the old ration-

ale has been where we have people, that is where the problems exist, and that is not necessarily so, I do not think.

Thank you. I appreciate your comments.

Mr. MINETA. Mr. Hastert.

Mr. HASTERT. No questions.

Mr. MINETA. Well, Mr. Nokes, thank you very, very much for your chairing that committee for the Greater Johnstown Chamber of Commerce. Just out of curiosity, professionally, what kind of work or business are you in?

Mr. NOKES. Well, my principal vocation, how I feed the Nokes children is outdoor advertising, which I will not burden you guys with. You will hear enough about that later.

Mr. MINETA. We will hear about that, also.

Mr. NOKES. I do not think today. But, I would commit to you gentleman that if you need a rational voice of somebody that owns and operates an outdoor advertising facility fairly, honestly and without violation of federal state law, I am willing to represent that interest to you and would be available to come to Washington any time to discuss the prudence of any legislation that might affect our industry.

Mr. MINETA. I will highlight your name, sir.

Mr. NOKES. Thank you.

Mr. MINETA. I would like to call on next a panel made up of Mr. Harold C. Jenkins, Executive Director, Cambria County Transit Authority, accompanied by Ms. Vickie Shaffer, General Manager, Tri-State Transit Authority from Huntington, West Virginia; Mr. Kevin Abbey, President, Pennsylvania Association of Municipal Transportation Authorities and General Manager of the Centre Area Transportation Authority; Mr. Paul Skoutelas—Skoutelas—excuse me, Mr. Skoutelas—Deputy Executive Director, Port Authority of Allegheny County; Mr. Vaughn Whisker, President, Pennsylvania Association of Community Transportation.

A very distinguished panel, and Mr. Jenkins, your full statement will be made a part of the record. And so, if you would go ahead and proceed at this point.

TESTIMONY OF HAROLD C. JENKINS, EXECUTIVE DIRECTOR, CAMBRIA COUNTY TRANSIT AUTHORITY, JOHNSTOWN, PA, ACCOMPANIED BY VICKIE SHAFFER, GENERAL MANAGER, TRI-STATE TRANSIT AUTHORITY, HUNTINGTON, WV; KEVIN ABBEY, PRESIDENT, PENNSYLVANIA ASSOCIATION OF MUNICIPAL TRANSPORTATION AUTHORITIES GENERAL MANAGER, CENTRE AREA TRANSPORTATION AUTHORITY, STATE COLLEGE, PA; PAUL SKOUTELAS, DEPUTY EXECUTIVE DIRECTOR, PORT AUTHORITY OF ALLEGHENY COUNTY, PITTSBURGH, PA; AND VAUGHN WHISKER, PRESIDENT, PENNSYLVANIA ASSOCIATION OF COMMUNITY TRANSPORTATION, ERIE, PA

Mr. JENKINS. Thank you very much. My sincerest thanks to Congressman Bud Shuster and Congressman Murtha for the opportunity to represent the interest of mass transit before this hearing. I also want to express my thanks to the Committee for holding this hearing out in the hinterland, where public transportation roots go

very deep. We are very honored to have you here in Cambria County.

I believe that my appearance here this afternoon is perhaps the most crucial one of all, for never has the role of public transit in America taken on more importance than the role it is about to assume as we move towards the 21st century. And, as members of the Public Works and Transportation Committee, your role in helping to shape the destiny of mass transit in this nation during this crucial period is of paramount importance. And my role—if I may be so presumptuous—is to shed some light on why you should be giving mass transit priority attention as you develop your strategy on the reauthorization of the Surface Transportation Act.

Why is public transit at a critical juncture? If the events in the Middle East during the past six weeks have done nothing else, they have served to illuminate America's need to develop more sensible energy and transportation policies and directions. When our energy, economic and transportation choices are wholly dependent on the might of our Armed Forces, it is time to rethink those choices.

All but lost in the public debate over fuel prices and suggestions for conserving fuel was the solution that could make the biggest contribution—public transit. Using public transportation is among the best ways to conserve energy and should be at the top of the list of national priorities. Unfortunately, at a time when public transit should be assuming a more important role, we are fighting as never before just to keep our financial heads above water. And the higher fuel prices pushing rider demand up have already pushed fuel prices up considerably for transit agencies and the rest of the communities, making all operations more costly.

I know that every one of you are under a considerable amount of pressure to solve the growing deficit problem. The Mideast debacle only makes your choices more difficult. Because of the increased budgetary pressure, there will undoubtedly be needs that go unmet. But, a need that should not go unmet is federal support of public transit.

Public transit will be an important part of moving people to their jobs and helping to keep the economy viable. Public transit will also be important in helping to alleviate an oil price shock or an oil shortage.

Now, is definitely not the time to think about reducing the federal transit budget. In fact, now may be the time to look at an increased federal transit budget to meet national needs. Much to his credit, Secretary of Transportation Sam Skinner has spoken about just such a need. During an August 19 television interview, Mr. Skinner tied national energy conservation efforts to more federal funding for mass transit, along with encouragement of more local funding. I think Secretary Skinner is on the right track.

With respect to your immediate plans for the development of a strong framework on which to base the reauthorization of the Surface Transportation Act, I believe several important points are worthy of your consideration.

The first point is closely aligned with my previous comments with respect to increased funding for mass transit. It simply calls for increased recognition by the Congress that you cannot continue

to impose new federal regulations on us without assuming some additional responsibility for assisting us in paying for the costs associated with implementing these regulations.

We are already facing increased passenger loads due to the international crisis, thus exerting increased pressure on our operating budgets for the purchase of not only more fuel, but more expensive fuel. This fuel has to be stored in conformance with the new federal underground storage regulations—another substantial burden on our operating budgets. New federal clean air regulations, which will soon require the purchase of cleaner, more expensive alternative fuels which must be burned in engines capable of burning alternative fuels—more expensive engines.

And, our buses are now being operated by drivers who are covered by the new federal drug and alcohol testing regulations—regulations which have already cost my transit agency over $10,000.

Therefore, what we are facing, Congressmen, is the financing of increasingly expensive transit service operated by drug-tested drivers who will drive buses powered by more expensive engines, which are fueled by very expensive cleaner fuel, which is stored in environmentally safe, but expensive, storage tanks.

I do not mean to be cynical. I believe that most of these federal regulations have merit, as I do many of the other federal mandates which govern transit. But, someone has to eventually pay the piper, and it certainly cannot be done within the fiscal constraints already proposed by UMTA for consideration by this Committee. Which leads me to my next point.

The Urban Mass Transportation Administration's proposal for adoption by the Public Works Committee calls for various changes to the reauthorization act, some of which are laudable, and others which must receive close scrutiny by your Committee prior to their possible adoption.

One proposal calls for the complete elimination of federal operating assistance, replacing it with a fund called transit capital. Although formula grants under this category would continue to be available for some operating expenses, we are not certain that this concept will meet the operating needs of transit providers. It is important to maintain operating assistance at a level which encourages the growth of ridership in order to promote energy conservation, reduce vehicle pollution, congestion management and development of a sound national transportation policy.

We also must question the wisdom of the UMTA proposal to reduce the federal share for all grants to a 60/40 match. If this proposal is incorporated into the legislation, it will be devastating for both large and small Section 9 transit systems, as well as for the Section 18 rural transit systems. Most of us are currently up against the wall in efforts to obtain sufficient local funding to match existing federal matching ratios. In fact, two of the municipalities which provide local match funding for the Cambria County Transit Authority are already classified as distressed communities by the Commonwealth of Pennsylvania. Therefore, reducing the federal share would only compound this problem immensely, all at a time when transit's role in this country's economic future is taking on increased significance.

Therefore, I am asking your Committee to consider the merits of ignoring the UMTA call for changing the match. In addition, I think it is imperative that you give serious consideration to the benefits of proposing a seven cent per gallon increase in the federal gas tax earmarked specifically for transit. Transit must have a dependable, predictable source of funding upon which to build the mobility plan previously mentioned.

Another major point for consideration is the UMTA proposal to transfer responsibility for administering the Section 9 program to the states for all transit systems under 200,000 in population. The small Section 9 transit systems are unanimous, in our opinion, that such a move would only add to our current budget woes.

The state management of the Governor's apportionment would only create another layer of bureaucracy and provide extremely difficult cash flow problems for all grantees.

Thus, we urge you to let well enough alone. The UMTA staff have traditionally demonstrated a high degree of proficiency in administering the Section 9 program. To quote an old adage, "If it is not broke, do not fix it."

However, one UMTA proposal, in my opinion, has considerable virtue. It calls for authorization for the expansion of the transit research program, with an emphasis on hands-on research activities. The cornerstone of this effort would be the creation of a Cooperative Transit Research Program, modeled after the National Cooperative Highway Research Program. A steering committee of transit industry representatives would be appointed by the Secretary to receive proposals for specific research projects to be pursued.

This type of effort has long been a goal of the transit industry as a way of solving problems of national interest because it involves operators at all levels. I agree with UMTA that the size of the research program should be tied in with the size of the overall UMTA program in order to provide sufficient research funding.

Finally, I would be remiss in my comments if I did not emphasize the continuing need to provide sufficient resources for this country's rural transit programs. There is a growing awareness that rural areas account for at least one-third of all the people who can be considered transit dependent. The results of the enactment of the Section 18 rural transit program in 1978 has clearly demonstrated that mobility needs are not only real, but extensive in rural America. Yet, despite the growth of rural transit systems under the Section 18 program, only about one-tenth of the basic transportation needs of an isolated and transit-dependent population are being met. At the same time, overall federal transit investment has dropped to less than one-half of what it was ten years ago, figured in constant dollars.

Therefore, we need to not only spend down the current surplus in the mass transit account, but we must expand the transit assistance program to encompass the needs of our rural and urban populations who are becoming increasingly dependent on public transit.

Although my comments today reflect the needs of transit as seen through the eyes of a small transit system operator, they also reflect in large part the aspirations of most of the members of the national public transit community. However, in the event that I did not do justice to some of their specific goals, I have attached to

my statement the comments of the American Public Transit Association, the Community Transit Association of America and the Pennsylvania Association of Community Transportation.

In addition, I want to end my remarks with several brief comments concerning the legislation which established America's Industrial Heritage Project for a local nine-county area. This legislation provided for the designation of existing state roads into a system of industrial heritage routes—another term for scenic byways. The National Park Service, in conjunction with the Penn DOT and county tourist promotion agencies, has done an admirable job in planning these heritage routes in the nine-county area to focus attention on the region's premier heritage attractions. We believe that this heritage route plan could serve as a national model. Therefore, we are urging your support of the national scenic byways program in the 1991 highway bill. Scenic byways have tremendous potential with minimum capital investment.

The America's Industrial Heritage Project has implemented an economic monitoring system to measure the projects and economic impact in the region over the next few years, which will include heritage routes as a component. The success of this project has been a genuine partnership between government and the private sector. Each serves clear rules with specific responsibilities. We view scenic byways similarly with specific federal, state and private sector roles. The federal role, at a minimum, should include technical and financial assistance. The coordination of state and federal agency Scenic Byways Program would also be best served at the national level.

In closing, let me state our strong support for a scenic byways element in the 1991 highway bill. A national system of designated scenic and historic routes is simply long overdue. On behalf of the Cambria County Transit Authority, I thank you for the opportunity to express my views on these vital issues involved in transit reauthorization.

I will be happy at the end of our panel's remarks to answer any of your questions.

Mr. MINETA. Very well. Thank you very much, Mr. Jenkins. The submitted statements of all the panel members will be made a part of our official record of the Committee. And, I know that members would like to make verbal statements, so Ms. Shaffer, would you like to start off with some verbal remarks.

[The prepared statement of Mr. Jenkins appears on p. 3022.]

Ms. SHAFFER. I would just like, as a West Virginia resident, to let the Committee know that the interests of this area of Pennsylvania expressed by this panel and both on the highway side and the transit side in the course of the day are very critical to us. We support the testimony I have heard today. We have much in common with this area. We are all a part of the Appalachian Trail down the road. And, those of us in West Virginia appreciate all of your hard work, the leadership that Mr. Shuster has given in mass transit in particular. And, we support your activities and are available for any information you may need beyond that.

Mr. MINETA. Very well.

Mr. Kevin Abbey, President of Pennsylvania Association of Municipal Transportation Authorities.

[The prepared statement of Ms. Shaffer appears on p. 3073.]

Mr. ABBEY. Thank you, Mr. Mineta. I am here today to represent our statewide transit association, in addition to representing in Congressman Clinger's district the transit authority just in the valley to the east of us in State College.

I would like to underscore Mr. Jenkins' comments with one or two simple points. I believe it is important for members of this panel to stress the fact that as we see it, public transportation is on the bubble right now as we look to the future. And, I say that because there are so many issues that dominate the headlines in our every day lives wherein mass transportation has a larger role to play than it currently plays.

Clearly, the recent events in the Mideast and the associated price shock for petroleum products that all of us have faced bring mass transit into the equation now more than ever. I would simply like to say that as you look to the reauthorization of the transit program and the highway program, we are entering the post-interstate era, and it is clearly a time when public transportation in both urban areas and in rural areas need a stronger federal participation in the partnership necessary to do what we want to do in the future.

Thank you.

Mr. MINETA. Very well. Thank you very much, Mr. Abbey.

Mr. Paul Skoutelas.

[The prepared statement of Mr. Abbey appears on p. 3015.]

Mr. SKOUTELAS. Good afternoon, Mr. Chairman and members of the Committee. I am very pleased to have the opportunity to speak to you for a few moments this morning. I will keep my remarks very brief just to touch on a few thoughts which I think are pertinent to your efforts in the reauthorization.

First, I would like to share with you that we firmly believe that the partnership has existed for the past 25 years. Federal, state and local governments has been a success. We have witnessed in Allegheny County and in the city of Pittsburgh over the past decade a new light rail system to busways, a system that is very responsive to the constituents and to the taxpayers. All across this country, we have seen the same kinds of things—new systems sprouting, new services. Mr. Chairman, just two weeks ago, I had the good fortune of visiting your fine city, San Jose, and got to see and ride first-hand the light rail system you have built there. Those are just shining examples, we believe, of what is happening all across this country and are starting to make a difference.

The second thought is that transit is an investment and should not be considered just an expenditure. Too often, we look at the budget implications and say, "Can we afford this?" However, there are so many benefits to transit. Studies have been done which show that for every dollar that is put into the infrastructure for roads, for highways for mass transit results in greater investment by the private sector, greater return on private capital. And, that is a thought that I think you need to consider very closely as you consider the reauthorization.

Third, that as we approach the new century, we have an opportunity to shape and to make the quality of life in this great country of ours what we want. And we believe with all the pressing

issues of air quality, of congested highways and roads, of deteriorating bridges, of mass transit that needs to play a larger role, we have an opportunity to really make a dent in this whole problem that faces our country. Transit is an important solution in that. We believe we can demonstrate that with the benefits we have shown. And, we believe that if you make a wise investment many, many dollars will return back.

Another point is that we believe that the public sentiment and public awareness is growing every day for public transit. Not only for more services, but for the investment that it requires. A recent poll done by Market Strategies, Inc. found that over 66 percent of those people surveyed responded that they would be willing to pay more for gasoline—up to 7 cents a gallon more for gasoline—if, in fact, they could get in return improved highways, improved mass transit. We believe that the signals are becoming louder and that people are understanding what is at stake here.

We would like also to make a point that with transit comes economic development and growth. In Pittsburgh right now, we are in the midst of a major expansion of our international airport, which will double the size of its capacity to handle air traffic in the next two years. The Greater Pittsburgh International Airport is a major traffic generator and economic generator for the Pittsburgh area and for the region. We, right now, are trying to secure funding for an airport busway to service that new airport. And, we believe that has implications far beyond Allegheny County, but into this entire region, through the area of Johnstown, even Altoona, for people that come to Pittsburgh and want to take part in the opportunities for travel that we offer.

Mr. Chairman, with that, I would just again close by saying that we appreciate all your past support. Ask you please carefully to deliberate on the reauthorization. Transit needs your support. And we believe with your support, we can make a difference and improve the quality of life in this country. Thank you.

Mr. MINETA. Very well. Thank you very much, and please give our regards to Mr. Millar.

Mr. Vaughn Whisker, who is the President of the Pennsylvania Association of Community Transportation, as well as the Paratransit Administrator for the county of Erie.

[The prepared statement of Mr. Skoutelas appears on p. 3079.]

Mr. WHISKER. Thank you very much, Mr. Chairman, Mr. Shuster, members of the distinguished Committee.

I have two very quick points to make. Number one is community transportation provides services to those who are beyond the route—fixed route service. Or, due to the ravages of age or disability, are unable to use those services. I ask your support for Section 16(b)(2) for capital equipment for our kind of services to provide that kind of transportation for the elderly and disabled. I ask you also to provide provisions that enable governmental bodies to have access to those funding sources. In many areas of this country, it is the governmental bodies—counties, cities, the like—which provide this kind of transportation, and they are not now eligible for the funding from Section 16(b)(2), but they are the only bodies which provide this kind of service.

The second point I would like to make is to echo the statements made by many here supporting economic development and the key to roads in that economic development. I am one who came from Congressman Shuster's district, was born and raised in Bedford, Pennsylvania from a family that was there from Colonial times. And, I was forced to move from Bedford because there was no industry. There was no employment. And, I would like those who follow behind that live in these communities to have—excuse me—employment and the transportation that enables those goods and services to move across our nation.

Thank you.

[The prepared statement of Mr. Whisker appears on p. 3091.]

Mr. MINETA. Thank you very much, Mr. Whisker.

Let me ask the panel, first of all—and maybe, Mr. Jenkins, you could respond to this—APTA has called for a seven cent increase in the gasoline tax in order to support the transit support that APTA has outlined to us. Do you think the residents in respective areas represented by this panel would be supportive of that kind of an increase in gasoline tax?

Mr. JENKINS. I thought—I think that the residents of our area here, including Pittsburgh, Philadelphia and throughout the rest of the Commonwealth of Pennsylvania, would support that, as long as the dollars would be used and go to mass transit and highways as they are earmarked for. The problem that the constituency has out there is we are building up a $7 billion surplus in there that is being used through smoke and mirrors to say that we have a lesser deficit than what we have. If that money could be guaranteed that it would be used, the people of Pennsylvania would support an increased gas tax. It has got to be used, though, for highways and mass transit and not put in the bank.

Mr. MINETA. The—given limited financial resources, and if we are unable to, let us say, increase the authorized amounts that would be spent on some of these programs and shake loose the funds from the trust funds that are there, would flexibility—would flexibility—if there are provisions put into the legislation to allow movement of one category to—movement of money from one category to another as determined by, let us say, local or state—at the state or local government—state and local being, let us say, council or governments at a local level. Would that—would that help?

Mr. JENKINS. We would—we would support that issue if there are strict rules and regulations written into the use of those funds. We think that money that is earmarked for public transit should go to public transit. We think that money that is earmarked for highways should go to highways. We would have to look at that very seriously and consider it very closely before we would agree to intermingling of the funds. Of course, we would like all the highway money——

Mr. MINETA. What about high occupancy lanes or van pooling or these kinds of things that may increase ridership in terms of——

Mr. JENKINS. They are the exact issues that we in the public transportation field must address and we have to address and we have—we have to address it with the highway interests hand in hand. We can and will make provisions that these high occupancy lanes for the Pittsburgh area—the airport access——

Mr. MINETA. Van pooling.

Mr. JENKINS. Van pooling. Forcing folks to use their automobile in the congested areas. That has to be done.

Mr. MINETA. Mr. Skoutelas.

Mr. SKOUTELAS. Yes, Mr. Chairman. Thank you for the opportunity to comment on that. As we see it, there are two—three major components to what we are seeking in the reauthorization. The first is to provide adequate funding to reinvest in our services. In the 1980s, we saw a decline. Transit today is receiving half the dollars in real terms than it did in the early 1980s. We need to be at about $6½ billion a year just to reinvest in existing infrastructure and services for mass transit.

Beyond that, we see a very necessary component of capacity expansion. And by that, we mean, that at the regional level, there ought to be funds made available so that decision makers can decide what mix of highway improvements, what mix of transit improvements are best for that area. And we, as an industry are very willing to compete on that basis, provided that, first, the needs—the basic needs of transit are provided for, and then, we will compete with highway interests, I think, to balance the best needs of the transportation system in the area.

And third, we need an aggressive research and development program. Transit is no different than any other business in the sense that it needs to look for better ways and improved methods of delivering its services. And for too long, we have not spent enough money on research and development. We would like to see that done more aggressively in the new authorization.

Mr. MINETA. Let me ask, while you are answering right now. You know, we take a lot of public money. This is going to apply more to urbanized areas, rather than the rural areas. But, we take a lot of public monies and put it into transit. There is a lot of value created, you know, for Jones Construction Company who owns the land or some other development company. Is there some way that as we pour that money into public transit and lay out a light rail system or a heavy rail system and, all of a sudden, someone is profiting from this great land value increase at public investment source—is there some way of recapturing that increased value so we can take that money and then pour it back into some more expansion of transit facilities, and do you know of anywhere this might have been used?

Mr. SKOUTELAS. Well, I think it is happening every day maybe in different form than one envisions. For example, in Pittsburgh, right above one of our subway stations, we have just received a proposal and I just approved it for a $500 million complex to consist of two hotels, two major office towers and department stores. Now, that is going to generate jobs. It is going to generate new revenues for the city of Pittsburgh and Allegheny County that, in turn, are going to put money in people's pockets who are then going to spend that. So, I think we are capturing that by the investments that we are making. You can do it in a very formal sense by taking money off the top of a developer and saying this is going to go back to a specific improvement. But, I think the other way that it is happening is by its own natural course in the marketplace, and we are

seeing that in Pittsburgh. I think we are seeing it across the country.

Mr. MINETA. Suppose we say, on the other hand, that was—I do not know, let us say $412 million of money coming out of the highway trust fund that goes to PAT that does—that makes that happen. Should we at the federal level be recapturing part of that so that maybe we take that and use it for further improvements in the system?

Mr. SKOUTELAS. I think that has merit. I think what you can do is to encourage us to work closer with the private developments and the local governments to see just what can be done in an area. That encouragement, I think, could use a stronger hand from the Federal Government.

Mr. MINETA. Very well. Thank you.

Mr. JENKINS. Two areas, Mr. Mineta, that I would like to point out to you. One is the state of Alaska has those exact provisions in their laws in their impact fees. As they develop their complexes, they are charged then, the developer is charged whatever it costs that transit authority. My sister city, State College, Congressman Clinger's district, has one of the best planning modules for developments—future developments that must go through the transit authority and be approved by the transit authority prior to them getting permits to construct major shopping centers——

Mr. MINETA. So, being recaptured at the local level. The question is whether we can recapture it at the federal level or if there is any purpose in that.

All right, let me ask Mr. Shuster.

Mr. SHUSTER. I have no questions. Thank you very much.

Mr. MINETA. Mr. Roe.

Mr. ROE. I do have a question, Mr. Chairman, and an observation. Mr. Whiskers raised a very good point when he made the point that he had lived in Bedford, I believe, and was really unable to stay there to pursue your career pursuits because of opportunity from an economic point of view. If I may share with you and a number of our colleagues here today, the substance of the testimony—and rightfully so, at least in large measure—has been directed towards the point of view of how we grow, what we do and how we apply these public investments, and then we provide—well, of course, we provide resources for people. But also, it increases our economic value and all of those issues we talked about. Your point about building a hotel over the top of the subway station and so forth and so on. But, I think getting back to Mr. Whisker, there is a very important point we ought to consider as we are pursuing this legislative process, and that would go to the point as follows.

The fastest, largest growing demographic population in the country is between 75 and 85 years old. The fact of the matter is if you look at the graying of America, for the want of a better phraseology, we are developing a great, much more rapid increase in our senior citizen population. And, I am wondering if we are not—if we are not mixing the pickles when we use the word "mass transit." Mass transit does not really apply to rural areas in the same sense as people connote mass transit to be in New Jersey or in Philadelphia or, you know—New York or whatever.

And it seems to me that if we want to keep our population—our senior population in our respective areas where they want to stay, so they do not have to go to Florida or some other particular "senior community," that there ought to be consideration, I would think, and an overall national policy that starts to provide flexibility so that where the rural areas of our country are involved, that they do not have to be nailed down to particular predetermined ideas as to what mass transit or how we get people in the flexibility of living in their homes in Pennsylvania or New Jersey without moving someplace where there is a "popular connotation of mass transit."

It is a long way around. But, I would think we ought to start to develop an idea that the transportation system ought to be for the use of people and the needs of people and what their needs are, rather than what other people and public officials assume that they are going to move people around faster. I do not think that the movement of people necessarily reflects what the quality of life is or the flexibility or the freedom that the American people would have, such as the great state of Pennsylvania. And I would hope that we would start to give that some consideration as we unfold a national transportation policy.

Mr. WHISKER. If I might make a comment on that, Mr. Roe. The state of Pennsylvania has, indeed, moved in that way in that it has established a lottery that will benefit senior citizens or older Pennsylvanians. Fixed route transportation systems provide free transit for those age 65 and older on non-peak periods. It provides up to 90 percent of the cost per trip for those persons who are going on door-to-door services. And in these days, if you cannot get there—if you are a senior citizen and cannot get there, the service might as well not exist for you. You cannot get—grocery stores do not deliver. Doctors do not come to homes any more. And, perfectly productive members of society that have been aged—and my parents in your district, Congressman Shuster, both of them had to give up driving because my father and mother can no longer see. And systems like mine in Bedford deliver that transportation for them door to door with the help of the lottery, and they would like to have 16(b)(2) funds.

Mr. ROE. Would the gentlemen yield. In New Jersey, we also passed the special senior citizen tax on Atlantic City gambling. And let me tell you something, it has been helpful to a degree. But, the public policy then begins to emerge on the basis—I do not mean this disrespectful to you—that because we have a tax on the gambling in Atlantic City, that that is the total solution to the transportation system of the elderly. And therefore, that money is allocated and the rest do not pay any attention. I would think that we would start to look to the issue without being too loquacious right now and say that as we develop a new system of transportation in the country—which Mr. Mineta is vigorously working on and our friend, Bud Shuster, and others who are here, and certainly, Jack—there ought to be a system that recognizes people's needs and is oriented to people. We should not have people respond to some popular connotation of what somebody else thinks the transportation system should be all about. That is the point I wanted to make for the record.

Thank you, Mr. Chairman.

Mr. MINETA. Thank you, Mr. Roe.

Mr. Hammerschmidt.

Mr. HAMMERSCHMIDT. I have no questions.

Mr. MINETA. Mr. Clinger.

Mr. CLINGER. Thank you, Mr. Chairman. I just want to thank the panel for their testimony, in particular, my constituent, Kevin Abbey, who is running a very fine system in State College. And the emphasis that I think needs to be made is that people say, "Well, why do you support mass transit because you are a rural Congressman?" I think we made the point very clearly here today that mass transit is perhaps, in some cases, more important in rural areas than it is in major cities because people just do not have access and cannot get around at all without it in some instances. I commend you on that.

Mr. MINETA. Mr. Murtha.

Mr. MURTHA. Good job.

Mr. MINETA. Mr. McEwen.

Mr. MCEWEN. I have nothing.

Mr. MINETA. Mr. Packard.

Mr. PACKARD. Nothing.

Mr. MINETA. Mr. Lightfoot.

Mr. LIGHTFOOT. No, Mr. Chairman.

Mr. MINETA. Mr. Hastert.

Mr. HASTERT. Nothing.

Mr. MINETA. Mr. Hancock.

Mr. HANCOCK. Nothing.

Mr. MINETA. Well, let me thank the panel. Let me ask one quickee. You call for an increase in research and development funds. Any kind of research and development projects you have in mind that might be helpful to local transit agencies as to what kind of R&D ought to be pursued?

Mr. JENKINS. Congress has taken the first step when they reauthorized the bill last time by giving us a bus testing facility. And hand in hand—thanks to Congressman Shuster—yes, absolutely. But, hand in hand that goes with bus testing, as they test these new components—as they test these things, then the manufacturers and the industry in whole should have the opportunity to develop new products, to develop cheaper and better ways that we could have air brakes, that we could have tires lasting longer, reduce the weight of the bus so, rather than getting three miles to the gallon, that we might be able to get seven or eight miles per gallon. So hand in hand with the testing facility would go research and development not only done in the Altoona area, but done by the industry and by the government.

Mr. SKOUTELAS. Mr. Chairman, if I may just add to that. The other notion being that as well, we believe we need to work much closer with the domestic supply industry for transit. What we have seen over the years is that the industry in the United States has disappeared, and that has moved offshore. There is expertise. There is a labor force here that can provide many, many commodities for transit, and we need to do more research that ties in the domestic suppliers with the needs of the operators, and that is what we would like to see emphasized.

Mr. MINETA. Very well. Thank you very, very much. Yes.

Mr. ABBEY. One key area there, in particular, with research and design, I think, that is on the cutting edge within our industry has to do with disabled transportation. With the new Americans with Disabilities Act, we need to look at ways to better design and equip vehicles to handle disabilities. Better ways to secure and safety provide for the myriad number of wheelchair apparatus and look at a whole range of options that get us away from simply large buses with hydraulic lifts.

Mr. MINETA. Very well. Thank you very, very much.

Mr. JENKINS. Thank you for the opportunity to appear in front of you.

Mr. MINETA. I would now like to call Mr. Terry L. Daughenbaugh, Chairman of the Transportation Committee for Eastern Westmoreland Development Corporation, who is being accompanied by Brother Norman Hipps, who is the Provost at St. Vincent College.

TESTIMONY OF TERRY L. DAUGHENBAUGH, CHAIRMAN, TRANSPORTATION COMMITTEE FOR EASTERN WESTMORELAND DEVELOPMENT CORP., LATROBE, PA, ACCOMPANIED BY RALPH SCALISE, CHAIRMAN, EWDC AND BROTHER NORMAN HIPPS, PROVOST AT ST. VINCENT COLLEGE

Mr. DAUGHENBAUGH. I am Terry Daughenbaugh, General Manager, Primary Operations and Engineering at Latrobe Steel Company. Today, I am here in a capacity, however, as Chairman of the Transportation Committee of Eastern Westmoreland Development Corporation, EWDC, a non-profit corporation. With me today are Ralph Scalise, who is Chairman of EWDC, and Brother Norman Hipps, who is an Executive Board member and a member of the Transportation Committee of EWDC.

The goal of EWDC is the retention and expansion of the present business and industry, while attracting new business and industry, enhancing new business formations in the eastern region of Westmoreland County. After extensive input from the community, economic development was determined to be the top priority in EWDC's strategic plan.

Grants from four local foundations, the Timken Foundation, the McFeely-Rogers Foundation, the Philip M. McKenna Foundation and the Katherine Mabis McKenna Foundation, of $400,000 to underwrite the strategic plan provided the initial support for EWDC. Over $50,000 in additional funds were solicited in 1990 for the first year of EWDC membership. The Laurel Valley Expressway has been determined to be one of the top priorities of EWDC because of the strength of existing businesses and industry and the potential for business and industry expansion in our area.

Joining us in the effort to promote the development of the expressway are the Department of Planning and Development of Westmoreland County, the Southwestern Pennsylvania Regional Planning Commission and the Central Westmoreland County Development Corporation.

The Laurel Valley Expressway is a proposed 12-mile highway that would link the New Stanton/Mt. Pleasant area, the junctions of I-70, the Greensburg Bypass, the Pennsylvania Turnpike and Route 119 with the Westmoreland County Airport, the planned in-

dustrial airpark and eastern Westmoreland County. It is proposed that the expressway eventually continue on to Route 22, giving north-south and east-west access to eastern Westmoreland County.

We envision this as a two-phase process. The first phase would be a 12-mile stretch from the New Stanton/Mt. Pleasant area to the Latrobe area, tying our region to the county's major existing highways and the Pittsburgh hub of activities and vastly improving access for the large number of industries located here. These industries rely on truck transportation, which is severely limited by inadequate access from all directions. Most of this traffic is routed through extremely hazardous, limited, congested and densely populated areas of Routes 30, 119, 981 and 982. The Laurel Valley Expressway would take on much of the truck traffic and would help promote safety along the corridor between New Stanton and Latrobe.

Eastern Westmoreland County industries have for many years voiced their need for the expressway. Defense contractors, Latrobe Steel and Teledyne-Vasco are particularly concerned that the roadways be improved in order to ensure adequate access. The expressway would benefit industries in the New Stanton area as well, particularly the Sony Corporation, by essentially moving the Westmoreland County Airport closer to them. Moreover, prospective new industries have emphasized the need for a more safe and efficient road network. The expressway will provide that safety and the road network necessary to make eastern Westmoreland County more attractive to industry.

Tourism offers great potential for our region. We live in one of the most beautiful areas in the United States, with many historical sites, as well as a wide range of outdoor activities. The American Heritage program is being developed in our area. EWDC President, Phil Dymond, is on the county committee. Providing direct access from the turnpike and Route 22 would greatly assist in the effort to promote this project in our region, as well as tourism in general.

By linking the New Stanton/Mt. Pleasant area and eastern Westmoreland County, the expressway would ease congestion on local highways, making them safer, while opening doors to economic development and tourism in eastern Westmoreland County. We need your support. We thank you for your time and interest. Any questions?

Mr. MINETA. Thank you very much, sir.

Brother Hipps, did you wish to——

Mr. HIPPS. Only if there are any particular questions.

Mr. MINETA. All right. Fine. Mr. Scalise.

Mr. SCALISE. I believe there is one comment, I think. Sitting here throughout the day listening to what you are looking for in terms of grassroots support. It has become very evident in listening to all the testimony today, and it is something that EWDC has been very concerned with, is that the basis of all economic development really, really has to do with infrastructure. And the fact that we are short changed in our infrastructure really puts a damper in terms of what we can do. The one issue which everybody seems to address when a crisis comes along is that in order to entice someone new, you want to do something for them.

But, there is a more paramount issue in everybody's backyard. And that issue is to retain those people that we have. If you look at most consultants, they will tell you that economic development in any region, 85 percent of that development would come from within. Fifteen percent would come from without. So, it is essential for us not only to attract new people, but to maintain and help the people we do have expand their facilities to provide the kind of infrastructure that we have so direly been neglected over the years.

Mr. MINETA. A very good point. The estimated cost of these two phases of the proposed Laurel Valley Expressway amount to what?

Mr. DAUGHENBAUGH. Well, Penn DOT has estimated that it would be about $5-15 million a mile. So, you are talking 12 miles for the first link to Latrobe, which essentially gives us about 70 percent of the benefit. And another 12 miles to connect it to Route 22, which would really open the northern corridor.

Mr. MINETA. And, am I correct in that the Pennsylvania Department of Transportation put the Laurel Valley Expressway project on hold some 20 years ago.

Mr. DAUGHENBAUGH. Some 20 years ago.

Mr. MINETA. And what is their position on this project today?

Mr. DAUGHENBAUGH. Well, in 1989, Westmoreland County Planning Department entered into a testimony to the Pennsylvania Transportation Commission hearings, the fact that they supported the need for Laurel Valley Expressway. Our group, EWDC, picked up the project this fall, and we hope to testify—make a convincing testify—testimony to the State Transportation Commission in February or March and get it on the first segment of the state's 12-year plan.

Mr. MINETA. Let us see. Just for my own—let us see, the college is located in——

Mr. DAUGHENBAUGH. In Latrobe.

Mr. MINETA. In Latrobe. And, do I under—let us see—the President of your college, St. Vincent College, is whom?

Mr. HIPPS. His name is Father John F. Murtha.

Mr. MINETA. John F. Murtha. You mean, we have been confusing John F. and John P. all these years?

Mr. HIPPS. I am not sure.

Mr. MINETA. Well, that is great. And, John F. is your——

Mr. MURTHA. Cousin.

Mr. MINETA. Cousin. Great. All right.

Mr. Shuster.

Mr. SHUSTER. I have no questions. Thank you very much.

Mr. MINETA. Mr. Roe.

Mr. ROE. No questions, Mr. Chairman.

Mr. MINETA. Mr. Hammerschmidt.

Mr. HAMMERSCHMIDT. No questions.

Mr. MINETA. Mr. Clinger.

Mr. CLINGER. No questions.

Mr. MINETA. Mr. Murtha.

Mr. MURTHA. I just have to say Westmoreland is one of the most congested areas in the entire country, no question about it. Red lights every block. I mean, it is really a problem to get through that area. And, this would be a real boost for economic development.

Mr. MINETA. Mr. McEwen.
Mr. MCEWEN. Nothing.
Mr. MINETA. Mr. Packard.
Mr. PACKARD. Nothing.
Mr. MINETA. Mr. Lightfoot is—Mr. Hastert.
Mr. HASTERT. Nothing.
Mr. MINETA. Mr. Hancock.
Mr. HANCOCK. Nothing.
Mr. MINETA. Well. I am sorry—Daughenbaugh?
Mr. DAUGHENBAUGH. Daughenbaugh.
Mr. MINETA. Daughenbaugh, Brother Hipps and Mr. Scalise, thank you very, very much for your being here today.

I would now like to call Mr. Joe Kirk, Mon Valley Progress Council, Mon/Fayette Expressway Association.

Sir, if you would go ahead and proceed in your own fashion.

TESTIMONY OF JOSEPH P. KIRK, MON VALLEY PROGRESS COUNCIL, MONESSEN, PA

Mr. KIRK. Thank you very much, Mr. Chairman. First, I would like to thank Congressmen Murtha and Shuster for the opportunity to come before this Committee and holding it here outside of the beltway, as it was said.

Again, my name is Joe Kirk. I am Executive Director of a corporate-sponsored community and economic development corporation called the Mon Valley Progress Council, and also Chairman of an association formed to move—to advance the Mon Valley/Fayette Expressway. We have representatives in that expressway association from Allegheny County, the counties of Allegheny, Washington, Fayette and Monongalia County in West Virginia.

Really, in the interest of time, I will really just touch on a couple of points of my testimony. And indeed, I wish to speak not just about the expressway, but about the broader highway issues that the expressway really represents.

The Mon Valley/Fayette Expressway is a proposed 65-mile highway. You have a map of it in my testimony. It is an economic development highway that would connect Morgantown to Pittsburgh and serve the economically devastated Mon Valley region. And, we have heard a lot about economic difficulties and challenges facing all of western Pennsylvania. The collapse in major industry affected the Mon Valley the most in the loss of over 100,000 jobs in the 1980s. It certainly is making some recovery, but not that much. The expressway is intended to be a cornerstone for the economic revitalization of this area.

Currently, there is $57 million worth of construction on the project, another $35 million in Fayette County to begin this fall. Planning is underway for the entire project that is to be completed by the mid 1990s. It is a cooperative effort of the Pennsylvania Turnpike Commission, Pennsylvania Department of Transportation and the West Virginia Department of Transportation.

Indeed, it is a project that was developed as a result of the efforts of this Committee in the 1987 Surface Transportation legislation.

The expressway, however, is like many other projects. It can only be completed with a comprehensive funding plan. And, that has to

include funding from the state, from the federal and really, from the local level. Tolls will play an important role in the development of such highways, and specifically, in the development of the Mon Valley/Fayette Expressway.

What we propose is a special targeted federal program for toll roads. Such an initiative is consistent with the Administration's National Transportation Report and really represents a logical step from the 1987 act. The plan is briefly stated on page two of my testimony and also further on, there is a more detailed description.

If I might just read from the second full paragraph of the second page.

> If implemented, the proposal would provide direct federal support for 75 percent of the 35 percent federal aid approved under the toll road provisions of the 1987 act. This would represent about one-quarter of the cost of the project. And the nine percent difference would be supported by the state. Funding for this initiative could be supported by an increase in the authorization level of the Federal Highway Trust Fund. The amount of the increase would be based on the financial needs of such projects and reflective of fiscal realities. Each state would be permitted to designate one toll road under the program.

Again, that is consistent with the 1987 act. "Funds would be allocated on a competitive basis."

I really would just like to conclude in saying that, again, the issue here is not just one project. You have heard needs probably amounting over two billion dollars in terms of local highway needs. We really need to look at more innovative ways to utilize federal funds in a targeted way for the development of needed highway systems. And I thank you very much.

[The prepared statement of Mr. Kirk appears on p. 3040.]

Mr. MINETA. Thank you very much, Mr. Kirk, and also for your innovative approach in terms of the thought about this new program. Under your proposed priority highway link program, are you confident that the Mon Valley/Fayette Expressway would be designated as a Pennsylvania toll project, or would other toll facility proposals within the state compete with it for priority designation under this proposed program?

Mr. KIRK. Others would compete. And the only confidence that we would have is that the project is desperately needed, and efforts have been made to advance it, and indeed, it was designated under the 1987 act. I might add that this is just an initial thought that there would only be one per state. But, I think the idea of how many per state is a matter of further discussion.

Mr. MINETA. And, do you have any idea as to how much would be—how much increased expenditures there would have to be from the highway trust fund to support this kind of a priority highway link?

Mr. KIRK. Again, in terms of just the expressway, just to give an example, you are looking at approximately a $300 million expenditure over a five-year period, to represent about a quarter of the cost of the project. I would think that you would need to have—assuming that that is about the average cost of this type of project—that amount available. Again, not necessarily for every state, but on a competitive basis. So, maybe ten times that amount available.

Mr. MINETA. Thank you very much.

Mr. Shuster.
Mr. SHUSTER. No questions. Thank you.
Mr. MINETA. Mr. Roe.
Mr. ROE. No questions, Mr. Chairman.
Mr. MINETA. Mr. Hammerschmidt.
Mr. HAMMERSCHMIDT. No questions.
Mr. MINETA. Mr. Clinger.
Mr. CLINGER. Thank you.
Mr. MINETA. Mr. Murtha.
Mr. MURTHA. No questions.
Mr. MINETA. Mr. McEwen.
Mr. MCEWEN. No questions.
Mr. MINETA. Mr. Packard.
Mr. PACKARD. Nothing.
Mr. MINETA. Mr. Lightfoot.
Mr. LIGHTFOOT. No, sir.
Mr. MINETA. Mr. Hastert.
Mr. HASTERT. Nothing.
Mr. MINETA. And Mr. Hancock.
Mr. HANCOCK. Nothing.

Mr. MINETA. Well, again, Mr. Kirk, thank you very, very much and thank you for giving the thought that you did in preparing your statement.

At this time, we have concluded the agenda of the Subcommittee on Surface Transportation. And again, I would like to thank Congressman Jack Murtha for the invitation to come to Ebensburg and to the Municipal officials for allowing us to use these very, very fine facilities.

What we are doing here is typical of what we are attempting to do in other parts of the country. Because what happens is that we may legislate, the Federal Highway Administration or the Urban Mass Transit Administration may run the program. But let us face it, you folks are the ones who are going to have to live with the programs and make them work. And our—the only way we will really know how to formulate this legislation—because we are at the beginning of the legislative pipeline; you are at the other end of the legislative pipeline—is to get this kind of input as to what has to be going into the formulation of this legislation. So, this is a very, very important facet of it, and so, we do appreciate all of you taking time from your own busy schedule to prepare your testimony and to make the presentation to us today.

Again, thank you very, very much for your attention and for your attendance here. The Subcommittee is adjourned.

[Whereupon, at 1:45 p.m., the Subcommittee was adjourned.]

PREPARED STATEMENTS OF WITNESSES

Pennsylvania Association of Municipal Transportation Authorities

PAMTA

330 OSMOND STREET STATE COLLEGE, PA 16801 814-238-0625

KEVIN C. ABBEY President | HAROLD E. EDWARDS Urban Vice President | MICHAEL R. NOEL Rural Vice President | GERALD L. BLAIR Secretary | JAMES H. HOFFER Treasurer

PENNSYLVANIA ASSOCIATION OF MUNICIPAL TRANSPORTATION AUTHORITIES

Kevin C. Abbey, PAMTA President

TESTIMONY

before

Surface Transportation Sub-Committee

of the

House Public Works and Transportation Committee

Good Morning panel members. My name is Kevin Abbey. I serve as the General Manager of the Centre Area Transportation Authority in State College, Pennsylvania, and am here today representing the Pennsylvania Association of Municipal Transportation Authorities (PAMTA), as its elected President. PAMTA is the State of Pennsylvania's professional association of public transportation properties. PAMTA has 34 member transportation authorities, ranging in size from the four (4) vehicle systems in DuBois and Shenango Valley to SEPTA, the operating authority in the City of Philadelphia and the suburban Southeast Pennsylvania area.

INTRODUCTION

Long recognized as the "Keystone State" because of its central importance to the commerce, culture, and character of early America, Pennsylvania recognizes the vital role its transportation network plays in its survival. Whether moving goods to market, employees to work sites, customers to retail centers, patients to doctors, students to school, or friends to friends,

transportation is one of Pennsylvania's "vital signs".

In both urban and rural areas throughout the Commonwealth, public transportation keeps cities and towns moving. Pennsylvania is a particularly "transit-intensive" state. Its 22 urban and 19 rural public transportation systems serve 48 of the 67 counties where nearly 94% of the entire Commonwealth's population resides. In 1988/89, transit provided 465 million passenger trips. Every county in the Keystone State has some form of specialized, publicly-subsidized transit service for senior citizens.

RE-AUTHORIZATION

Few issues are as important to the economic and societal well-being of the Commonwealth and the nation as the re-authorization issue before us now. As we enter the post-Interstate era, it is time to boldly chart our course into the future, setting a forward-looking agenda for transportation that allows us to efficiently husband resources to provide efficient and comprehensive mobility, rather than reacting to problems in the future that will be much more difficult and costly to address then than they are now.

As the Administration and the Congress move towards re-authorization, it is imperative that we recognize the importance of the nation's transportation network in general and public mass transportation in particular. Mass transportation has the ability to help address some of the prominent issues in the public arena at this time. Economically, socially and en-

vironmentally, mass transit is a integral part of a national strategy to lower Vehicle Miles Traveled (VMT) and promote a more efficient national transportation system. As such, it deserves the full support of the nation and of its elected officials.

Over the past eight years, however, the federal government has slowly, yet surely, backed away from mass transit. This policy, has been nothing short of disastrous. Many public transportation properties now find themselves dealing with operating deficits, aging fleets and declining revenues in a time when demand for their services grows stronger. It is a contradiction to call for major re-investment in the transportation infrastructure and at the same time erode government support.

When the government took a lead in the 1960's and 70's in encouraging the needed growth of public transportation, many leapt to join that call. Local and state governments took up their shares of the burden, and dedicated professionals across the land implemented the programs and brought mobility to the people. The federal government provided the incentives, both monetary and otherwise, to encourage expansion and innovation. Now, the funds are being cut and transit is left scrambling. The government challenged us and we answered their call. The government must also pledge itself to the protect the national commitment to mass transportation.

That is why the issue of re-authorization is of such enduring importance. The shape of a re-authorization program will determine how transit will address the needs of the people

and whether such assistance will be full and complete, or faint and half-hearted. Naturally, as a transit manager, I would like to see transit adequately funded and the needs for expansion and rehabilitation met. As a public policy maker, I believe we must act as wise guardians of the public weal and invest in our future now. The alternative is to abdicate our responsibility and leave it to our posterity to spend billions and even trillions to do the necessary work we shun today.

GUIDELINES AND RECOMMENDATIONS

The Pennsylvania Association of Municipal Transportation Authorities (PAMTA) proposes the following guidelines and recommendations for the earnest consideration of the sub-committee as it moves towards re-authorization. With a firm belief that we are united in the principle of a strong and effective transportation infrastructure, these guidelines and recommendations are proposed in the spirit of cooperation and with the desire to provide a view of the needs of those in the front lines of our national transportation network.

The first and foremost guideline must be a firm and resolute commitment to re-investment in mass transportation by the federal government. Funding must be restored to levels (in real dollars) of the early 1980's and then increased to levels necessary to effectively deal with the needs of rehabilitation and operating assistance. This can best be accomplished be identifying a dependable, dedicated source and transit funding. This dedicated source of funding would support an adequate program of operating

assistance for all transit systems and could provide funds to help transit effectively implement the guidelines of the Clean Air Act and the Americans With Disabilities Act.

Beyond the critical area of adequate federal funding, the government must also supply policies which encourage the use of public transit. Elimination of federal tax policies which discourage the use of public transit should be a top priority, and tax incentives should be given to private sector investment in public transportation. Weight should also be given to policies which require integration of transportation investments and land-use decisions. In sum, the federal government, recognizing the critical importance of public transit in the national transportation network, must be become "transit-friendly" and restructure its priorities to support this needed service.

In keeping with these guidelines, and with a firm belief in an effective partnership between the federal government and private enterprise in the promotion of public transit, PAMTA proposes the following recommendations to the Sub-Committee for its consideration and that of the full House Committee:

1. Federal investment in surface transportation should be increased as a critical first step in the re-structuring of portions of the federal program.

2. An immediate seven cent per gallon increase in the federal gas tax should be enacted to support needed transit and highway investment, with the entire federal fuels tax made

permanent concurrent with re-authorization. Full revenues from this tax should be committed annually. This would help meet the at least $11 billion needed annually ($6.5 billion for essential re-investment and $4.5 for capacity expansion) that our transportation system requires.

3. The concept of transit should be expanded to include all multi-occupancy , shared-ride services. Federal policy should reduce growth in vehicle miles traveled (VMT) while accomodating increased passenger miles, thus serving people instead of vehicles.

4. Regional decision-making over the use of federal transportation funds should be enlarged and strengthened. Local areas, in keeping with national policy, are in the best position to deploy resources to meet regional needs.

5. A stronger, multi-modal approach to planning, funding and policy-making is needed to enable local areas to exercise flexibility in the most cost-effective use of resources to meet regional goals.

6. In order to deal with the transportation challenges confronting us, federal support must be dependable and predictable. Dedicated funding and formula allocations are methods by which this can be achieved. Transit's substantial contributions to mandated federal actions and national goals more than justify these commitments.

7. Federal transportation policies and programs should require closer integration of transportation investments and land use decisions, to provide a favorable environment for the use of high-occupancy, shared-ride vehicles.

8. Federal operating assistance must be preserved and enhanced for all sizes of transit systems to assure adequate maintenance and effective operation of the transit capital investment.

CONCLUSION

It is our belief that by adhering to these guideline and recommendations, the re-authorization process will produce a bill which adequately addresses the transportation needs of our nation and allows transit to best serve the people in the most reliable and cost-effective manner. PAMTA stands ready, as always, to do its part in the implementation of a strong and vital transportation program for the nation. We ask only for the means to most effectively implement these policies. Give us the tools and we will do the job.

I thank the sub-committee for its attention to these issues.

TESTIMONY

OF

HAROLD C. JENKINS

GENERAL MANAGER

CAMBRIA COUNTY TRANSIT AUTHORITY

BEFORE THE

PUBLIC WORKS AND TRANSPORTATION COMMITTEE

U.S. HOUSE OF REPRESENTATIVES

SEPTEMBER 17, 1990

EBENSBURG, PENNSYLVANIA

Thank you very much for your kind introduction. And, my sincerest thanks to Congressman Bud Shuster for the opportunity to represent the interests of mass transit before this hearing on the reauthorization of the Surface Transportation Act. I also want to express my thanks to the Committee for holding this hearing out in the hinterland, where public transportation roots go very deep. We are very honored to have you here in Cambria County.

During my fourteen years as general manager of the Cambria County Transit Authority, I've made numerous presentations before various Congressional committees on behalf of many issues affecting public transit.

But, I believe that my appearance here this afternoon is perhaps the most crucial one of all. For never has the role of public transit in America taken on more importance than the role it is about to assume as we move towards the 21st century. And, as members of the Public Works and Transportation Committee, <u>your</u> role in helping to shape the destiny of mass transit in this nation during this crucial period is of paramount importance. And my role, if I may be so presumptuous, is to shed some light on <u>why</u> you should be giving mass transit priority attention as you develop your strategy on the reauthorization of the Surface Transportation Act.

Why is public transit at a critical juncture?

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If the events in the Middle East during the past six weeks have done nothing else, they have served to illuminate America's need to develop more sensible energy and transportation policies and directions. When our energy, economic, and transportation choices are wholly dependent on the might of our armed forces, it is time to rethink those choices.

All but lost in the public debate over fuel prices and suggestions for conserving fuel was the solution that could make the biggest contribution: public transit. Using public transportation is among the best ways to conserve energy, and should be at the top of the list of national priorities.

With the Middle East in crisis, U.S. energy and transportation policy is getting a wake-up call. Today, when energy concerns are uppermost in our minds, we must resolve to ensure a strengthened public transit industry.

Unfortunately, at a time when public transit should be assuming a more important role, we are fighting as never before just to keep our financial heads above water. And, the higher fuel prices pushing rider demand up have already pushed fuel prices up considerably for transit agencies, making all operations more costly.

I know that every one of you are under a considerable amount of pressure to solve the growing deficit problem. The Mideast debacle only makes your choices more difficult. Because of the increased budgetary pressure, there will undoubtedly be needs that go unmet. But, a need that should <u>not</u> go unmet is federal support of public transit.

Public transit will be an important part of moving people to their jobs, and helping to keep the economy viable. Public transit will also be important in helping to alleviate an oil price shock or an oil shortage.

Now is definitely not the time to think about reducing the federal transit budget.

In fact, now may be the time to look at an increased federal transit budget to meet national needs. Much to his credit, Secretary of Transportation Samuel Skinner has spoken about just such a need. During an August 19 television interview, Mr. Skinner tied national energy conservation efforts to more federal funding for mass transit, along with encouragement of more local funding.

I think Secretary Skinner is on the right track. As you consider the arguments for transit reauthorization, we are asking you to keep public transit on solid financial footing. The recent Middle East crisis forces us to look to the future of personal mobility in this country and to make some difficult choices. We need to keep federal funding for public transit intact, and put a plan into place to increase support in the future. And, it's important to keep in mind that this plan is vitally important regardless of the short term consequences of our involvement in the Mideast. We must develop long range plans which reduce considerably our chronic dependance on foreign supplies of energy.

With respect to your immediate plans for the development of a strong framework on which to base the reauthorization of the Surface Transportation Act, I believe several important points are worthy of your consideration.

The first point is closely aligned with my previous comments with respect to increased funding for mass transit. It simply calls for increased recognition by the Congress that you cannot continue to impose new federal regulations on us without assuming some additional responsibility for assisting us in paying for the costs associated with implementing these regulations.

We are already facing increased passenger loads due to the international crisis, thus exerting increased pressure on our operating budgets for the purchase of not only more fuel, but more expensive fuel. This fuel has to be stored in conformance with new federal underground storage regulations, another substantial burden on our operating budgets. And, new federal clean air regulations will soon require the purchase of cleaner, more expensive alternative fuels which must be burned in engines capable of burning alternative fuels. More expensive engines.

And our buses are now operated by drivers who are covered by the new federal drug and alcohol testing regulations, regulations which have already cost my transit agency over $10,000.

Therefore, what we are facing, Congressmen, is the financing of increasingly expensive transit service, operated by drug tested drivers who will drive buses powered by more expensive engines which are fueled by very expensive cleaner fuel which is stored in environmentally safe, but expensive, storage tanks.

I don't mean to be cynical. I believe that most of these federal regulations have merit, as do many of the other federal mandates which govern transit. But, someone has to eventually pay the piper! And, it certainly can't be done within the fiscal constraints already proposed by UMTA for consideration by this Committee. Which leads me to my next point.

The Urban Mass Transportation Administration's proposal for adoption by the Public Works Committee calls for various changes to the reauthorization act, some of which are laudable, and others which must receive close scrutiny by your Committee prior to their possible adoption.

One proposal calls for the complete elimination of federal operating assistance, replacing it with a fund called "transit capital". Although formula funds under this category would continue to be available for some operating expenses, we are not certain that this concept will meet the operating needs of transit providers. It is important to maintain operating assistance at a level which encourages the growth of ridership in order to promote energy conservation, reduced vehicle pollution, congestion management, and the development of a sound national transportation policy.

We also must question the wisdom of the UMTA proposal to reduce the federal share for all grants to a 60/40 match. If this proposal is incorporated into the legislation, it will be devastating for both large and small Section 9 transit systems, as well as for the Section 18 rural transit systems. Most of us are currently up against the wall in efforts to obtain sufficient local funding to match existing federal matching ratios. In fact, two of the municipalities which provide local match funding for the Cambria County Transit Authority are already classified as distressed communities by the State of Pennsylvania. Therefore, reducing the federal share would only compound this problem immensely, all at a time when transit's role in this country's economic future is taking on increased significance.

Therefore, I am asking your Committee to consider the merits of ignoring the UMTA call for changing the match. In addition, I think it is imperative that you give serious consideration to the benefits of proposing a seven cent per gallon increase in the federal gas tax earmarked specifically for transit. Transit must have a dependable, predictable source of funding upon which to build the mobility plan previously mentioned.

Another major point for consideration is the UMTA proposal to transfer responsibility for administering the Section 9 program to the states for all transit systems under 200,000 in population. The small Section 9 transit systems are unanimous in our opinion that such a move would only add to our current budget woes.

The state management of the governor's apportionment would only create another layer of bureaucracy and provide extremely difficult cash flow problems for all grantees.

In Pennsylvania, the current state management of the Section 18 program typically results in delays of up to four months for the receipt of payments for capital purchases or operational expenses. But under the existing Section 9 arrangement, it typically takes only one day for the electronic transfer of funds. Most of our contracts require payment within 30 days of receipt of the goods or services. But, if the state assumes responsibility for administering the Section 9 program, the inevitable delays will force us to borrow money to pay our bills, a completely untenable situation considering the major fiscal problems we already face.

Thus, we urge you to let well enough alone. The UMTA staff have traditionally demonstrated a high degree of proficiency in administering the Section 9 program. To quote an old adage, "if it ain't broke, don't fix it!"

However, one UMTA proposal has, in my opinion, considerable virtue. It calls for authorization for the expansion of the transit research program, with an emphasis on "hands on" research activities. The cornerstone of this effort would be the creation of a Cooperative Transit Research Program, modeled after the National Cooperative Highway Research Program. A steering committee of transit industry representatives would be appointed by the Secretary to receive proposals for specific research projects to be pursued.

This type of effort has long been a goal of the transit industry as a way of solving problems of national interest because it involves operators at all levels. I agree with UMTA that the size of the research program should be tied in with the size of the overall UMTA program in order to provide sufficient research funding.

Finally, I'd be remiss in my comments if I didn't emphasize the continuing need to provide sufficient resources for this country's rural transit programs. There is a growing awareness that rural areas account for at least one-third of all the people who can be considered transit dependent. The results of the enactment of the Section 18 rural transit program in 1978 has clearly demonstrated that mobility needs are not only real, but extensive in rural America. Yet, despite the growth of rural transit systems under the Section 18 program, only about one-tenth of the basic transportation needs of an isolated and transit-dependent population are being met. At the same time, overall federal transit investment has dropped to less than one-half of what it was ten years ago, figured in constant dollars.

Therefore, we need to not only spend down the current surplus in the Mass Transit Account, but we must expand the transit assistance program to encompass the needs of our rural and urban populations who are becoming increasingly dependent on public transit.

Although my comments today reflect the needs of transit as seen through the eyes of a small transit system operator, they also reflect in large part the aspirations of most of the members of the national public transit community. However, in the event that I did not do justice to some of their specific goals, I have attached to my statement the comments of the American Public Transit Association, the Community Transit Association of America, and the Pennsylvania Association of Community Transportation.

On behalf of the Cambria County Transit Authority, I thank you for the opportunity to express my views on the vital issues involved in transit reauthorization. I will be happy to respond to any questions you may have.

ANALYSIS OF UMTA REAUTHORIZATION PROPOSAL

UMTA proposes to authorize $4.5 billion annually for the federal transit program. DOT may reduce this level to $4 billion in the first year, increasing to $4.5 billion by the end of the authorization.

> This program level falls far short of APTA's proposal for an $11 BILLION annual program level. Secondly, the authorized level historically has been higher than the actual annual appropriation. Finally, this proposal has not been approved by OMB, which may order further cuts.

UMTA proposes to reduce the federal share of discretionary capital expenditures and formula assistance to 60% of costs. The current federal share under the discretionary program is 75%. The current federal share of formula capital expenses is set at 80%.

> We need a greater investment in existing capital investments and expansion of transit service to meet growing demands. A reduced federal share will make it extremely difficult to build needed transit projects in areas where transit could stimulate economic development. A reduction in the federal share further increases the incentive for localities to choose highway projects, now funded at 90% federal share, over transit projects when making local spending decisions.

UMTA proposes to reverse the funding sources for the discretionary and formula programs. Under the proposal, the Section 3 discretionary program would be funded with general revenues and the Section 9 capital program would be funded from the Mass Transit Account of the Highway Trust Fund.

> Over the last ten years the program funded with general funds has consistently been subject to a disproportionate share of funding cuts relative to the authorized program levels. Unless the program can be designed to ensure that the authorized levels are maintained, the effect of this proposal may be to reduce funding for new capital projects and bus purchases.

UMTA proposes to permit the use of transit funds for highway projects and vice-versa. An area would be required to have a "balanced local approach" for transit before transit funds could be used on a highway project.

> Beyond ensuring that an area have a "balanced local approach" for funding transit, some effective means of

guaranteed adequate federal funding for transit must be provided. Regardless of state and local funding sources for transit, the state political environments in some states would almost surely result in the majority of federal funds being spent for highway projects, at the expense of worthy and necessary transit projects.

UMTA proposes to eliminate operating assistance but define as an allowable "transit capital" expense outlays for "materials and supplies." If an area's operating cap was not equal to "materials and supplies" a hold-harmless provision would be established to provide operating assistance up to the area's current operating cap.

Operating assistance is badly needed by all transit operators. It is not certain that the "materials and supplies" concept would meet the operating needs of transit providers and unclear how small systems within large urban areas and others would be "held-harmless" from the loss of operating aid. It is important to maintain operating assistance at a level which encourages the growth of ridership in order to promote energy conservation, reduced vehicle pollution, congestion management, and the development of a sound national transportation policy.

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KEY POINTS FOR SURFACE TRANSPORTATION REAUTHORIZATION

Public transit must play a greater role in the nation's transportation infrastructure. Future transit needs require a comprehensive federal financial strategy that includes reliable and predictable funding to permit participation by all state and local governments.

APTA urges the federal government to:

* Increase federal transit spending to at least $11 BILLION annually, $6.5 BILLION for essential reinvestments and $4.5 BILLION for capacity expansion. A seven cent per gallon increase in the federal gas tax earmarked for transit would provide a dependable, predictable source of funding.

* Give metropolitan areas greater flexibility in the use of federal transportation funds;

* Eliminate federal tax policies that discourage transit use and private investment in transit facilities.

* Support an adequate program of operating assistance for all transit systems.

* Expand federal support for transit-related research development, training, and human resources, and provide for direction of the program by transit industry officials.

* Provide federal funding for effective implementation of federal mandates such as those established under the Clean Air Act Amendments and the Americans with Disabilities Act.

* Promote transportation policies which require integration of transportation investments and land-use decisions.

In addition, here is a list of APTA's 13 principles to guide the reauthorization:

1. The federal investment in surface transportation should be substantially increased and, with these increases, parts of the federal program should be substantially restructured.

2. The concept of transit should be broadened to include all high-occupancy, shared-ride services. The goals of federal policy should be to serve diverse travel needs, to reduce growth in vehicle miles traveled (VMT) while accommodating increased passenger miles of travel, and to serve people rather than vehicles.

3. Regional decision-making authority over the use of federal transportation funds should be enhanced and strengthened. Local

areas should be able to deploy resources to meet regional goals in a way that is consistent with national policy.

4. There should be a stronger multi-modal approach to planning, funding, and decision-making. This will enable local areas to make appropriate trade-offs among many local and regional objectives, to make more cost-effective use of resources, and to reduce counterproductive federal restrictions.

5. Federal support should be more reliable and predictable. This can be accomplished through greater reliance on dedicated funding sources, formula allocation, and multi-year federal funding commitments. The costs associated with mandated federal actions, and transit's substantial contributions to the achievement of other national goals, justify increased support from all sources.

6. Increase reliance on a predictable formula using factors that better reflect transit needs.

7. Substantial additional funding should be provided for transit to fully carry out the national goal of significantly increasing the provision and use of high-occupancy, shared-ride services.

8. An immediate motor fuels tax increase should be enacted to support needed transit and highway investment, and the entire federal fuels tax made permanent concurrent with reauthorization of the surface transportation assistance act. Full revenues from the tax should be committed annually.

9. The federal tax code should be revised to promote private investment in transit, and to eliminate the taxation of employer transit subsidies and other disincentives to transit use.

10. Federal transportation policies and programs should require closer integration of transportation investments and land use decisions, to provide a favorable environment for increased use of high-occupancy, shared-ride services. Other federal policies should incorporate the same objective. Unless local development practices and policies are consistent with basic federal transportation goals, direct federal investment will be ineffective.

11. Expand federal support for transit research, development, and training, and ensure adequate direction of the program by transit industry officials.

12. Federal operating assistance for all sizes of transit systems is essential to assure adequate maintenance and effective operation of the transit capital investment.

13. Federal policies and mandates add to the costs of transit operations and, accordingly, federal funding should be provided to meet these requirements.

Summary of UMTA Reauthorization
Proposal: Salt Lake City
July 23, 1990

Note: At the recent General Manager's Seminar in Salt Lake City, representatives of UMTA summarized a proposal for reauthorization of the transit program. It was emphasized at the time of this summary that the proposal, outlined below, had not been approved by the Secretary of Transportation or the Office of Management and Budget.

Program Level: The basic proposal was for a five-year reauthorized program at an annual level approaching $4.55 billion to be funded by the following sources of revenue: (1) funds from the Mass Transit Account of the Highway Trust fund at a level of $2.8 billion annually based on a five-year spend down of the trust fund and annual gas tax receipts from the transit penny; and (2) general fund appropriations authorized at $1.75 billion annually.

Program Structure: The Section 3 discretionary program, Section 9 formula program for urbanized areas, and Section 18 formula program for small urban and rural areas would be retained, however, with major changes in source of funding, federal share, and eligible uses for the funds as follows:

--Section 3: The discretionary program for bus and rail would be funded by appropriations from the general fund. Eligible projects would include new starts, extensions, bus projects, and a metropolitan action program designed to respond quickly to unique mobility problems in an urbanized area. The federal share would be reduced to 60 percent. Rail modernization projects would no longer be funded under the discretionary program; instead, the rail modernization funds would be distributed via the Section 9 formula.

--Section 9: The formula program for urbanized areas would be funded "primarily" from a spend down of the Mass Transit Account of the Highway Trust Fund and from new gas tax receipts. The formula would remain the same, however, the incentive tier based on passenger miles would be eliminated. The federal share would be reduced to

60 percent. Operating assistance would be eliminated, but "transit capital" would be defined to include "materials and supplies." If an area's operating cap was not reached by "materials and supplies," there would be a hold-harmless provision permitting operating assistance up to the level of an area's operating cap. Rail modernization funds would be distributed according to the rail factors in Section 9.

--Section 18: The formula program for small urban and rural areas would be continued and funded "primarily" from the Mass Transit Account of the Highway Trust Fund. The approach to operating assistance under Section 18 would be the same as that described above for the Section 9 program.

Flexibility: One of the most important features of the new program is flexibility, meaning that transit formula funds could be used for highway projects. An area would have to have a "balanced local approach" for funding transit before transit funds could be used on a highway project. In addition, highway funds from the urban and rural program could also be made available for transit projects.

Designated Recipients: For areas over 200,000, the current designated recipients would continue to be the grant recipient. For areas under 200,000, the funds would go to the states for allocation to transit systems. Localities would have to concur before the states could commit any transit funding to highway projects.

Research: The research program would be expanded and additional funding for research would be authorized with an emphasis on "hands on" research activities.

Statement by Robert D. John, Vice President of the Route 219 Assn.

September 16, 1990

Honorable members of the Surface Transportation Subcommittee of the Public Works and Transportation Committee - Welcome to Cambria County and U.S. Route 219 Country.

In the 1950's, a few good men envisioned a four-lane limited access highway from Buffalo, New York, to Bluefield, West Virginia, along the U.S. Route 219 Corridor. In recent years, the focus on the Corridor has narrowed to the 252 miles from Canada to the Maryland State Line where the road connects with Maryland 48, Interstate 70 and 270 to Baltimore and Washington, D.C. On the north, U.S. Route 219 connects with Canada's Queen Elizabeth Highway and Toronto. Thus, U.S. Route 219 is an international highway, connecting Toronto, Canada and Washington, D.C.

Thirty-seven of the 65 miles in New York State and 55 of the 187 miles in Pennsylvania are now limited access, 4-lane modern highways as are the Canadian and Maryland sections.

The U.S. Route 219 Corridor in Pennsylvania suffers tremendously from a lack of 4-lane limited access highways. In fact, when the interstate highway system was designed, Johnstown and Cambria County was one of only 7 areas in the United States with a population over 50,000 that was not on the interstate system. The others, for your information, included: Witchita, KA, Altoona and Lancaster, PA., Fresno, CA., San Angelo, TX., Witchita Falls, TX., and Atlantic City, NJ.

The completed construction of U.S. Route 219 as a limited access highway will give the area of West Central Pennsylvania the long-term economic stability the region has never known. Without modern highways, there can be no economic expansion.

Transportation infrastructure investment is most often justified based on its effects on short-term job creation, the fact that spending has not kept pace with economic growth, or shortfalls in physical conditions relative to some emergency or safety standard. While real, these arguments miss the vital long-term economic role transportation serves by a developed economy. Recent studies prepared by Apogee Research have shown that a significant increase in federal highway spending will lead to a $250 annual increase in productivity for each American worker and $3200 within 20 years, a very impressive figure.

The recent Free Trade Agreement between Canada and the United States could have a great economic impact on the Route 219 Corridor.

The United States and Canada currently exchange more goods between themselves than any 2 nations in the world. Canada is the fastest growing market for the United States.

Buffalo, NY, the northern terminus of the U.S Route 219, stands to become the gateway city linking the worlds two largest trading partners. It is only natural that this trade agreement will cause hundreds of millions of dollars of goods to flow up and down U.S. Route 219.

The agreement makes it mandatory to re-build Route 219 as a four-lane limited access highway which will open up West Central Pennsylvania as a new economic "boom area" to produce the goods that Canadians will be demanding from our country.

There is no greater reason for a new U.S. Route 219 than the Canada-United States Free Trade Agreement.

U.S. Route 219 has had more studies conducted on it that any highway in Pennsylvania. The studies all point to the fact that the construction of a limited access four-lane highway will have a tremendous economic benefit to West Central Pennsylvania - in fact, probably no other area in the United States would benefit more from the construction of a highway.

Thank you for your past support of U.S. Route 219 and taking time out of your busy schedules to visit our area.

TESTIMONY
BEFORE THE
SURFACE TRANSPORTATION SUBCOMMITTEE
OF THE
HOUSE PUBLIC WORKS COMMITTEE
MONDAY, SEPTEMBER 17, 1990
EBENSBURG MUNICIPAL BUILDING
EBENSBURG, PA

BY
JOSEPH P. KIRK
EXECUTIVE DIRECTOR
MON VALLEY PROGRESS COUNCIL
EASTGATE ELEVEN
MONESSEN, PA
(412) 684-3381
AND CHAIRMAN
MON/FAYETTE EXPRESSWAY ASSOCIATION

MR. CHAIRMAN AND MEMBERS OF THE SURFACE TRANSPORTATION SUBCOMMITTEE OF THE HOUSE PUBLIC WORKS COMMITTEE, MY NAME IS JOSEPH KIRK. I AM EXECUTIVE DIRECTOR OF A CORPORATE SPONSORED, COMMUNITY AND ECONOMIC DEVELOPMENT NOT FOR PROFIT CORPORATION CALLED THE MON VALLEY PROGRESS COUNCIL AND CHAIRMAN OF THE MON/FAYETTE EXPRESSWAY ASSOCIATION. THE PROGRESS COUNCIL, WHICH IS CELEBRATING IT'S 25TH ANNIVERSARY, SERVES A REGION LOCATED TWENTY-FIVE MILES SOUTH OF THE CITY OF PITTSBURGH. THE MON/FAYETTE EXPRESSWAY ASSOCIATION IS A COALITION OF LOCAL LEADERS COMMITTED TO THE TIMELY DEVELOPMENT OF THE EXPRESSWAY PROJECT. AN ATTACHED MAP PROVIDES THE SERVICE AREA OF THE PROGRESS COUNCIL AND THE LOCATION OF THE MON VALLEY/FAYETTE EXPRESSWAY.

IT IS A PLEASURE TO HAVE THE OPPORTUNITY TO APPEAR BEFORE THIS COMMITTEE ON AN ISSUE OF SUCH PROFOUND IMPORTANCE AS HIGHWAY DEVELOPMENT.

AS MEMBERS OF A COMMITTEE THAT DEAL WITH IMPORTANT ISSUES OF TRANSPORTATION, YOU ARE ACUTELY AWARE OF THE DIRECT RELATIONSHIP BETWEEN ECONOMIC VIABILITY AND THE AVAILABILITY OF A MODERN HIGHWAY SYSTEM. IN ECONOMIC DEVELOPMENT EFFORTS, THE PRESENCE OF HIGHWAY SYSTEMS THAT PROVIDE ACCESS TO MARKETS IS A PREREQUISITE FOR THE LOCATION OF INDUSTRY.

FOR THE MON VALLEY REGION, THE DEVELOPMENT OF A NEW HIGHWAY LINK IS ESSENTIAL FOR THE ECONOMIC REVITALIZATION OF OUR REGION. THE DEVASTATING INDUSTRIAL DECLINE OF OUR REGION IN THE 1980'S IS WIDELY KNOWN. ALTHOUGH PROGRESS HAS BEEN MADE IN PROVIDING EMPLOYMENT FOR THE 100,000 PEOPLE WHO LOST JOBS, UNEMPLOYMENT IN THE STEEL VALLEY COMMUNITIES STILL IS IN THE DOUBLE DIGIT RANGE.

DESPITE A DEEP COMMITMENT TO OUR OWN HIGHWAY PROJECT, MY PURPOSE IN APPEARING BEFORE THIS COMMITTEE IS TO SPEAK TO A MUCH BROADER HIGHWAY DEVELOPMENT ISSUE. THE 1987 SURFACE TRANSPORTATION ACT TOLL ROAD PROVISION DEVELOPED UNDER THE LEADERSHIP OF THIS COMMITTEE SET INTO MOTION A POLICY THAT CAN HAVE A PROFOUND IMPACT ON THE DEVELOPMENT OF NECESSARY ECONOMIC DEVELOPMENT HIGHWAYS SUCH AS THE MON VALLEY/FAYETTE EXPRESSWAY. THE RECENTLY ISSUED NATIONAL TRANSPORTATION POLICY REPORT SPEAKS OF THIS ON PAGE 118 BY STATING THAT THE ADMINISTRATION WILL DEVELOP LEGISLATION CONSISTENT WITH THE PRINCIPLE TO "ALLOW GREATER USE OF TOLL FINANCING ON FEDERAL AID HIGHWAYS". TESTIMONY PROVIDED BY SOUTHWESTERN PENNSYLVANIA AND WEST VIRGINIA GROUPS AT HEARINGS IN THE DEVELOPMENT OF THIS POLICY IS CITED ON PAGE 25 OF THE REPORT.

IN OUR EFFORTS TO ENCOURAGE THE NEXT STEP IN THE PROMOTION OF TOLL ROADS WE HAVE CONSULTED WITH A VARIETY OF HIGHWAY USER GROUPS, ELECTED OFFICIALS AND CONSTRUCTION ASSOCIATIONS INCLUDING THE INTERNATIONAL BRIDGE, TUNNEL AND TURNPIKE ASSOCIATION, THE AMERICAN ROAD AND TRANSPORTATION BUILDERS ASSOCIATION, ASSOCIATED BUILDERS AND CONTRACTORS, CONTRACTORS ASSOCIATION OF WESTERN PENNSYLVANIA AND AMERICAN TRUCKING ASSOCIATION, INC. I AM NOT SUGGESTING THAT WE ARE REPRESENTING A POLICY POSITION OF THESE GROUPS. HOWEVER, IT IS FAIR TO REPORT THAT OUR PROPOSAL HAS EARNED THE INTEREST OF THE AFOREMENTIONED.

OUR PROPOSAL TO PROMOTE NEW ECONOMIC DEVELOPMENT HIGHWAY LINKS IS BASED ON THREE PRINCIPLES.

* A LIMITED FEDERAL TOLL ROAD STRATEGY ENHANCES THE OPPORTUNITY TO DEVELOP PRIORITY ECONOMIC DEVELOPMENT LINKS.

* THE FEDERAL HIGHWAY ADMINISTRATION SHOULD PLAY AN ACTIVE ROLE IN DIRECTING THE DEVELOPMENT OF SUCH ROADS CONSISTENT WITH THE PROVISIONS OF THE 1987 ACT.

* THE 1991 REAUTHORIZATION OF THE SURFACE TRANSPORTATION ACT SHOULD INCLUDE SPECIFIC, DIRECT FINANCIAL SUPPORT FOR THE IMPLEMENTATION OF A TOLL ROAD POLICY.

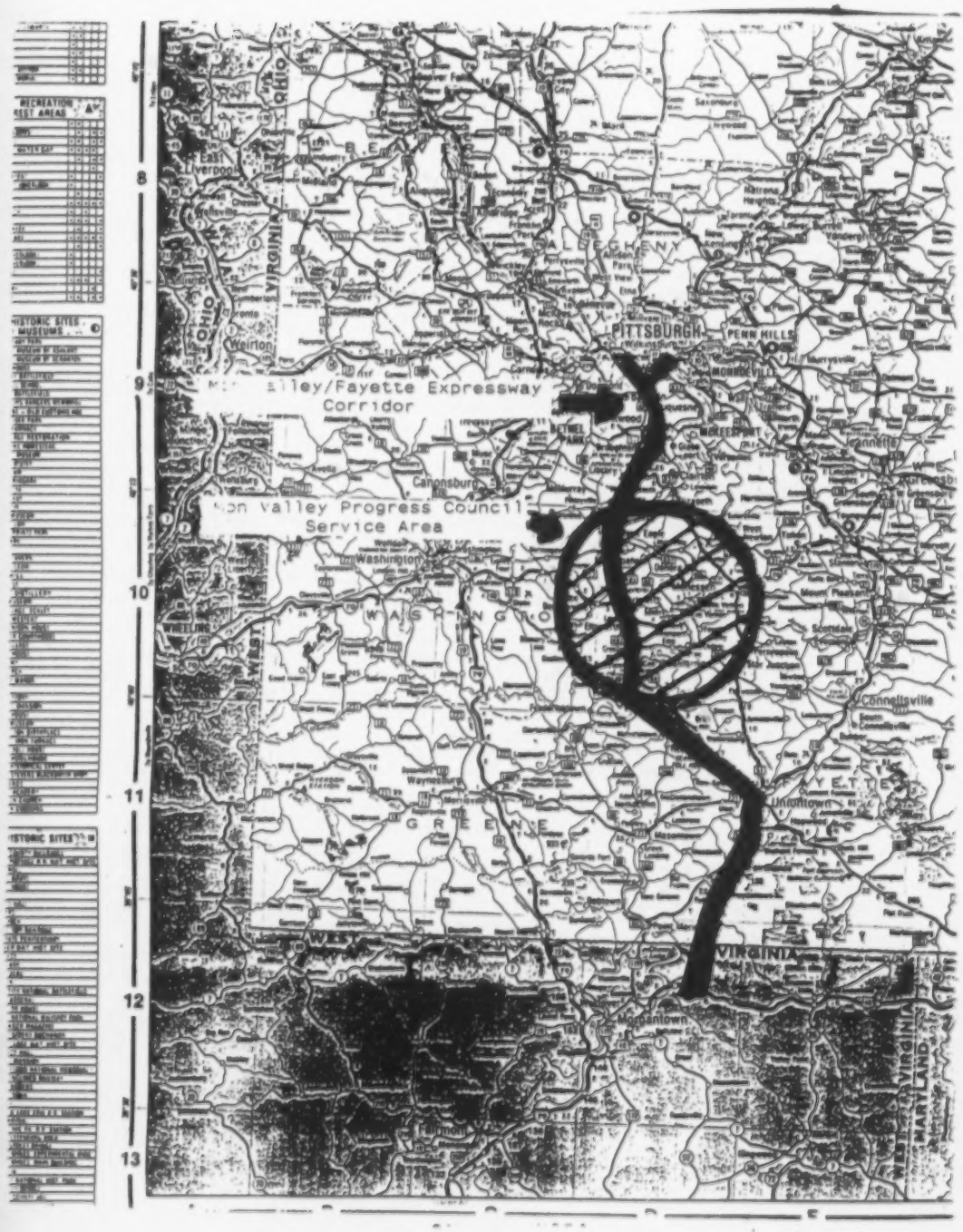
GENTLEMEN, WHAT WE ARE PROPOSING IS A TARGETED FEDERAL INITIATIVE TO PROMOTE THE DEVELOPMENT OF IMPORTANT NEW HIGHWAY LINKS CONSISTENT WITH THE NATIONAL POLICY REPORT OBJECTIVE OF "INCREASING THE LOCAL SHARE OF FEDERAL AID FOR TRANSPORTATION" (PAGE 44). THE PRIORITY HIGHWAY LINK PROGRAM WE PROPOSE WOULD BE TARGETED TO THE CONSTRUCTION OF NEW LIMITED ACCESS INTERSTATE GRADE HIGHWAYS. ATTACHED TO MY TESTIMONY IS A COPY OF THE DETAILS OF OUR PROPOSAL.

IF IMPLEMENTED THE PROPOSAL WOULD PROVIDE DIRECT FEDERAL SUPPORT FOR 75% OF THE 35% FEDERAL AID APPROVED UNDER THE TOLL ROAD PROVISION OF THE 1987 ACT. THIS WOULD REPRESENT 26% DIRECT FEDERAL ASSISTANCE FOR PRIORITY HIGHWAY LINKS. THE 9% DIFFERENCE WOULD BE SUPPORTED THROUGH EXISTING HIGHWAY TRUST FUND APPROPRIATIONS TO THE STATES. FUNDING FOR THIS INITIATIVE COULD BE SUPPORTED BY AN INCREASE IN THE AUTHORIZED LEVEL OF THE FEDERAL HIGHWAY TRUST FUND. THE AMOUNT OF THE INCREASE WOULD BE BASED ON THE FINANCIAL NEEDS OF SUCH PROJECTS AND REFLECTIVE OF FISCAL REALITIES. EACH STATE WOULD BE PERMITTED TO SEEK DESIGNATION FOR ONE TOLL ROAD UNDER THE PROGRAM. FUNDS WOULD BE ALLOCATED ON A COMPETITIVE BASIS.

ALTHOUGH WE FEEL THAT A TOLL ROAD STRATEGY IS THE MOST EFFECTIVE MEANS TO DEVELOP ECONOMIC DEVELOPMENT HIGHWAY LINKS, CONSIDERATION SHOULD BE GIVEN TO BROADEN PARTICIPATION THAT WOULD PERMIT OTHER INNOVATIVE PUBLIC/PRIVATE FINANCING TECHNIQUES. THE USE OF SUCH INNOVATIVE TECHNIQUES IS REPEATEDLY REFERRED TO IN THE NATIONAL POLICY REPORT.

FOR OUR REGION THE PRIORITY HIGHWAY LINK PROGRAM WOULD PROVIDE A MEANS TO ENSURE THE TIMELY COMPLETION OF THE MON VALLEY/FAYETTE EXPRESSWAY. ON A NATIONAL LEVEL THE PROPOSAL WOULD PLACE THE FEDERAL GOVERNMENT IN A LEADING ROLE FOR THE IMPLEMENTATION OF INNOVATIVE TECHNIQUES THAT PROMOTE A WIDE RANGE OF FINANCING STRATEGIES NECESSARY FOR THE DEVELOPMENT OF NEW HIGHWAYS.

AGAIN, I THANK YOU AND WELCOME YOUR QUESTIONS.


RECREATION AREAS
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Uniontown
Connellsville
Monongahela
Jeanette
PITTSBURGH
PENN HILLS
MONROEVILLE
ALLEGHENY
WASHINGTON
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FAYETTE
WEST VIRGINIA
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MARYLAND
Valley/Fayette Expressway
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Service Area

December 18, 198
(Page 1 of 2)

Proposed
Federal Toll Road Initiative
for the 1990's

The establishment of the Toll Road Demonstration Program under the 1987 Surface Transportation Act represented a significant milestone in the promotion of toll road facilities. The seven states designated under the program (later expanded to nine) were permitted for the first time to utilize Federal Highway funds for up to 35% of the cost of one toll road project per state designated by the Governor. Projects were also approved by the Federal Highway Administration.

Policy established through the 1987 Act clearly recognized the importance of toll road facilities in meeting the need for new highways. The 35% funding formula established under the Act also began the transition of the Federal Government to a partnership role on certain highway projects. Conversely this formula requires significant financial participation from states, local governments and the private sector to advance such projects.

Although the 1987 Act established an important policy it fell far short of the mark in the provision of fiscal resources necessary for implementation. The Act created a process where newly established projects have to complete with long term needs in an environment of inadequate fiscal resources. A paper tiger policy will not promote the development of highways essential for relief of congestion, promotion of safety and the provision of essential catalysts for economic development and redevelopment.

Pending legislative action on the renewal of the Federal Highway Program provides an opportune time to develop a truly effective program to promote toll road facilities. The elements outlined below would provide a targeted and measured approach that could be incorporated into the 1992 Surface Transportation Act. The proposed increase in the authorized level of Federal Highway Trust Funds stated below would support toll road projects. The proposed funding formula of 26% would result in a funding ratio of almost 4 to 1 versus current ratios of as low as 1 to 9. As an example, a 500,000 million dollar highway project would require $270,000 less in Federal funds under the proposed toll road initiative.

<u>Proposed Toll Road Initiative</u>

* Expansion of the 1987 Toll Road Provisions to include one project in each of the fifty states.

* Continuation of the process for designation of toll roads established under the 1987 Act.

* Establishment of a funding formula based on 75% of the 35% eligible costs of toll road projects. The program would be supported by an increase in the authorization level of the Federal Highway Trust Fund.

* It is anticipated that the increase in the authorized level would be inadequate to support all projects seeking funding. A task force of toll road agencies would be established to develop a draft criteria for selection of projects and submit their findings to the Secretary of Transportation. Projects would be submitted to the Federal Highway Administration for review and approval.

TESTIMONY BEFORE THE
PUBLIC WORKS COMMITTEE
OF THE
U.S. HOUSE OF REPRESENTATIVES

SEPTEMBER 17, 1990

BY

J.WILLIAM LINCOLN
PENNSYLVANIA STATE SENATOR

My name is Bill Lincoln, I am the Pennsylvania State Senator representing Somerset and Fayette Counties, and it is a great honor as well as an awesome responsibility to appear before the United States House Committee on Public Works today.

The situation surrounding Route 219 has implications for international trade, national productivity and local livlihood. I want to touch briefly on the first two items and concentrate on the third. The Route 219 corridor is a major artery connecting Washington, D.C. with Buffalo, N.Y. and Canada. Both Maryland and New York have recognized its potential and are developing major roads to realize this goal.

The corridor's geographic placement makes it the most viable route to open markets all the way from Canada to the American South. It runs through an area in Pennsylvania which gives graphic proof of the decline of American productive capacity with its closed coal mines, shuttered steel mills, its unemployed and underemployed workers.

The completion of the new Route 220 through Bedford and Cambria Counties has brought with it an explosion in trade, and has demonstrated what we have always known--business and industry gravitates to accessible areas.

Here in Southwestern Pennsylvania we have all the ingredients for a rejuvenation of productive strength.

*****We have a highly skilled workforce, used to and dedicated to hard work.
*****We have a state ready to invest its resources in economic development. In fact, we have already optimized our state dollars in an effort to improve our infrastructure with such programs as PennVest, a revolving loan program to improve water and sewer capacity.
*****We have major universities dedicated to development of high tech industries.
***** We have local support from Chambers of Commerce, citizens

groups and politicians.

*****We have burgeoning recreational facilities already used by residents of Maryland, Virginia and the District of Columbia as well as Pennsylvania. And we have the potential for much more.

*****We have our neighbor Maryland upgrading 40/48 all the way across the state.

But we also have a road which does not support the traffic presently on it and certainly does not beckon future development. It is heavily travelled, windy, hilly, unsafe and inconvenient. Until 219 is upgraded, it will be a bottleneck not only to local traffic, but to increasing trade in the entire northeast.

As U.S. Congressmen, you must necessarily look at the national and international implications of your actions. As a State Senator, my concerns are more parochial. The district I represent is one of great heart but little hope. When Time magazine chose representatives of the working poor to portray in their most recent issue, the only intact family they chose was from western Pennsylvania. And they were good representatives for us--people with old time values of family feeling, hard work, honor and deeply held religious conviction. These are not people who drain our social service system, and they also are not people who have participated in any so-called economic resurgence. The squeeze in which they find themselves is not one of their own making, they are the personal manifestations of a policy of benign neglect of the infrastructure of our heartland, of the diminishing of America's productive capacity.

Roads truly are our hope for the future. They provide one of the best investments I can think of for our federal dollars. Route 219 will open our area to the nation, allowing all the potential we have to be realized.

Pennsylvania has recognized for a long time that this road should be built. In the 1970's and early 1980's, Route 219, like many other projects, was dropped from our 12-year plan because Pennsylvania had borrowed beyond its limit--a problem you can sympathize with I'm sure. We have restored fiscal soundness, put a massive maintenance program in place, and are presently revisiting many of the projects which were dropped in the 70's and early 80's.

This is one of those projects. At this time, I would like to pledge myself and every power at my command to see that it comes to fruition. First, I will be meeting with other state officials and representatives from Somerset County to ensure that the upgrade of Route 219 from Somerset to the Maryland border be included in the first phase of our 12-year plan. Now is definitely the time to give this project the top priority it deserves.

It is clear that PennDOT already realizes its importance. The Department has authorized $500,000 for needs analysis, preliminary

engineering and environmental studies of a segment of 219 around Meyersdale. A consultant will be selected by early next year who will assess the environmental impact, not just around Meyersdale, but for the entire southern corridor from Somerset to the Maryland line.

We feel that the need is great, the resources are in place, and the result will far exceed the cost. We will be ready when you are.

RICHARD H. MAYER
The Tribune-Democrat
September 17, 1990
Public Works Committee

The invitation to testify at this hearing is very much appreciated by this user of local highways for sixty years. Twenty-five of those years have been spent trying to convince politicians that Route 219 needed to be a four-lane highway from the New York line to the Maryland line and preaching that, for the well-being of the Johnstown area, Route 56 should be four-lane from Bedford to Indiana. And there seems to be a lot of interest finally in making Route 22 a four-lane from the Pittsburgh area to Armagh, something that has been needed since the 1950's.

Private citizens don't build highways. Chamber of Commerces don't build highways. Unions don't build highways. Highways are built by government, funded by politicians. When it is time to put a name on a section of highway, it is often named for the politician who had enough clout to get the funding. Hence: The Ed McNally Bridge on Route 219, the Bud Shuster Byway around Everett; the Amos Hutchison Expressway in Westmoreland County.

There doesn't seem to be any politician from our area in state government who has the necessary clout to get local higways funded out of Pennsylvania tax money. As a matter of fact, they continue to vote against increases in the gasoline tax. Because of this problem in the state government, we have to look to the federal government for highway funding.

If nothing else, this hearing should recognize that Congressman Shuster and Congressman Murtha have the necessary clout to finally get some much-needed highways built in this part of Pennsylvania, and the people testifying today should encourage these two gentlemen to get the funding authorized and build the highways.

The interest in better highways for this area is usually encouraged by people and organizations with selfish motives: better highways will make it easier and faster to get our goods and services out to our customers. Or we can get to Pittsburgh or Harrisburg, or Washington or New York faster in our personal automobiles if we have better highways.

Now some of the emphasis has changed. Instead of trying get out of our communities, we need better highways to attract businesses and tourists into our communities. The highways become vital as Johnstown and Altoona and the nine-county Heritage Project try to encourage tourism. The success of the new tourism industry in this community will depend on how easy it is for the tourist to get here. The better the highway into town, the more tourists we will attract.

So, Congressmen Shuster and Murtha. We want highways. Government builds the highways. Government can't build them until you get the funding. You have the necessary influence to pass the funding. Can we count on you to get our highways?

TESTIMONY OF D.C. NOKES, JR.

CHAIRMAN, HIGHWAYS AND TRANSPORTATION COMMITTEE

GREATER JOHNSTOWN CHAMBER OF COMMERCE

September 17, 1990

Committee on Public Works and Transportation

Subcommittee on Surface Transportation

Ebensburg, Pennsylvania

In 1964 a report was issued entitled "What Future Do Our Kids Have Around Here?" The consultant's task was to identify the problems facing the Greater Johnstown Region. I was 10 years old, and one of the kids to whom the report referred. The report identified four primary problems; outward migration of our youth, heavy reliance on steel and coal, chronic high unemployment, and POOR TRANSPORTATION ACCESS TO OUR AREA. Twenty-six years later, these problems continue to exist, and the overriding reason that our economic development continues to be stymied is POOR TRANSPORTATION ACCESS to our region.

Many citizens of our region have toiled long and hard, and continue to work to enhance the economic climate of our region, but the poor highway access to the Greater Johnstown region makes our effort not just difficult, but nearly impossible.

Our economic development representatives have, for years boasted that 50% of the United States population is within 500 miles of Johnstown, Pennsylvania. That's the good news.

However, the bad news is that the proximity of the nation's population does no good at all if we cannot get our products to that population, nor can that population travel to enjoy the tourism, recreational and other opportunities we offer; or to visit to consider economic development sites.

Our region has analyzed and re-analyzed what highway corridor is our top priority; Route 22 to Pittsburgh, Route 219 North and South, or Route 56 to Bedford. I submit that the completion of <u>any</u> corridor is essential to those of us seeking to create economic revitalization and solve the problems identified in 1964, and repeated in many reports thereafter. We must, with your help, and the help of the State of Pennsylvania, address the poor transportation access to our region to be able to look forward optimistically to the next century for the residents of our region, and our next generation of children.

No other problem is identified more often as an impediment to economic growth in our region than poor transportation access. As a representative of our Chamber of Commerce, Johnstown Area Regional Industries, and other groups, we ask that you join in partnership with us to offer our children the opportunity to create a greater future for our region.

JOSEPH A. PETRARCA, MEMBER
HOUSE POST OFFICE BOX 74
MAIN CAPITOL BUILDING
HARRISBURG, PENNSYLVANIA 17120-0028
PHONE: (717) 787-5142

210 LONGFELLOW STREET
VANDERGRIFT, PENNSYLVANIA 15690
PHONE: (412) 567-6962

POST OFFICE BOX 48
NEW ALEXANDRIA, PENNSYLVANIA 15670
PHONE: (412) 694-5298

House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

COMMITTEES

TRANSPORTATION, CHAIRMAN

MEMBER

STATE TRANSPORTATION COMMISSION
STATE HIGHWAY & BRIDGE AUTHORITY
MOTOR CARRIER ADVISORY COMMITTEE
GOVERNOR'S TRAFFIC SAFETY COUNCIL
ENERGY DEVELOPMENT AUTHORITY
MINING & RECLAMATION ADVISORY BOARD
GOVERNOR'S ENERGY COUNCIL

Written Testimony

of

Representative Joseph A. Petrarca

Chairman

Transportation Committee

Pennsylvania House of Representatives

September 17, 1990

before the

Surface Transportation Subcommittee

Public Works and Transportation Committee

Congress of the United States

House of Representatives

Ebensburg Municipal Building

Ebensburg Pennsylvania

Presented by
Representative Thomas A. Tangretti
Westmoreland County
Pennsylvania
House of Representatives

Good afternoon. My name is Thomas Tangretti. I am the State Representative from the 57th legislative district which comprises the city of Greensburg, the county seat of Westmoreland County.

I will be presenting the testimony of my colleague from Westmoreland, the Chairman of the House Transportation Committee, Representative Joseph A. Petrarca. Rep. Petrarca sends his regrets for not being able to attend today's hearing and asked me to thank you for allowing me to present his testimony. With me today is Paul Parsells from Rep. Petrarca's staff. Paul is Executive Director of the House Transportation Committee and will be available to answer any questions you might have.

Testimony of Rep. Joseph A. Petrarca.....
Mr. Chairman, we are beginning a decade which I believe will prove to be the most critical test of our ability as individual states and as a nation to meet our transportation needs. The Persian Gulf crisis has given us a necessary and well timed "slap in the face", reminding us that we will be unable to meet our transportation needs in the 21st century if we do not make critical decisions now.

Pennsylvania is prepared to make those decisions, but we need the help of you in Congress and the Bush Administration. Clearly, we can no longer depend on oil as

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a reliable energy source in the next century. There are alternative fuels available that CAN be produced today that are not only a good substitute for oil, but are beneficial to both the consumer and the environment.

Specifically, compressed natural gas is a fuel which is abundant in supply, burns much cleaner, is less expensive, and most importantly, the technology exists today to utilize it. I bring this to the attention of this subcommittee for your consideration mainly for its potential applications in mass transit, a subject which I would like to discuss in more detail in a moment. My committee has had the opportunity to see this technology at work when we took a ride on a bus which was fueled exclusively by compressed natural gas.

Transit authorities are very interested in this technology but they need help with the initial capital investment. While the operating costs are projected to be low, spending scarce mass transit funds to retrofit buses and to build pumping stations is very costly. If we can help with these start up costs, the long term benefit would be well worth it. This help should also extend to large vehicle fleets such as school buses and ultimately, I believe that we should concentrate our efforts and funding to make alternative fuels, such as natural gas, more accessible to the general public.

One of the critical decisions facing us today as we approach the next century involves mass transit. At a time when the federal government should be encouraging mass transit, it has turned its back on the states. The decision to mask the Federal deficit by refusing to allocate funds from the more than 6 billion dollar Mass Transit Account of the Federal Highway Trust Fund is irresponsible.

U.S. Department of Transportation Secretary Skinner has criticized Pennsylvania's public transportation financing. His criticisms and inactions on funding is not only insulting, but has caused great friction between members of the Pennsylvania General Assembly as well as between our members of Congress.

For the information of this subcommittee, Pennsylvania ranks second in the nation in its contributions to mass transit. Over the past 11 years, Pennsylvania operating assistance for urban public transportation has nearly tripled, local government assistance has increased by 72%, **and Federal assistance has DECLINED BY 87%!** APPENDIX A of written testimony is a copy of a resolution I approved along with my fellow Commissioners of the State Transportation Commission, taking strong exception to Secretary Skinner's comments and inactions. The Commission is a bipartisan 15-member body established by statute to work with state government to establish transportation improvement programs.

I urge you to take the time to read this resolution so that you may better understand our situation.

Secretary Skinner's inaction has created a sense of panic among elected officials in areas served by our crumbling mass transit systems. In the Pennsylvania General Assembly, a bill was defeated which proposed a constitutional amendment to allow monies restricted to highway and bridge improvements to be used for mass transit. This legislation was very divisive to the Assembly because legislators unserved or underserved by mass transit saw it as an effort by Philadelphia and Pittsburgh to grab monies critical to their transportation infrastructure.

In Washington, Congressman William Gray has added a provision to the House of Representatives' transportation appropriations bill in a frustrated effort to help this problem. The amendment would require the U.S. Secretary of Transportation to withhold 25% of Pennsylvania's 1991 Federal highway monies unless we enact a dedicated mass transit revenue source. Congressman Gray has a very unhappy constituency and I'm sure, is trying to come up with the best solution possible. From a state-wide prospective however, I fear that this measure will create more problems than it solves. Pennsylvania does not react well to coercive, punitive legislation from Washington and I can assure you that the resulting dedicated fund will do little

to address this problem. I would hope that the members of this subcommittee can convince my friend to rethink this proposal. I would also hope that you will look very carefully at how the Federal government is neglecting our systems; remember all the good work that was done promoting mass transit after the last energy crisis; and consider the wisdom of Secretary Skinner's inaction as the events in the Persian Gulf unfold.

The highway funding picture has been much brighter in Pennsylvania. Thanks to the efforts of Congressman Murtha, Congressman Kolter and Congressman Shuster, Pennsylvania has received nearly $2 billion in highway and bridge funds over the last four years as well as nearly $800 million in additional discretionary funds. This money when combined with state, local and an encouraging amount of private funds, has allowed us rebuild crumbling infrastructure and has helped us provide transportation facilities vital to Pennsylvania communities hard hit by recent changes in our industrial base.

This strong federal, state, and local partnership is critical to our nation's transportation needs and must continue. As we approach the next century, the Federal government has an opportunity, working in this partnership, to prepare the country for the dramatic changes in transportation that will occur. Federal resources should

remain focused on critical transportation needs. As we enter the post-interstate era, I believe that we should begin to concentrate on maintaining the existing interstate and its supporting arteries. For example, U. S. Route 22 which traverses Westmoreland County is in a very dangerous state of disrepair. We hope to begin reconstruction next summer on portions of this highway, but without Federal support at existing or increased levels, highways such as this would simply close.

We also have many non-interstate "missing links" here in Pennsylvania that need your continued support. Route 356 for example would open up much of northern Westmoreland County to the Pittsburgh markets. Relieving congestion on our facilities must become a priority and completing these "missing links", particularly in the rural and suburban communities, is essential.

This great public partnership we have forged should also be augmented by user fees. We in Pennsylvania have begun major project that will be funded by tolls. Consideration should be given in Congress to allow us to toll existing facilities. Interstate 80 for example cost Pennsylvania nearly $60 million per year to maintain. We believe that tolling facilities such as this may in the near future be the only practical way to keep it usable and safe without neglecting the rest of our system.

We must, however do more than build more highways. We must find better ways to move people and freight. Efforts must be made to rebuild our rail systems. We cannot afford to let our rail right-of-ways disappear. I am very excited about the advances in high speed passenger rail technology and am encouraged that Washington has begun to take an interest. We have the opportunity to go from the third world passenger rail system that we now have, to a nation on the cutting edge. I am convinced that the implementation of an integrated, coordinated, high speed passenger rail system in this country, will be the first step in ending our love affair with the automobile, ~~and we~~ all know that that affair will soon have to end.

On final comment. There has been much discussion recently about the possibility of raising the Federal gas tax for the purpose of deficit reduction. Those of you that serve on this subcommittee, I'm sure, will agree that this would be very detrimental to our transportation system. As would likely have occurred had the recent effort here in Pennsylvania to use a gas tax for mass transit been successful, such a move in Washington would make the gas tax fair game for every "crisis" that came along.

Thank you for inviting me here today. I assure you that the House Transportation Committee stands ready to work with you

on the critical transportation needs of our nation.

STATE TRANSPORTATION COMMISSION

COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

July 17, 1990

Honorable Samuel K. Skinner, Secretary
U.S. Department of Transportation
400 Seventh Street, S.W.
Washington, D.C. 20590

Dear Mr. Secretary:

At the regularly scheduled Quarterly Meeting on July 12, 1990 the State Transportation Commission unanimously agreed to go on record regarding Financial Assistance for Public Transportation in Pennsylvania. Accordingly, a Resolution has been prepared and approved on July 16. A copy of the Resolution is enclosed.

Sincerely,

Shirley J. Thompson

Shirley J. Thompson
Executive Secretary

cc; Members, State Transportation Commission

APPENDIX "A"

COMMONWEALTH OF PENNSYLVANIA
STATE TRANSPORTATION COMMISSION

Resolution

FINANCIAL ASSISTANCE FOR PUBLIC TRANSPORTATION IN PENNSYLVANIA

WHEREAS, public transportation in both urban and rural areas is an important component of the transportation network in Pennsylvania and throughout the nation;

WHEREAS, the National Transportation Policy states that "Transportation is a shared responsibility between the private and public sectors--the Federal Government, the State and local governments, regional agencies and authorities, quasi-public entities, and private interests;"

WHEREAS, providing financial assistance for public transportation has traditionally been a shared responsibility among federal, state and local governments;

WHEREAS, continued investment in public transportation infrastructure improvements is critically needed to prevent deterioration in system performance;

WHEREAS, the U.S. Secretary of Transportation has recently questioned the stability and reliability of Pennsylvania's state funding for public transportation;

WHEREAS, over the past 11 years, state operating assistance for urban public transportation in Pennsylvania has nearly tripled, assistance provided by local governments has increased by 72% and federal assistance has declined a staggering 87%;

WHEREAS, in FY 1990-91, Pennsylvania has committed over $440 million in state funds for urban public transportation assistance, the largest annual amount in the history of the Commonwealth;

WHEREAS, a survey conducted by the American Association of State Highway and Transportation Officials shows that in 1988-89 Pennsylvania ranked second among the states in direct financial assistance for the operation of public transportation systems, and;

WHEREAS, there is presently a cash balance of more than $6 billion in the Mass Transit Account of the Federal Highway Trust Fund, which, although dedicated to public transportation purposes, is being held to offset a portion of the federal budget deficit.

NOW, THEREFORE BE IT RESOLVED THAT THE STATE TRANSPORTATION COMMISSION, a bipartisan 15-member body established by Pennsylvania statute to work with state government to establish transportation improvement programs:

- Takes strong exception to U.S. Department of Transportation Secretary Skinner's criticism of Pennsylvania's public transportation financing mechanisms, and

- Calls on the federal government to uphold its commitment as a full partner in public transportation by releasing all available revenues and interest in the Mass Transit Account of the Federal Highway Trust Fund for their intended purposes.

Adopted this 16th day of July, 1990 by the members of State Transportation Commission, Commonwealth of Pennsylvania:

Honorable Howard Yerusalim, Chairman, Harrisburg
Honorable Robert B. Pease, Vice Chairman, Pittsburgh
Honorable J. Doyle Corman, Chairman, Senate Transportation Committee, Bellefonte
Honorable J. Barry Stout, Minority Chairman, Senate Transportation Committee, Eighty Four
Honorable Joseph A. Petrarca, Chairman, House Transportation Committee, Vandergrift
Honorable Rudolph Dininni, Minority Chairman, House Transportation Committee, Harrisburg
Honorable Roy O. Christman, Hamburg
Honorable Frank M. Henry, Wilkes-Barre
Honorable Frank D. O'Reilly, Jr., Lock Haven
Honorable Edwin W. Parkinson, Lemoyne
Honorable Harold G. Reslink, Erie
Honorable Larry O. Sather, Huntingdon
Honorable Isadore A. Shrager, Philadelphia
Honorable Gene G. Smith, Hermitage
Honorable Ernest E. Wadsworth, Johnstown

TESTIMONY OF

LAWRENCE A. ROGERS

BETHLEHEM STEEL CORPORATION
Johnstown, Pa. 15907

BEFORE THE
SUBCOMMITTEE ON SURFACE TRANSPORTATION
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
U. S. HOUSE OF REPRESENTATIVES

September 17, 1990

I am Lawrence A. Rogers, Transportation Representative for Bethlehem Steel Corporation's Bar, Rod and Wire Division, located at Johnstown, Pa. I have been employed by Bethlehem Steel, in its various transportation operations, for the past twenty-four years. Most of that time has been spent in the management of our truck shipping operations involving both outbound steel products and inbound raw materials.

Bethlehem Steel has a very large interest in our country's highway system. We are both a major supplier to, and an extremely large user of, that system. We supply large quantities of steel for bridges and guard rails. In 1989, we produced about 240,000 tons for highway and related construction. As a user, we shipped more than 400,000 truckloads from our plants over the highway system last year. We could neither assemble our raw materials nor distribute our steel products without the highways. Their efficiency and safety directly affect our operations.

It is no secret that our country has severe infrastructure problems. For years we have been living off prior investments and failing to adequately maintain and upgrade existing highways and bridges. As a result, large parts of our highway system are in disrepair---or resemble parking lots at peak hours.

If we spend too little on maintenance of these vital arteries, society loses more than the direct public cost. In the long run, our ability to compete in the international economy will be weakened and our standard of living will suffer.

To assure our continuing competitiveness, we need a renewed federal commitment to upgrade and repair our highway system---a multi-year comprehensive program to meet the demands of anticipated usage. Further, and just as important, building more roads and bridges will not solve our peak traffic problems. We owe it to ourselves to develop effective incentive systems promptly to relieve highway congestion at peak hours.

It is probably safe to assume that future federal funding for highways and bridges will come from dedicated user fees paid solely by Americans for the specific purpose of improving America's transportation system. In taxing Americans to improve America, both economics and fairness justify allowing some preference to American businesses bidding on these projects.

The Congressional Research Service (CRS) estimates that for an increase of $1 billion spent in the United States by the Federal Government on new highways and roads, total output in the economy increases by $2.4 billion annually. A $1 billion expenditure creates 50,000 additional jobs. With such powerful multipliers favoring domestic sourcing, providing some preference more than pays for itself in the generation of additional tax revenues.

Value added (VAT) and similar taxes provide many foreign producers of goods a price advantage in the U.S. market that domestic producers cannot match abroad. Significant VATs are rebated on fabricated metal products destined for the U.S. The U.S. neither applies comparable taxes on these goods upon entry nor does it provide comparable rebates on U.S. exports. Until the U.S. adopts some type of VAT or business transfer tax, it is appropriate to recognize this inequity through a "Buy American" preference. To do otherwise unfairly penalizes tax-paying American businesses.

In the perfect world there would be one truly open world market with all goods and services trading freely and fairly. Under such conditions "Buy American" provisions would neither be appropriate nor required. Today's world is quite different. Foreign countries effectively limit access to their markets, especially for government purchases, while trading unfairly in the United States. United States firms have virtually no participation in construction projects in Japan while Japanese companies do $3 billion of such business in the United States each year. In light of these realities, sound public policy requires "Buy American" provisions in the next Federal Highway Program.

In addition to the problems of design, construction, financing and maintenance of our highway system, a great deal can be done to improve the productivity, efficiency and safety of the commercial use of the system. We need to eliminate unnecessary, outdated and inefficient regulation. We need to establish uniformity and reciprocity between the states on regulation, registration and taxation and we need to establish strict truck safety rules and provide the means for the Department of Transportation to enforce those rules.

We think these issues should be dealt with in the authorization of a new, Federal Highway Program. Specifically, the reduced regulation of motor carrier entry and rates which has contributed hundreds of billions of dollars in savings on interstate trucking since its adoption in 1980 should be extended to the intrastate operations of those same carriers. Our distribution system needs to be at least as efficient in its design as that in Europe come 1992. Unfortunately, many states continue to impose barriers to competition within the trucking industry resulting in inefficiencies which an internationally competitive country cannot afford.

Nationally, the cost of continued state regulation of intrastate truck entry and rates to the consuming public is enormous. Professor W. Bruce Allen of the University of Pennsylvania's Wharton School estimates the cost at between

$5 and $12 billion dollars per year. Bethlehem Steel recently tried to inject some additional competition within Pennsylvania by sponsoring a trucker's application for authority to haul steel from our Johnstown, Bethlehem and Steelton plants to destinations within Pennsylvania. Our studies showed that rates within Pennsylvania were higher for the same mileage than they were if the destination was out of state. The trucker had been carrying thousands of tons of steel from these same plants to destinations outside the state for several years. Therefore, there was no question of his fitness, but it still took sixteen months and $25,000 in legal expenses to get even a highly restricted operating authority. The permit which was granted forces inefficiencies since it gives the trucker authority to haul only to or from Bethlehem Steel facilities and it cannot avail itself of opportunities to reduce its empty miles with other traffic. The whole exercise is an example of what is wrong with regulation. The process denies the consumer the benefits of competition and forces motor carriers to operate unnecessary empty miles.

The diversity of state tax regulations also imposes large, unnecessary administrative costs on any motor carrier operating in multiple states. More uniformity and reciprocity are needed to reduce such unproductive paperwork. Advances can be attained without undue interference with the freedom of states to decide on levels and forms of taxation. Federal

guidelines and incentives, however, are necessary if they are to be accomplished.

Since no unsafe system can be truly efficient, measures should be taken to force motor carriers to operate safely. Inspection programs should be improved with the addition of measures to see that defects are corrected. The market should be brought to bear by giving the Department of Transportation enhanced ability to shut unsafe operations down.

H.R. 4261, the Safe and Competitive Trucking Act of 1990, is directed at these improvements in the commercial use of the nation's highway system. We urge the inclusion of the provisions of H.R. 4261 in the Highway Reauthorization legislation in 1991. Bethlehem Steel and the country's industries in general need the efficiencies these provisions would bring to our distribution system if we are to be world competitive in the 1990's.

First, we have to have a good highway system and second, we have to use it efficiently.

STATEMENT BY

VICKIE SHAFFER, GENERAL MANAGER
TRI-STATE TRANSIT AUTHORITY
HUNTINGTON, WEST VIRGINIA

ON BEHALF OF

COMMUNITY TRANSPORTATION ASSOCIATION OF AMERICA

BEFORE THE

SURFACE TRANSPORTATION SUBCOMMITTEE
HOUSE PUBLIC WORKS COMMITTEE

EBENSBURG, PENNSYLVANIA
SEPTEMBER 17, 1990

CTAA STATEMENT OF TRANSIT REAUTHORIZATION

Mr. Chairman, Members of the Committee, my name is Vickie Shaffer. I have been the General Manager of The Tri-State Transit Authority since 1980. Our transit system serves the greater Huntington, West Virginia urbanized area. I am appearing on behalf of the Community Transportation Association of America (CTAA), a national organization of rural, small urban and specialized transportation providers. Our association advocates on behalf of the particular needs and problems of the nation's small and medium-sized transportation providers. That is the perspective from which I will testify. I might add that I am also an active member of the Small Operations Steering Committee of the American Public Transit Association (APTA).

My own system operates a fleet of 26 vehicles, employs 51 persons and serves an area population of approximately 86,000 people. We provide 725,000 bus trips a year, largely on regular route service. Like other small urban and rural operators, our ridership is largely accounted for by women, senior citizens, folks with low incomes and others who are almost entirely dependent on our bus service for their transportation - more so than the average American citizen.

The process of reauthorizing our federal transit legislation and programs give us the opportunity to reassess our existing policies and to respond to change. In that process, I hope that we are successful in recognizing the changes that have occurred in our transportation needs since the last reauthorization. And, as critical, I hope that we can meet the challenge that faces us to reduce our dependence on foreign oil by making a credible investment in the mass transit alternative to the private automobile.

Small Urbanized Areas

The Huntington urbanized area is one of 251 such areas with populations of less than 200,000 people. It is worth noting that 30% of those areas remain unserved by federally-assisted public transit. It is expected that when the returns are all in from this year's census, the number of small urbanized areas - those under 200,000 population - will increase by 45 or 50 in number. Furthermore, at least one-half of those newly designated areas will also be without any federal transit assistance.

Those of us who do have transit services have, in recent years, been increasingly squeezed between what we in West Virginia call "a rock and a hard place." The cost and demand for service have risen while the federal support for mass transit has declined. While small urbanized areas collectively account for 11 to 12 percent of the nations population, we only receive about 5 or 6 percent of federal transit assistance; just over 8% of forumula assistance but only a miniscule amount of discretionary capital assistance.

Our research indicates that the percentages of formula funds that now go the small urban and rural areas of America reflect no more than a codification of where money was going when the Urban Mass Transportation Administration (UMTA) was originally authorized. These formula do not, and never have, reflected a distribution of funding based upon need, national priorities or political reality.

Rural Mobility Needs

Before the last 10 or 15 years, there was little recognition that rural areas might have transit needs. Now there is a growing awareness that they account for at least one-third of all the people who can be considered transit dependent because of their lack of access to adequate private transportation resources such as a family car or pick-up truck. Enactment in 1978 of the Section 18 Rural Rransit Program made possible the clear demonstration that mobility needs are not only real but extensive in rural America. Provision of public transit outside urbanized areas has grown substantially in the last ten years - from an estimated 800 providers in 1980 to nearly 1,200 today.

Despite the dramatic growth, nearly one-half of the nation's rural residents still live in counties without any public transit service. In many of those counties where there is service, it is limited to only portions of the county and frequently to only a few days of the week. CTAA has estimated that current transit service in rural areas is adequate to serve only about one-tenth of the basic transportation needs of an isolated and transit-dependent population.

Increased Transit Accessibility

Enactment this year of the Americans with Disabilities Act (ADA) constitutes both a recognition and a challenge. The ADA recognizes the basic importance of mobility to the quality of life for all and specifically for persons with disabilities. It is a challenge to make that mobility a reality by extending access to public transit to those previously unserved. Meeting that challenge will require a real commitment from those of us who are transit providers. And, alas, it also commands a commitment on the part of federal policy makers to provide the funding to make their essential pledge in the ADA a reality.

Coordinating Federal Transit Investment

There is a growing awareness at the state and federal level that the Urban Mass Transportation Administration is not the only federal agency providing significant levels of support for transit. To the $3 billion a year currently invested in transit by UMTA, one must add another $1 billion which represents spending by social service programs on the transportation that is essential to their assistance roles. Both from the standpoint of cost-effectiveness and from that of optimum service delivery, there is a genuine need for better coordination by public transit and human service providers of both demands and resources. Federal transit policy simply cannot afford to ignore one-fourth of the picture.

CTAA's REAUTHORIZATION RECOMMENDATIONS

In order to respond to the needs that I have summarized here, CTAA believes that we must restore federal transit investment and support to a more appropriate place on the roster of national priorities and that we must restructure the ways in which that assistance is carried out to better serve the transportation needs defined by our smaller communities and the transit dependent public.

I don't really need to spend much time on the first point. We are all painfully aware of the degree to which relative federal support for transit has eroded in the last decade. The results are manifest in our aging vehicle fleets, rising costs and declining services. They are also, we believe, a major factor in our nation's declining economic competitiveness and worsening environmental circumstances.

Federal transit investment has dropped to less than one-half of what it was ten years ago - figured in constant dollars. In terms of its relative importance in the federal budget, it is only about one-fourth the level of a decade earlier. In short, we would need to double, I repeat, double the level of support for transit just to get back to where we were in 1980.

At the very least, we should start by spending down the current surplus in the Mass Transit Account. CTAA has joined APTA and other transit advocates in endorsing an increase in the gasoline tax earmarked for expanded transit assistance.

In terms of the restructuring needed in the federal transit programs, CTAA and its members urge that reauthorization include:

1) Allocation of at least 10 percent of total UMTA assistance to small urbanized areas - both to repair the damage from the underfunding of recent years and to meet the expanding needs of new and previously unserved small urban areas.

2) Allocation of at least 5 percent of total UMTA assistance to rural areas. The mobility needs of rural Americans have been seriously neglected over the years and have contributed to economic stagnation and a growing isolation from our national transportation network. In my own state of West Virginia, for example, less than one-half of the rural counties are served by a public transit system. It is a situation, as I indicated earlier, that is not unique to my state. Our recommended level of 5 percent would still be far below rural America's share of both total and transit dependent population.

A combined allocation of 15 percent of total formula funds to small urban and rural America would come much closer to reflecting a distribution of funding based upon need, national priorities and political reality than today's formulas which reflect no more than a codification of the way things used to be.

3) Establishment of a Mobility Assistance Fund within the Mass Transit Account of the Highway Trust Fund to assure adequate resources to meet our commitment to mobility for the disabled and others who are highly dependent on access to transit service. This fund should be assigned a minimum percentage share of total Mass Transit Account support; its assistance should be distributed to all areas on a formula basis; and it should be earmarked for the following purposes:

a) Continuation of current capital assistance and elderly and handicapped transportation through the Section 16 (b)(2) program;

b) Meeting part of the incremental costs of making all fixed-route vehicles fully accessible as required by the Americans with Disabilities Act.

c) Meeting part of the incremental costs of continuing and expanding supplemental paratransit services as required by ADA; and

d) Implementing and underwriting at the state and local level, formal coordination mechanisms involving both public and human service transportation providers to develop and carry into effect appropriately coordinated transportation arrangements.

We believe that a reauthorization of transit programs that includes these elements will give federal transit investment the higher priority that world events today demand and that the Country deserves. We also believe that these elements will, in turn, give greater priority within the federal transit program to the needs of those who are entirely dependent upon it - needs which should be at the core of any national transit policy.

On behalf of CTAA and myself, thank you for the opportunity to express our views. I will be glad to try and respond to any questions you may have.

REAUTHORIZATION OF THE FEDERAL SURFACE TRANSPORTATION ASSISTANCE ACT

Presented By
Paul P. Skoutelas
Deputy Executive Director
Port Authority of Allegheny County

Before The

SURFACE TRANSPORTATION SUBCOMMITTEE
OF THE
PUBLIC WORKS AND TRANSPORTATION COMMITTEE
U.S. HOUSE OF REPRESENTATIVES

Ebensberg, Pennsylvania
September 17, 1990

I WANT TO THANK AND COMMEND THE HOUSE SURFACE TRANSPORTATION SUBCOMMITTEE FOR HOLDING ITS HEARING TODAY IN WESTERN PENNSYLVANIA, AND FOR ITS EFFORTS TO FOCUS CONGRESSIONAL ATTENTION ON THE SURFACE TRANSPORTATION NEEDS FACING THIS COUNTRY. WHILE THE CONGRESS HAS BEEN UNDERSTANDABLY PREOCCUPIED WITH INTERNATIONALLY SIGNIFICANT EVENTS SUCH AS THE CRISIS IN THE MIDDLE EAST, AND DOMESTIC ISSUES SUCH AS THE COLLAPSE OF U.S. SAVINGS AND LOANS, AND THE NEED FOR BETTER ENVIRONMENTAL LAWS, THE NEED TO REHABILITATE AND IMPROVE OUR NATION'S TRANSPORTATION NETWORK HAS BEEN PATIENTLY WAITING ITS TURN AS AN ISSUE OF CRITICAL NATIONAL IMPORTANCE. INDEED, FEW ISSUES ARE AS CRITICAL TO THE NATION'S ECONOMIC AND SOCIAL WELL BEING, OR AS CENTRAL TO OUR DAILY LIVES AND LIFESTYLE AS IS OUR PERSONAL MOBILITY. IT IS TIME FOR CONGRESS TO ONCE AGAIN PUT FORTH STRONG POLICIES IN SUPPORT OF EFFECTIVE TRANSPORTATION INVESTMENTS.

I AM PAUL P. SKOUTELAS, DEPUTY EXECUTIVE DIRECTOR OF PORT AUTHORITY OF ALLEGHENY COUNTY, A LARGE TRANSIT SYSTEM BASED IN PITTSBURGH, PA. I AM HERE REPRESENTING WILLIAM W. MILLAR, PORT AUTHORITY EXECUTIVE DIRECTOR. MR. MILLAR IS ALSO THE LEGISLATIVE CHAIRMAN FOR THE PENNSYLVANIA ASSOCIATION OF MUNICIPAL TRANSPORTATION AUTHORITIES (PAMTA) WHICH REPRESENTS 33 SMALL AND LARGE PUBLIC TRANSIT AGENCIES ACROSS THE COMMONWEALTH OF PENNSYLVANIA. PORT AUTHORITY - WHICH LOCAL RESIDENTS KNOW SIMPLY AS "PAT" - OWNS AND OPERATES OVER 900 BUSES, 71 STREETCARS AND LIGHT RAIL VEHICLES AND TWO INCLINED PLANES. IN ADDITION, PAT CONTRACTS WITH 13 PRIVATE TAXI COMPANIES AND HUMAN SERVICE AGENCIES TO PROVIDE SPECIALIZED TRANSIT SERVICE FOR ELDERLY AND DISABLED PERSONS THROUGH A POPULAR AND SUCCESSFUL PROGRAM KNOWN AS

"ACCESS". ON A TYPICAL WEEKDAY ABOUT 300,000 TRANSIT RIDERS USE PAT SERVICES TO TRAVEL TO AND FROM THEIR JOBS, TO SHOP, TO WORSHIP, TO GO TO SCHOOL OR TO PURSUE OTHER SOCIAL AND PROFESSIONAL NEEDS. IN SHORT, WE OFFER MOBILITY TO THOUSANDS OF INDIVIDUALS WHO CHOOSE TO UTILIZE PUBLIC TRANSIT FOR ITS CONVENIENCE AND COST SAVINGS OR WHO HAVE NO ALTERNATIVE MEANS OF TRANSPORTATION.

OVER THE PAST TWENTY-FIVE YEARS A FEDERAL-STATE-LOCAL PARTNERSHIP HAS SUCCESSFULLY BROUGHT ABOUT A REVITALIZATION OF PUBLIC TRANSIT IN ALLEGHENY COUNTY. PORT AUTHORITY'S SERVICES PROVIDE FOR THE DAILY TRANSPORT OF SIXTY PERCENT OF DOWNTOWN PITTSBURGH'S COMMUTERS AND FIFTY PERCENT OF DAILY DOWNTOWN SHOPPERS. A NEW DOWNTOWN SUBWAY IS CARRYING PASSENGER VOLUMES ABOVE THOSE WHICH WERE PROJECTED AND PORT AUTHORITY'S HIGHLY SUCCESSFUL SOUTH AND MARTIN LUTHER KING, JR. EAST BUSWAYS HAVE BECOME MODELS FOR TRANSIT SYSTEMS THROUGHOUT THE WORLD. THE CAPITAL AND OPERATING SUPPORT PROVIDED THROUGH THE FEDERAL TRANSIT PROGRAM HAS CLEARLY BEEN A CATALYST TO THIS SUCCESS STORY.

OVER THE PAST SEVERAL YEARS, HOWEVER, GENERAL FUND APPROPRIATIONS TO THE FEDERAL PUBLIC TRANSPORTATION PROGRAM HAVE BEEN SIGNIFICANTLY BELOW THE AMOUNTS AUTHORIZED. THIS HAS BROUGHT ABOUT A BACKLOG OF REINVESTMENT NEEDS, AND A SHORTAGE OF CAPITAL TO TAKE ADVANTAGE OF NEW OPPORTUNITIES. PORT AUTHORITY'S CAPITAL NEEDS OVER THE NEXT 10 YEARS WILL BE IN EXCESS OF $2 BILLION. THESE FUNDS WILL BE NEEDED TO FINANCE ROUTINE REPLACEMENT OF PAT'S FACILITIES AND ROLLING STOCK AS WELL AS TO MAKE NEW INVESTMENTS TO EXPAND THE PUBLIC TRANSPORTATION

SYSTEM. AMONG THESE PROJECTS IS PORT AUTHORITY'S AIRPORT BUSWAY, WHICH WILL PROVIDE A CRITICAL LINK BETWEEN DOWNTOWN PITTSBURGH AND THE NEW MIDFIELD TERMINAL OF THE GREATER PITTSBURGH INTERNATIONAL AIRPORT CURRENTLY UNDER CONSTRUCTION AND DUE TO OPEN IN THE FALL OF 1992.

IT HAS BEEN SAID THAT OUR PUBLIC INFRASTRUCTURE IS THE GLUE WHICH HOLDS OUR PRIVATE ECONOMY TOGETHER. DAVID ASCHAUER, AN ECONOMIST AT THE FEDERAL RESERVE BANK OF CHICAGO, WROTE IN THE WALL STREET JOURNAL RECENTLY: "PRIVATE SECTOR PRODUCTION OF GOODS AND SERVICES DEPENDS CRUCIALLY UPON AN ADEQUATE AND WELL-MAINTAINED STOCK OF PUBLIC SECTOR CAPITAL: A PUBLIC INFRASTRUCTURE OF ROADS, BRIDGES, MASS TRANSIT, WATER AND SEWER SYSTEMS AND SIMILAR FACILITIES. IF PUBLIC SECTOR CAPITAL ACCUMULATION FAILS TO KEEP PACE WITH PRIVATE SECTOR CAPITAL ACCUMULATION, IT CAN BE EXPECTED THAT:

1) THE RATE OF RETURN TO PRIVATE CAPITAL WILL SUFFER;
2) PRIVATE INVESTMENT WILL BE DEPRESSED; AND
3) PRIVATE SECTOR PRODUCTIVITY WILL STAGNATE."

WHILE WE MAY WELL AGREE ON THE IMPORTANCE OF AND THE NEED FOR TRANSPORTATION INVESTMENTS, THE QUESTION OF HOW TO PAY FOR THESE INVESTMENTS HAS BEEN A MATTER OF CONSIDERABLE DISCUSSION. EARLIER THIS YEAR PRESIDENT BUSH AND U.S. TRANSPORTATION SECRETARY SAMUEL SKINNER PRESENTED AN OUTLINE FOR A NATIONAL TRANSPORTATION POLICY. THEIR REPORT PUT FORTH A NUMBER OF EXCELLENT CONCEPTS, SUCH AS THE NEED FOR INCREASED INVESTMENT IN TRANSIT INFRASTRUCTURE, FLEXIBILITY IN USE OF CERTAIN HIGHWAY AND TRANSIT FUNDING AND THE NEED TO INTEGRATE

REGIONAL LAND USE POLICIES WITH REGIONAL INVESTMENT DECISIONS. THE PLAN HIGHLIGHTED THE ECONOMIC IMPORTANCE OF IMPROVED TRANSPORTATION SYSTEMS, BUT LEFT OPEN THE ISSUE OF WHO WOULD ASSUME THE LEAD IN RESPONDING TO SUCH NEEDS. RECENTLY HOWEVER, WITH WORLD ATTENTION RIVETED ON THE MIDDLE EAST AND POSSIBLE WORLDWIDE PETROLEUM SHORTAGES, SECRETARY SKINNER ELABORATED ON HIS THOUGHTS, SAYING IN AN INTERVIEW:

> "AS PART OF OUR DESIRE IN THE AREA OF ENERGY CONSERVATION OBJECTIVES, IT MAY VERY WELL BE THAT NEXT YEAR'S MASS TRANSIT BUDGET AND THE OUT-YEAR BUDGETS MAY GET A BIGGER SHARE OF FEDERAL FUNDING AS WELL AS AN ENCOURAGEMENT FOR GREATER LOCAL FUNDING."

TO ACCOMPLISH OUR GOALS, IT WILL INDEED BE NECESSARY FOR ALL LEVELS OF GOVERNMENT TO ACT. PORT AUTHORITY OF ALLEGHENY COUNTY AS WELL AS OTHER MEMBERS OF PAMTA ARE WORKING HARD TO OBTAIN INCREASED FUNDING FOR PUBLIC TRANSPORTATION AT THE STATE AND LOCAL LEVEL. LIKEWISE, FEDERAL FUNDING MUST ALSO BE INCREASED TO SUPPORT ADDITIONAL INVESTMENT IN VITAL TRANSIT FACILITIES AND SERVICES.

PUBLIC TRANSPORTATION MUST BE VIEWED AS AN INVESTMENT AND NOT AS AN EXPENDITURE. IT MUST BE VIEWED AS AN INVESTMENT IN CLEAN AIR AND A LIVABLE ENVIRONMENT; AN INVESTMENT IN ENERGY CONSERVATION AND IN NATIONAL SECURITY AS WE FIND WAYS TO REDUCE OUR DEPENDENCE ON FOREIGN OIL; A CRITICAL NATIONAL NEED AS IS SO PLAINLY EVIDENT BY WHAT IS CURRENTLY TRANSPIRING IN THE MIDDLE EAST. PUBLIC TRANSIT MUST ALSO BE

VIEWED AS AN INVESTMENT IN THE EFFICIENT USE OF OUR HIGHWAY SYSTEMS AND THE TAX DOLLARS WHICH SUPPORT THAT SYSTEM; AS AN INVESTMENT IN SAFETY AND ECONOMIC GROWTH; AS AN INVESTMENT IN A BETTER QUALITY OF LIFE. IN SHORT, PUBLIC TRANSIT IS AN INVESTMENT IN PEOPLE AND IT IS AN INVESTMENT THAT MUST BE EXPANDED.

AN INCREASE IN THE FEDERAL GAS TAX IS A LOGICAL SOURCE FOR THIS INVESTMENT. I URGE THE COMMITTEE TO BUILD THE NEXT SURFACE TRANSPORTATION REAUTHORIZATION BILL AROUND AN INCREASE IN THE FEDERAL GAS TAX. TOGETHER WITH CURRENT FEDERAL FUNDING FOR PUBLIC TRANSPORTATION A SEVEN CENT HIKE IN THE FEDERAL GAS TAX WOULD SUPPORT A FEDERAL TRANSIT PROGRAM OF $11 BILLION PER YEAR TO RESTORE AND EXPAND BUS, RAIL AND OTHER SHARED-RIDE SERVICES. I BELIEVE THAT A BOLD, AMBITIOUS PROGRAM OF THIS MAGNITUDE IS ABSOLUTELY NECESSARY IF PUBLIC TRANSPORTATION IS TO HAVE THE DESIRED, PROMINENT IMPACT ON OUR TRANSPORTATION FUTURE.

I FURTHER URGE CONGRESS TO DISBURSE FOR TRANSPORTATION PURPOSES ALL MONIES IT COLLECTS AND HAS COLLECTED THROUGH THE FEDERAL GAS TAX, AND TO ALLOW THESE USER FEES TO BE USED ONLY FOR TRANSPORTATION PURPOSES. PENDING PROPOSALS WHICH WOULD INCREASE THE GAS TAX FOR NON-TRANSPORTATION PURPOSES RUN COUNTER TO THIS USER FEE RELATIONSHIP WHICH HAS WORKED WELL FOR MANY YEARS AND WHICH IS SO INTEGRAL TO FUTURE TRANSPORTATION INVESTMENTS.

BEYOND THIS I BELIEVE THERE IS AN EVOLVING CONSENSUS AMONG PUBLIC INTEREST GROUPS AS TO THE STRUCTURE OF THE NEW PROGRAM. THE TWO ESSENTIAL ELEMENTS OF THE PROGRAM SHOULD BE:

1. REINVESTMENT IN EXISTING TRANSIT SERVICES

ADEQUATE FEDERAL FUNDING FOR THE RENEWAL OF EXISTING TRANSIT SERVICES SHOULD BE PROVIDED BY FORMULA DIRECTLY TO TRANSIT AGENCIES TO BE USED IN ACCORDANCE WITH LOCALLY DETERMINED TRANSIT NEEDS. A MINIMUM ANNUAL FEDERAL INVESTMENT OF $6.5 BILLION WILL BE NEEDED TO ADDRESS THESE FUNDAMENTAL REINVESTMENT REQUIREMENTS. THIS ELEMENT OF THE PROGRAM SHOULD PROVIDE INCREASED LEVELS OF OPERATING ASSISTANCE TO ALL SIZES OF OPERATORS.

2. METROPOLITAN "CAPACITY EXPANSION" PROGRAM

SUPPLEMENTING THIS REINVESTMENT PROGRAM, FUNDING SHOULD BE PROVIDED AT THE METROPOLITAN LEVEL FOR THE FUNDING OF MAJOR CAPACITY EXPANSION. THE METROPOLITAN REGION WOULD DETERMINE THE TRANSIT AND/OR HIGHWAY USE FOR THESE FUNDS, CONSISTENT WITH LOCAL OBJECTIVES. CURRENTLY, INVESTMENT DECISIONS ARE OFTEN BIASED TOWARD A PARTICULAR MODE DUE TO FACTORS SUCH AS THE AVAILABILITY OF TARGETED CATEGORICAL FUNDING, OR BY DIFFERENCES IN LOCAL MATCH REQUIREMENTS FROM ONE MODE TO ANOTHER.

THE AMERICAN PUBLIC TRANSIT ASSOCIATION'S TRANSIT 2000 TASK FORCE REPORT TITLED "MANAGING MOBILITY" PROVIDES AN EXCELLENT DISCUSSION OF THESE AND OTHER CONCEPTS. I URGE THE COMMITTEE TO CONSIDER THESE IDEAS AS IT DEVELOPS AND ENACTS REAUTHORIZING LEGISLATION.

THERE IS ALSO A STRONG CONSENSUS IN SUPPORT OF A SIGNIFICANTLY INCREASED TRANSIT RESEARCH AND DEVELOPMENT PROGRAM. EXPANDED FEDERAL SUPPORT FOR BASIC TECHNOLOGICAL AND OPERATIONS RESEARCH ON BEHALF OF PUBLIC TRANSPORTATION WILL ENABLE TRANSIT OPERATORS TO PERFORM BETTER, AND WILL ENSURE THE SURVIVAL OF A VIGOROUS DOMESTIC SUPPLY INDUSTRY AND THE JOBS AND REVENUES THAT INDUSTRY CREATES. WE HAVE SEEN THE EFFECTS OF TOO LITTLE RESEARCH IN OTHER FIELDS. INNOVATION IS STIFLED AND NEW CHALLENGES CANNOT BE MET. DOMESTIC SUPPLIERS WITHER AND JOBS ARE LOST OFFSHORE. TRANSIT NEEDS TO BE INNOVATIVE IF IT IS TO IMPROVE ITS EFFICIENCY, RUN CLEANER BUSES, AND MEET THE GROWING DEMAND FOR ITS SERVICES INTO THE NEXT CENTURY. RESEARCH CAN PROVIDE THE GUIDING LIGHT.

A REPORT BY THE TRANSPORTATION RESEARCH BOARD TITLED "RESEARCH FOR PUBLIC TRANSIT: NEW DIRECTIONS" (TRB SPECIAL REPORT 213) OUTLINES THE SCOPE AND CONTENT OF SUCH A PROGRAM. THE RECOMMENDATIONS OF THIS REPORT SHOULD BE USED AS A BLUEPRINT TO DEVELOP A NEW FEDERAL INITIATIVE ON TRANSIT RESEARCH AND DEVELOPMENT.

IN CONCLUSION, THE REAUTHORIZATION OF THE FEDERAL SURFACE TRANSPORTATION PROGRAM PROVIDES THE OPPORTUNITY TO LOOK TO NEW POLICIES AND PROGRAMS TO DIRECT THE COURSE OF OUR NATION AND ITS COMMUNITIES. IF WE DO NOTHING TO CHANGE CURRENT TRENDS OUR CITIES AND SUBURBS WILL FACE A FUTURE OF GRIDLOCK; PUBLIC MOBILITY WILL BE CONTINUALLY THREATENED BY FOREIGN OIL AND INTERNATIONAL INSTABILITY;

OUR ABILITY TO COMPETE IN GLOBAL MARKETS WILL CONTINUE TO DECAY, THE AIR WE BREATHE AND THE WORLD ENVIRONMENT WILL DETERIORATE.

FEDERAL POLICIES NEED TO COUNTER SUCH TRENDS, NOT CONTRIBUTE TOWARD THEM. A POLL CONDUCTED IN JUNE BY MARKET STRATEGIES, INC. REVEALED THAT EXTENSIVE PUBLIC SUPPORT EXISTS FOR ADDITIONAL INVESTMENTS IN PUBLIC TRANSPORTATION. SIXTY-SIX PERCENT OF THOSE POLLED SAID THEY WOULD BE WILLING TO PAY SEVEN CENTS PER GALLON MORE IN FEDERAL GASOLINE TAXES IN ORDER TO EXPAND PUBLIC TRANSPORTATION AND MAINTAIN HIGHWAYS IN THE AREAS WHERE THEY LIVE. ESTIMATES ARE THAT THIS WOULD COST THE AVERAGE DRIVER ABOUT $1 PER WEEK OVER THE COURSE OF A YEAR. MOREOVER, FORTY-EIGHT (48) PERCENT OF AMERICANS AGREE WITH THE IDEA THAT "WE MUST BEGIN NOW TO PROVIDE MORE TRANSPORTATION CHOICES, AND REDUCE DEPENDENCE ON DRIVING ALONE IN PERSONAL CARS".

THUS, THE REINACTMENT OF THE FEDERAL SURFACE TRANSPORTATION ASSISTANCE ACT OFFERS THE OPPORTUNITY TO INFLUENCE TRANSPORTATION DECISIONS AND CHOICES IN WAYS WHICH WILL POSITIVELY IMPACT OUR LIFESTYLE AND QUALITY OF LIFE FOR MANY YEARS AHEAD. I PLEDGE TO WORK WITH YOU IN THIS TASK IN ANY WAY I CAN. THANK YOU FOR THE OPPORTUNITY TO TESTIFY.

38-253 O—91——98

TESTIMONY OF STATE SENATOR WILLIAM
J. STEWART ON BEHALF OF THE CAMBRIA
CO. LEGISLATIVE DELEGATION

U.S. HOUSE COMMITTEE ON PUBLIC WORKS
AND TRANSPORTATION

SUB-COMMITTEE ON SURFACE TRANSPORTATION

SEPTEMBER 17, 1990

Thank you for the opportunity to comment on critical transportation infrastructure needs of our region as you prepare to map out a strategy for the nation's highway future.

Just as State Legislatures will have to make difficult decisions in re-drawing Legislative District maps next year, Congress will have to make difficult decisions in re-drawing the Transportation needs map.

I must say that we in the Pennsylvania Legislature have been used to making difficult decisions regarding our infrastructure as Federal dollars have been steadily decreasing.

When Federal sewer and water monies went by the wayside, we responded with a 500 million dollar State Bond program named PennVest.

We took the lead in funding a billion dollar program to repair and replace our deteriorating and unsafe bridges.

Our State and local economic development programs and expenditures have been rated as some of the best in the nation.

And in the highway area we even developed a strategy to construct and reconstruct some of our major roads as part of the Pennsylvania Turnpike system as toll roads. This is an onerous alternative to the historic "freeway" concept, but one that we felt was the only realistic way to accomplish what we all agree needs to be done. U.S. Route 219 is part of that package, and I want to emphasize the U.S. designation.

Alice Rivlin, former Director of the Congressional Budget Office and now with the Brookings Institute has said, "If the United States is to have a world class economy for the 21st Century, State governments will have to take the lead."

I submit to the Committee that Pennsylvania has demonstrated a clear willingness to do just that, but I must appeal to you to reverse the "fend for yourself Federalism" particularly in the area of highway and mass transit funding.

One major highway need that desparately needs Federal assistance is U.S. Route 22, specifically from Mundy's Corner to Pittsburgh. Everyone in the economic development community has identified this connection to Pittsburgh as being critical to our future growth. Everyone in the Pennsylvania Dept. of Transportation recognizes this, as evidenced by the recent 1 million dollar committment of State money to begin engineering and design. And most assuredly, every member of the families of the 1530 people that have been killed or injured in a five year period on this Route understand the critical need for improvement. But without Federal construction dollars this goal will probably never be achieved.

I congratulate you on what has already been done on Rt.22 from Altoona to Mundy's Corner, but we need to continue westward.

I want to implore you that when you make those difficult decisions that I mentioned earlier, whether they be prying the Highway Trust Fund money loose from the Budget balance sheet or raising the gasoline tax, that you consider prioritizing projects in those areas and in those States like Pennsylvania who have made difficult fiscal decisions already on their own.

I feel certain that I speak for my colleagues in saying that we stand ready to assist you in this most important work.

Our economic future is highly dependent upon what this Committee does or does not do.

Thank you again for the chance to express what we feel is the majority opinion of our mutual constituents.

PACT STATEMENT OF TRANSIT REAUTHORIZATION

Mr. Chairman, Honorable Members of the Committee, Staff and Guests:

My name is Vaughn E. Whisker, and I am Paratransit Administrator for the County of Erie, Pennsylvania. I am also President of the Pennsylvania Association of Community Transportation, PACT, and State Delegate for the Community Transportation Association of America, CTAA.

The County of Erie paratransit system about delivers 190,000 trips per year, to the elderly, disabled and those unable to use fixed route transit systems. The cost of operations is paid by the State Lottery subsidy of trips for the elderly, Medical Assistance Transportation Program service, and Section 504 services under contract to our Transit Authority for disabled persons unable to use their route service and contracts to various human service programs. Actual transportation service is delivered by a taxi cab company using a combination of Section 16 (b)(2) acquired vehicles and their own cabs.

PACT represents 75 private for profit and non profit transportation systems, authorities and governmental member agencies which during the year ending July 1990, delivered about 15 million one way trips to the elderly, disabled and members of the general population.

CTAA is a national association of 453 members representing small urban and rural transit and human service transportation providers in every state in the union. Pennsylvania, with 39 members, has the largest delegation of any state. CTAA's comments are reflected in the written testimony provided by Ms. Vicki Shaffer, the General Manager of Tri-State Transit Authority in Huntington, West Virginia, another State Delegate to CTAA.

My comments support the testimony of Mr. Harold Jenkins, General Manager of Cambria County Transit Authority, and written comments of Ms. Shaffer, on the vital services provided by the Department of Transportation and the grants they administer. Transit is the only answer to solve the grid lock facing workers and shoppers going into our metropolitan centers. It is important to our workers and families with a single car in our small urban centers. It is vital in our rural areas where there is no other options open to elderly or disabled who are unable to drive or to the rural poor.

I aim my remarks at a comparatively small element of the Department and of the Mass Transit Act of 1964, as amended. That element is Section 16(b)(2) and ask that element of the law be combined with Section 16(b)(1) to allow government entities access to the vehicles awarded under the grant and to allow government entities to apply directly for the Section 16(b)(2) grant. These governmental agencies, in many areas of the country, have combined and taken over the role which was formerly met by individual private non profit organizations.

Since the implementation of Section 16(b)(2) in the mid 1970's and the emphasis on coordinated transportation, the single human service agency has been largely superseded by the single transit agencies which are governmental in nature or authorities. These larger organizations were governmental entities because no other organization, for or non profit, was interested or able to provide the required service. That service is to provide transportation

services to the elderly, mentally and physically disabled, low income and disadvantaged citizens. Most have responded to the needs of the diabled for years prior to the introduction of the Americans with Disabilities Act.

However, if they are a government entity as most of PACT an CTAA's membership are, they are not eligible to receive vehicles from Section 16(b)(2). The funding streams which formerly were used to purchase vehicles, have dried up and the situation has become critical. In a survey conducted this summer of PACT members, half the vehicles were by UMTA standards, beyond their useful life and being kept in service at exorbitant cost because there is no alternative.

These vehicles fulfill an increasingly important role in today's society. Transit in the form of community, consolidated or human service transportation has become increasingly important to the disabled and elderly who do not have the skills to drive or can no longer do so safely. It is of these persons to which I would address your attention.

As America becomes older and loses the ability to drive safely, as our disabled population lives longer with conditions which only short years ago would have brought early death, transit must become more specialized to meet their needs. Those needs, of our elderly and disabled citizens, such as medical care, grocery deliveries, are no longer obtainable in the home, as they were to previous generations. Generations are increasingly being separated, as the children leave the home, securing work far from their parents.

As those same parents increase in age and become more enfeebled, it falls upon community/door to door types of transportation to be the last line contact with vital services in the outside community.

Pennsylvania is one of those states which have a rapidly growing elderly population. Today, there are more than 2,000 Pennsylvanians who are age 100 or older. We can expect this number will continue to grow.

For comparatively little additional funds and the union of Sections 16(b)(1) and (2), major impact can be made upon the problems of transporting our older citizens to the vital services needed to keep them active and participating members of our society. The funding to the program has remained stable, but the cost of the equipment has increased by more than 50% over the 15 years of the programs existence.

BIOGRAPHY: VAUGHN E. WHISKER

Vaughn E. Whisker was born and raised in Bedford, Pennsylvania to a family which can trace its roots in the area to colonial days. His sense of duty to community came from parents who remain active in Bedford County and its volunteer activities.

Mr. Whisker earned his Eagle Scout award from the Boy Scouts of America. He graduated from Bedford High School in 1962 where he had been a member of the wrestling team and worked on the school paper. His summer employment was at the Bedford Springs Hotel.

Following his graduation from Mt. St. Mary's College in Emmitsburg, Maryland, Mr. Whisker attended the University of Maryland taking courses in Government and Politics.

Like one of those people referred to in his presentation, Mr. Whisker had to leave his home to find employment. In 1968, Mr. Whisker joined the American Red Cross, Service on Military Installations. Over the next eight years, he served on bases in Vietnam, Germany, Portsmouth, Virginia and Fort Dix, New Jersey.

Employed by West Virginia Governor's Office of Federal State Relations, Mr. Whisker administered such diverse programs as the UMTA Section 16(b)(2) and Federal Flood Insurance Programs. In the Spring of 1976, he was also assigned responsibilities for rewriting and transferring the operational parts of the rural mass transit demonstration program known as TRIP, from the State's Department of Welfare to the Governor's Office. TRIP was the demonstration program which resulted in the creation of the Section 18 rural transportation grant program.

In January 1978, Mr. Whisker become Director of Operations for the Eastern Panhandle Transit Authority. Two years later, he accepted a position to start a transit system in Grand Junction, Colorado. The following year, he became principle transportation planner for Exxon's Colony Oil Shale Project in Western Colorado.

He returned to Pennsylvania, following the shut down of the Colony Project, managing the bi-county paratransit system in Union/Snyder Counties. The following year, 1984, he accepted his current position as Paratransit Administrator for Erie County.

Mr. Whisker was on the Board of STAC, Special Transit Association of Colorado, in 1980 and has been on the Board of PACT, the Pennsylvania Association of Community Transportation, since 1988. He became PACT's President in April 1990. In March 1990, he was elected as State Delegate to CTAA, Community Transit Association of America. He has been Finance Committee Chairman of the American Red Cross Chapter in Grand Junction, Colorado and chaired the Services to Military Families Committee of the Erie County Chapter of the American Red Cross.

In his spare time, Mr. Whisker is a painter of historical miniature figures and a member of a Civil War Round Table.

Mr. Whisker resides in Erie with his wife Cynthia and their son, Vaughn III.

ADDITIONS TO THE RECORD

AMERICA'S COALITION FOR

TRANSIT NOW

TESTIMONY OF

Kevin Flavin

Financial Consultant
Shearson Lehman Brothers
Pittsburgh, PA

on behalf of

AMERICA'S COALITION FOR
TRANSIT NOW

before the

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

UNITED STATES HOUSE OF REPRESENTATIVES

Field Hearing
Ebensburg, Pennsylvania

September 17, 1990

AMERICA'S FUTURE RIDES ON TRANSIT
BUS • SUBWAY • LIGHT RAIL • HOV LANE • CARPOOL • VANPOOL • COMMUTER RAIL • HIGH SPEED RAIL
1317 F STREET, NW 6TH FLOOR WASHINGTON, DC 20004 202-638-0215 FAX 638-7045

INTRODUCTION

Mr. Chairman, my name is Kevin Flavin. I am Financial Consultant in the Pittsburgh office of Shearson Lehman Brothers. I am pleased to appear before you today on behalf of America's Coalition for Transit NOW. Previously, the coalition has presented testimony touching on the benefit transit can offer in constraining the costs of automobile insurance. Today, Mr. Chairman, I want to focus the Committee's attention on the economic benefits transit can offer to communities and to the nation.

As many have observed, Transit NOW involves a very unusual array of interests. We have come together to support a major increase in federal funding for public transportation. The diversity of Transit NOW's membership demonstrates the breadth of benefits that expanded and improved transit systems and services offer for all Americans.

Too often, Americans think of transit as the way other people get around, if they think about it at all. But as each of us confronts increasing problems of growing reliance on, and cost of, imported oil, congestion, dirty air and inefficient land use, and declining productivity we must come to see that public transportation offers solutions to each of these problems.

I will touch briefly on each of these points and then address the benefits transit offers to our nation's infrastructure and economy.

TRANSIT AND ENERGY

The U.S. is the world's leading debtor nation. A major contributor to our trade imbalance is the growth in oil imports. In January 1990, 54 percent of the nation's oil supply was imported. The impact on our balance of trade is substantial. The Department of Energy recently reported that in the first 11 months of 1989, the cost of imported energy, nearly all oil, represented 38.5 percent of the $102.4 billion trade deficit in those months. Transportation accounts for 65 percent of petroleum use. Reducing the use of oil products for transportation by increasing the use of shared ride modes of transportation will result in a decline in the demand for imported oil. For instance, 30 million to 40 million gallons of gasoline would be saved each day if average commuter vehicle occupancy were increased from 1.1 passengers per vehicle to 2.1 passengers per vehicle.

TRANSIT, CONGESTION AND PRODUCTIVITY

Everywhere, congestion is a major cause of declining economic productivity. Nationally, 2 billion hours are wasted each year while we sit in traffic. In the next 20 years urban and suburban travel is projected to increase by 400 percent on the nation's freeways, and by 200 percent on other roads.

And as congestion diminishes our productivity, our economic competitors are making massive investments in their transportation infrastructure:

- Spain is investing $22 billion to rebuild its national rail network.
- West Germany is investing $12 billion to build an intercity high-speed rail network.
- Scandinavian countries are building Scanlink at a cost of $6 billion to connect Scandinavian rail and road systems to Europe.
- Switzerland is spending $8 billion to build trans-Alpine rail tunnels to Italy and an additional $5 billion on a new rail and bus network.
- The British and French are building the Channel Tunnel at a cost of $12 billion to accommodate 80 mph rail traffic.
- The French high-speed rail network is being expanded to Lille and Calais tying France, and all of Europe, into a network including Brussels, Amsterdam, Cologne and London.

These figures are just for the emerging European Community. Japan's bullet trains are legend, and they, too, are being expanded and improved.

Mr. Chairman, for too long the only transportation choice for too many people has been "one person per car." The consequence is seen in the daily congestion found in every American city.

Mr. Chairman, we can't continue down this road.

TRANSIT, ENVIRONMENT AND HEALTH

Similarly, the quality of our air has declined in virtually every community. As a result, our environment and our health have suffered. It is well documented that the major source of air pollution is motor vehicles.

- One third of carbon dioxide -- the most significant cause of global warming -- comes from transportation sources.
- Transportation sources cause 40 to 60 percent of pollution that produces ozone. Ozone standards were violated regularly in 101 U.S. cities in recent years.
- Transportation also accounted for 70 to 80 percent of carbon monoxide emissions, with those standards being exceeded in 44 metropolitan areas.
- A consequence of this motor vehicle pollution is 110 million Americans breathing dirty air, according to the federal Environmental Protection Agency.
- The cost to our health is staggering, with over $40 billion spent on air-pollution related illnesses each year. The American Lung Association reports that auto pollution is a major factor in the deaths of 110,000 people yearly.

Mr. Chairman, we can't continue down this road.

We all hope that the soon to be enacted Clean Air Act will improve our air quality. But even these efforts will not be enough. Integral to our nation's efforts to clean the air must be a renewed commitment to making public transit available to all Americans, to offering meaningful transit choices other than one person per car.

MOBILITY

Economic competitiveness and air quality are not the only reasons America needs an improved public transportation system.

For 65 million transportation disadvantaged Americans -- people with disabilities, older Americans and rural residents in particular -- our under funded transit system has meant less mobility and fewer opportunities to contribute to society and maintain their independence. Limited public transit also condemns many rural communities to slow economic death.

TRANSIT, INFRASTRUCTURE AND ECONOMICS

Mr. Chairman, historically, the federal government has played a major role in capital formation in the United States. Through its funding of public infrastructure facilities--transportation, water, and sewer systems--it has channeled dollars into public assets which create wealth and contribute to our country's economic prosperity. These federal investments have made it possible for states, local governments and private enterprise working with firms like mine to add to this capital formation.

Recent studies done by David Aschauer of the Federal Reserve Bank of Chicago show the close linkage between those public investments and private investments and productivity. For example, a mere one percent increase in the stock of infrastructure capital raises the rate of return to all private non-financial corporate capital by about 10 basis points (one-tenth of one percent).

Yet the federal government's investment in infrastructure in the United States has not kept pace with economic growth in recent years. The federal government's investment in physical capital as percent of its total outlays has been reduced by more than half since 1960--from 24% to 11%. Transit projects have fully shared in this severe

reduction. Federal outlays for transit during the 1980's have declined substantially, in both actual and constant dollars. In 1981, federal transit assistance was $4.6 billion. Today, it is only $3.2 billion. The American Public Transit Association's estimates show that to reach the 1981 funding level of $4.6 billion in today's dollars would require that the current $3.2 billion funding be more than doubled. The goal of the Transit NOW coalition is to secure this kind of funding.

Any sound capital program requires regular, continuing investment. Existing infrastructure must be continually replaced and, where economic growth requires, supplemented. We have always known that it is a mistake to defer investments in infrastructure in the foolhardy belief that those investments can be deferred into some hoped for tomorrow when there will be more funding available. Experience teaches us that lesson every day. The Interstate Highway Systems is a good example--a large outlay for the initial investment, with no program for the investment required to maintain the systems and protect that initial investment, has left us with a crumbling highway systems.

During the past twenty years, the nation has begun to make a significant investment of public dollars in transit. To walk away from that investment by ignoring the need for a regular and sustained investment program would be foolish. If the investment does not continue, we will be doubly penalized: we will lose the billions we have already wisely put into transit needs, and we will fail to exploit the opportunity for greater economic prosperity that, as Aschauer has shown, additional investment will produce.

CONCLUSION

Mr. Chairman, the evidence is compelling. Greater use of mass transit and improved mass transportation systems will lead to a reduction in congestion, increased productivity, increased energy conservation, improved air quality, wiser land use, better mobility, fewer accidents, injuries and fatalities, and infrastructure investments which will benefit the private sector, and all Americans, in important ways.

Shearson Lehman Brothers and others in our industry have a vested interest in these issues and will continue to work with organizations with similar goals such as those of Transit NOW. We are proud to join with business, labor, consumers and transit providers in urging increased funding for mass transit.

Mr. Chairman, recently the voters of California approved three ballot initiatives which authorize $3.79 billion to be invested in new mass transit infrastructure. In recent years, most other states have also invested in the improvement and expansion of the public transit systems and services. It is likely that in the near future, the State of Pennsylvania will develop a dedicated source of funding for transit. Now it is time for the federal government to follow the lead of the states and be not only a rhetorical partner but also a fiscal partner in revitalizing our nation's public transit systems.

The members of the Transit NOW coalition and Shearson Lehman Brothers urge you and your colleagues to lay the public policy ground work for transit into the 21st century.

Mr. Chairman, we need more Transit NOW!

Mr. Chairman thank you for the opportunity to appear before the Committee, and I would be happy to answer any questions you or the other Members of the Committee may have.

WILLIAM R. LLOYD, JR., MEMBER
SOUTH LYNN AVENUE & PLANK ROAD
P.O. BOX 425
SOMERSET, PENNSYLVANIA 15501
PHONE: (814) 443-4230

ROOM 128, SOUTH OFFICE BUILDING
HARRISBURG, PENNSYLVANIA 17120-0028
PHONE: (717) 783-5183

House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

COMMITTEES

AGRICULTURE & RURAL AFFAIRS
CONSUMER AFFAIRS
SUB-COMMITTEE ON PUBLIC UTILITIES
PROFESSIONAL LICENSURE
VICE CHAIRMAN
TRANSPORTATION

To the Surface Transportation Subcommittee,
Committee of Public Works and Transportation,
U.S. House of Representatives

The number one transportation priority in Somerset County is the completion of U.S. 219 from Somerset to Maryland as a four-lane, limited access highway.

Although the highway was originally planned to run from the New York to the Maryland borders, only the section from Ebensburg to Somerset has been completed. As the result of an allocation of federal funding, work is currently underway on the Ebensburg Bypass, which will be the first extension of the highway since the 1970's.

The "missing link" from Somerset to Maryland is 22 miles long. Although the Commonwealth owns part of the right-of-way and completed environmental and design work on some sections in the 1970's, additional land purchases are necessary and the environmental and design work must be updated to meet changes in federal law.

Earlier this year, Governor Casey announced his plans to build a 3.8 mile portion of the "missing link" around Meyersdale Borough. State funds have been released to carry out the environmental update. Congressman Murtha has pledged $48 Million in federal funds toward the total project cost of $60 Million.

Estimates of the cost to complete the entire 22 mile "missing link" have ranged from $10 Million to $20 Million per mile. Realistically, a highway construction project with such a large price tag cannot be completed in a reasonable time period without a major infusion of federal funds.

Ideally, Somerset County residents would prefer to have this highway completed as a toll-free expressway through a combination of federal and state funding. However, if it were necessary, the road could be built as an extension of the Pennsylvania Turnpike. If the toll road scenario is the option which must be selected, it would be extremely helpful if the U.S. Congress were to waive the prohibition on using federal funds to construct a toll road. A similar waiver in 1987 was a major factor in reviving the Mon Valley Expressway project.

Completion of U.S. 219 from Somerset to Maryland is crucial for several reasons.

First, the southern part of Somerset County is currently linked to the county seat, the Turnpike, and the heaviest population concentration by an inadequate two-lane U.S. 219 which has numerous curves and hills. In fact, most local residents use the Garrett Shortcut to eliminate part of U.S. 219 south of Somerset, but the Garrett Shortcut has numerous hills and is an especially dangerous highway in bad weather.

Because of the hills and curves on the existing highway, there are only a few passing zones. Major tie-ups are common, especially when a loaded coal truck or other big truck is at the head of a line of traffic.

Construction of a four-lane, limited access highway would not only enhance highway safety and motorist convenience, but it would also make it easier to persuade new businesses to locate in the economically depressed southern portion of Somerset County.

Second, completion of U.S. 219 from Somerset to Maryland would link the Pennsylvania Turnpike to U.S. 48 and Interstate 70. Maryland is working on the final section of the U.S. 48 expressway between Cumberland and Hancock. When that section is completed, U.S. 48 will be designated as an interstate highway from Morgantown, West Virginia, to Hancock, Maryland, and will connect Interstate 79 with Interstate 70. Completion of U.S. 219 would make it easier for Somerset County to tap into the economic development potential provided by U.S. 48 as well as provide an alternative route for some eastbound traffic on the Pennsylvania Turnpike which faces a growing bottleneck at the Allegheny Tunnel east of Somerset.

Third, completion of U.S. 219 from New York to Maryland would be a critical link on the most direct route from Canada to Baltimore, Washington, and the southeastern seaboard. Somerset County is due south of Toronto, Canada, and Buffalo, New York. U.S. 219 connects Somerset County to Buffalo. With the U.S.-Canada free-trade agreement and with the increasing number of Canadians who spend their winters in Florida, completion of the U.S. 219 expressway would put Somerset County on what would become one of the most heavily travelled north-south highway networks in North America. The economic development potential would be substantial.

In view of the foregoing, I strongly urge you to allocate federal funds for the completion of U.S. 219.

TESTIMONY OF REPRESENTATIVE EUGENE G. SALOOM
26TH LEGISLATIVE DISTRICT
PENNSYLVANIA GENERAL ASSEMBLY

SURFACE TRANSPORTATION SUBCOMMITTEE HEARING
SEPTEMBER 17, 1990 IN EBENSBURG, PENNSYLVANIA

CONSTRUCTION OF THE LAUREL VALLEY EXPRESSWAY

TO BE PLACED IN OFFICIAL RECORD OF THE HEARING

MY PURPOSE IN ADDRESSING THE SURFACE TRANSPORTATION SUBCOMMITTEE OF THE U.S. HOUSE OF REPRESENTATIVES IS TO EXPLAIN WHY THE LAUREL VALLEY EXPRESSWAY IS NECESSARY FOR THE FUTURE EXPANSION AND ECONOMIC GROWTH OF WESTMORELAND COUNTY, IN PARTICULAR THE EASTERN SECTION.

EASTERN WESTMORELAND COUNTY STANDS AT THE THRESHOLD OF A NEW ERA AS THE SONY PLANT, FORMERLY THE VOLKSWAGEN PLANT, IS SCHEDULED TO BECOME OPERATIONAL WITHIN THE NEXT TWO YEARS AND A INDUSTRIAL PARK IS ALSO BEING DEVELOPED AT THE SITE, HOWEVER, IF THIS EXPANSION IS TO CONTINUE WE NEED BETTER ROADWAYS. THE CONSTRUCTION OF THE LAUREL VALLEY EXPRESSWAY WILL ENSURE THE CONTINUED GROWTH THIS COUNTY NEEDS.

IN 1967, WHEN THE ORIGINAL PLANS WERE BEING DISCUSSED ON THE DEVELOPMENT OF THE EXPRESSWAY, I WAS TOTALLY SUPPORTIVE OF THE CONCEPT, AND NOW SOME 20 YEARS LATER GENE SALOOM IS STILL SUPPORTIVE OF THE LAUREL VALLEY EXPRESSWAY.

THE PROPOSED FOUR-LANE LAUREL VALLEY EXPRESSWAY STRETCHING FROM ROUTE 22 NEAR BLAIRSVILLE TO NEAR SCOTTDALE, WITH A NEW INTERCHANGE ON THE PENNSYLVANIA TURNPIKE AT CARPENTERTOWN WILL PROVIDE A VITAL NORTH-SOUTH CORRIDOR IN THE COUNTY.

CURRENTLY, EASTERN WESTMORELAND COUNTY HAS NO ADEQUATE NORTH-SOUTH CORRIDOR FOR ROUTES 30, 22 AND THE TURNPIKE, WHICH PLACES HARDSHIPS ON INDUSTRIES AND BUSINESSES IN THE AREA. TO MAKE THE ABOVE CONNECTIONS ROUTES 981 AND 982 MUST BE UTILIZED. THESE ROADS ARE INADEQUATE, NOT ONLY BECAUSE OF THEIR TWO-LANE CONFIGURATION, BUT BECAUSE THEY ARE WINDING.

TRUCKERS AND MOTORISTS DRIVING ON THESE ROADWAYS FACE DANGEROUS CONDITIONS LURKING AROUND EVERY CURVE. FOR EXAMPLE, ON ROUTE 31 IN THE AREA OF THREE-MILE-HILL, SIGNS ARE POSTED INSTRUCTING TRUCKERS TO PROCEED AT 20 MILES-PER-HOUR IN LOW GEAR THROUGH THE DANGEROUS AREA; HOWEVER, NUMEROUS ACCIDENTS STILL OCCUR ON THIS ROAD.

ACCORDING TO THE PENNSYLVANIA TURNPIKE COMMISSION, JANUARY 1, 1990 THROUGH AUGUST 31 1990, BOTH MOTORIST AND TRUCK TRAFFIC THROUGH EASTERN WESTMORELAND COUNTY IS HEAVY, WITH 120,616 TRUCKS AND 307,382 PASSENGER VEHICLES ENTERING THE TURNPIKE AT NEW STANTON AND 114,024 TRUCKS AND 314,854 VEHICLES EXITING THE TOLL ROAD.

DURING THE SAME PERIOD OF TIME, AT THE DONEGAL INTERCHANGE, SOME 7,738 TRUCKS AND 79,728 MOTORISTS ENTER THE ROADWAY AND, 8,156 TRUCKS AND 84,227 PASSENGER VEHICLES LEAVE THE TURNPIKE.

FOR MOTORISTS ENTERING THE TURNPIKE AT NEW STANTON AND DONEGAL AND HEADING EAST THE TRAFFIC VOLUMES ARE EVEN HEAVIER. ACCORDING TO 1989 TURNPIKE FIGURES, THERE IS A CONCENTRATED VOLUME OF TRAVELERS HEADING EAST ON THE TURNPIKE WITH 2,238,886 VEHICLES ENTERING AT NEW STANTON ALONG WITH 216,572 VEHICLES ENTERING AT DONEGAL.

THE CREATION OF THE LAUREL VALLEY EXPRESSWAY WILL PROVIDE A NORTH-SOUTH CORRIDOR FOR THE HEAVY TRAFFIC TRAVELING TO THE TURNPIKE, ESPECIALLY THOSE HEADING EAST.

ANOTHER IMPORTANT ASPECT OF THE LAUREL VALLEY EXPRESSWAY IS THE POSITIVE IMPACT THE NEW ROADWAY WILL HAVE ON BUSINESSES. INDUSTRY WILL PROFIT FROM THE ACCESSIBILITY OF THE NORTH-SOUTH CORRIDOR GOING THROUGH THE COUNTY.

THE ECONOMIES OF BLAIRSVILLE, LATROBE, DERRY AND MOUNT PLEASANT WILL ALL BE STIMULATED BY PROVIDING UNRESTRICTED NORTH-SOUTH TRAVEL BETWEEN THE MAJOR EAST-WEST ARTERIES OF THE AREA.

IN THE NORTHERN SECTION OF THE LAUREL VALLEY EXPRESSWAY, BLAIRSVILLE INDUSTRIES SUCH AS METAL CONVERSION, BLAIRSVILLE MACHINE PRODUCTS, BENTLEY COAL AND WESTINGHOUSE WILL MOST ASSUREDLY BENEFIT FROM THE EASY ACCESS TO THE TURNPIKE AND CONNECTIONS INTO THE NORTHEAST MARKET AREA.

THE LATROBE-DERRY AREA BUSINESS COMMUNITY WILL DEFINITELY EXPERIENCE CONTINUED EXPANSION WITH CONSTRUCTION OF THE LAUREL VALLEY EXPRESSWAY.

FOR INSTANCE, KENNAMETAL INC. HAS BEGUN CONSTRUCTION OF A 150,000 SQUARE-FOOT BUILDING AT THE INTERSECTION OF ROUTE 981 AND 950 IN UNITY TOWNSHIP, JUST OUTSIDE OF LATROBE.

OTHER LATROBE-DERRY AREA INDUSTRIES SUCH AS LATROBE STEEL, TELEDYNE VASCO, LATROBE BREWING CO., INDUSTRIAL CERAMICS INC. AND KALUMETALS INC. WILL ALL BENEFIT FROM AN IMPROVED ROADWAY SYSTEM THROUGHOUT THE COUNTY.

THE WESTMORELAND COUNTY AIRPORT'S MARKET VALUE WILL BENEFIT IMMENSELY BY THE CONSTRUCTION OF THE ROADWAY. PRESENTLY, I AM LOBBYING TO HAVE THE PENNSYLVANIA NATIONAL GUARD 112TH TACTICAL AIR FIGHTER SQUADRON PERMANENTLY RELOCATED FROM PITTSBURGH TO THE WESTMORELAND COUNTY AIRPORT.

ADDITIONALLY, AN INDUSTRIAL PARK IS PLANNED FOR LAND LOCATED ADJACENT TO THE AIRPORT. COMPANY'S MAINTAINING AN OFFICE AT THE INDUSTRIAL PARK WILL HAVE EASY ACCESS TO COMPANY PLANES HOUSED AT THE AIRPORT.

THE AREA SURROUNDING THE AIRPORT IS CURRENTLY EXPERIENCING A BUILDING SPURT WITH A SHOPPING COMPLEX BEING CONSTRUCTED ALONG WITH SEVERAL FAST FOOD CHAINS. THE CORRIDOR NEAR THE AIRPORT IS EXPANDING AND WITH THE CONSTRUCTION OF THE EXPRESSWAY THIS EXPANSION CAN ONLY CONTINUE.

THE RECREATIONAL AREA IN WESTMORELAND COUNTY SUCH AS FORT LIGONIER, FALLING WATERS, LOCAL AMUSEMENT PARKS AND SKI RESORTS WILL ALSO REAP THE FINANCIAL REWARDS OF THE CONSTRUCTION OF THE EXPRESSWAY. BETTER ROADWAYS WILL BRING MORE TOURISTS INTO THE COUNTY, THEREFORE, GENERATING MORE REVENUE IN THE COUNTY.

IN CLOSING, I MUST STRESS THAT WITH BETTER ROADWAYS INDUSTRY WILL BE ATTRACTED TO WESTMORELAND COUNTY AND EXISTING BUSINESSES WILL NOT LEAVE THE AREA FOR GREENER PASTURES. CONSEQUENTLY, THE EMPLOYMENT LEVELS WILL RISE THROUGHOUT THE AREA.

THE CONSTRUCTION OF THE LAUREL VALLEY EXPRESSWAY WILL HELP THIS COUNTY EXPAND AS WE PROCEED THROUGH THE 90'S AND PROVIDE A BETTER LIFE FOR OUR CHILDREN -- THE FUTURE OF WESTMORELAND COUNTY.

REAUTHORIZATION OF THE POST-INTERSTATE SURFACE TRANSPORTATION PROGRAMS

FRIDAY, SEPTEMBER 21, 1990

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON SURFACE TRANSPORTATION,
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Durham, NC.

The committee met, pursuant to call, at 9 a.m., in the Microelectronics Center of North Carolina, 3021 Cornwallis Road, Research Triangle Park, Durham, NC, Hon. Norman Mineta (chairman of the subcommittee) presiding.

Present: Representatives Mineta, Valentine, and Price.

Mr. MINETA. Today, the Subcommittee on Surface Transportation continues its field hearings to help determine the sum and substance of the future Federal-aid highway, mass transit, and highway safety programs once the current programs expire on September 30, 1991.

During the past 34 years, Americans have enjoyed a tremendous Federal investment of more than $270 billion in our Nation's transportation systems.

We have built more than roads and bridges, interstates and mas transit systems.

We have built a way of life that has sustained the American people and fortified our economy.

But what of tomorrow—especially in high-growth States like North Carolina where transportation plays such a key role?

For tomorrow, we must make certain that Americans can travel safely. We must move people and goods in a way that will improve our economic competitiveness, the quality of our air, and our overall quality of life. And we must leave no doubt in the minds of our children that we will act consistently, and with foresight.

Americans now travel more than 2 trillion miles on our highways each year. In the future, that level will only rise. And yet it is estimated that as a nation we will need to invest more than $95 billion annually just to maintain the current level of service through the year 2020.

The question is: Where will we get the money, and how should we use it?

Clearly, the strong partnership that already exists among the American people, business, industry and all levels of government will be called upon to meet the challenges of building and rebuilding our transportation systems.

But, at the same time, we must never lose sight of the fact that how we spend that money is as important as how much money we spend.

More than a year ago, the Subcommittee on Surface Transportation set a legislation agenda to build the transportation future America wants and needs.

We have conducted hearings in Washington, DC. We have received expert testimony. But the health and well-being of our transportation network requires more hands-on input than any series of Washington hearings could provide.

This is why we are here today in North Carolina.

It is also fitting that we hold a field hearing in Durham in view of the major role played by your Representative Tim Valentine on the Surface Transportation Subcommittee.

I know how proud you must be of Tim. As a committee colleague, I can personally vouch for how tirelessly Tim works to improve the well-being of the Second Congressional District.

Since he joined the Congress and the Public Works and Transportation Committee in 1983, Tim Valentine has demonstrated his expertise on every mode of transportation—including highways and aviation.

I know I will be looking to your Congressman during the next 13 months as we craft the national transportation assistance programs to bring us into the 21st century.

There is much that we need to do in this legislation.

In the 1960's and 1970's, we spent more than 2.3 percent of our annual gross national product on our transportation network. In the 1980's, that level shrunk to four-tenths of 1 percent.

The result has been congestion on our highways, deficient or functionally obsolete bridges, substandard pavement, and decay of our mass transit systems.

And the lesson is clear:

Transportation programs must never again be underfunded as they have been in the recent past.

In the 1990's, I believe the key to finding solutions to our Nation's transportation problems will be to define the appropriate Federal role.

I believe that Federal role must take into account State and local needs, program flexibility, and the right of people who have paid taxes into the transportation trust funds to get what they've paid for—and not see those funds idle away at the same time there's talk of increasing the Federal gas tax.

Through this hearing, I am confident that we will further our efforts to determine what the Federal role should be in the future, and to identify how we get there from where we are today.

Let me thank today's witnesses in advance for their testimony, and offer special thanks to Representative Valentine for inviting the subcommittee to visit the fine city of Durham and North Carolina's Second Congressional District.

At this time, I would like to yield to our very fine colleague from North Carolina's Second District, Congressman Tim Valentine.

Mr. VALENTINE. Thank you, Mr. Chairman. I appreciate your yielding to me at this point. I want to say to everyone here that we are delighted to welcome our good friend, Chairman Norman

Mineta to this district and to the State of North Carolina. And also, words of welcome to Surface Transportation Subcommittee staff—welcome here also. A number of our witnesses are from states other than North Carolina, and I am pleased to welcome them here also.

I know that I speak for all North Carolinians who are interested in transportation issues in expressing my thanks to Chairman Mineta for bringing the subcommittee here to our State for this occasion. And expressions of thanks to the officers and the staff of MCNC is also in order. President Matt Ewing, George Howell, Gaynell Pope, Jeanette Edmondson, and many other MCNC personnel have worked hard to ensure that we have an excellent facility and outstanding support for this hearing. Finally, I want to thank North Carolina Secretary of Transportation, Tommy Harrelson, and his staff, Larry Simms, Hannah Byron and a host of other department of transportation staff members who have made essential contributions to this proceeding.

This is an important occasion for our state. The reauthorization of Federal-aid highway, mass transit and highway safety programs is a matter of great consequence to this State. This hearing is a singular opportunity for the subcommittee to explore and develop a better understanding of the challenges facing North Carolina and other States in the Sunbelt. We will hear a number of critical transportation issues today—the transportation and infrastructure needs in individual States and the Nation; the need for revision of funding formulas for Federal highway and mass transit programs; the need for improvements in safety, especially in our highways and others.

We recognize the fact that the ability to have this type of hearing, your subcommittee, is much sought after—sought for—and you could not go everywhere in the Union, and we are pleased that you afforded us this opportunity.

We have here before us also and I want to add my word of personal welcome to our distinguished Governor, who is our former colleague, who is doing an outstanding job and who will give us the benefit of his judgment. And with that, I will yield again to the chairman. Thank you.

Mr. MINETA. I am pleased to yield at this time also to a very fine colleague, Congressman David Price.

Mr. PRICE. Thank you, Mr. Chairman. I would like to share in Mr. Valentine's welcome of the witnesses to this part of North Carolina. I do have a brief opening statement to make, but I would like to defer that until we get to the Governor. I know he is on a tight schedule, and I would be happy to hear from him at this time and then, I would appreciate the chance to say a few words.

Mr. MINETA. Very well. At this time, then, I would like to introduce a very fine former colleague of ours who is now the Chief Executive Officer of the great State of North Carolina, the Honorable Governor Jim Martin. Jim, it is good to have you before us and to have you take the time to be here.

TESTIMONY OF HON. JAMES G. MARTIN, GOVERNOR, STATE OF NORTH CAROLINA

Governor MARTIN. Thank you, Mr. Chairman. I want to join with Congressmen Tim Valentine and David Price in welcoming to North Carolina the distinguished chairman of Public Transportation Subcommittee on Surface Transportation for these hearings here today, Norman Mineta. A good friend the time that I served there in the Congress. We welcome you to the Tarheel State.

The reason I emphasize that is because there have been a lot of meanings. Back in Colonial Days, we were the Tarheel State because we did not have shoes and got pine tar on our feet, and it showed it—it was a give-away and it was a put-down. The term acquired a different meaning after the "War Between the States," which did not involve your State at the time. But which did involve ours. Because of tenacity, we could not move with all of that tar on our heels.

Mr. MINETA. My great grandfather, Beauregard Mineta——[Laughter.]

Governor MARTIN. He is from Savannah.

Mr. MINETA. That is right. He is from Savannah.

Governor MARTIN. We are going to put a new meaning on it. We have just enacted a $9.2 billion State-funded highway construction program that passed in 1989, and you are going to hear from the legislative author, Senator Bill Goldston, a little later in these hearings. But it gives that slogan a new meaning—a new credence. If you notice a little fresh asphalt on our heels that is because it is mostly state tar, with a little Federal tar mixed in.

But, I am pleased to be with you this morning as we begin to deal with this issue, which affects every one of us at some time or other. I want to say that the importance of what you are trying to accomplish was said very well a few days ago, and I want to quote.

> I believe the United States must enter the 21st century with a transportation network that is second to none in an increasingly competitive world. That means we must first redefine our transportation programs to meet the challenges of the 1990s. I believe we must look at the reauthorization of the federal transportation programs from a broader perspective than we have in the past. I believe we must define our efforts in terms of how they aid our international competitiveness, foster domestic economic development, improve public safety, enhance our overall quality of life and provide a stable, consistent level of funding.

These are comments that I quote from a statement made by Chairman Mineta recently as he announced a new initiative for the national surface transportation reauthorization policy, and I fully agree and incorporate those remarks, as well as my own.

There is a lot to talk about, and a lot of people who are going to be scheduled to speak, so I want to get right to the point, Mr. Chairman. Through State, Federal, and local government partnerships, North Carolinians have invested an estimated $66 billion in our extensive highway system. And yet, we recognized several years ago, that to cope with our current economic success and prepare to meet the challenges of the next century, we needed to invest even more. We needed a program that addressed our most pressing and immediate needs and one that planned for all of North Carolina to share in a brighter future. So last year, our State made that kind of commitment to transportation with the en-

actment of the largest public works program in our history, the $9.2 billion over 13½ years. That is all State money. This was in addition to our normal highway and transportation improvement budget, including State, and Federal money.

It will pave all our dirt roads and complete a 3,000-mile uninterrupted network of four-lane divided limited access highways that will reach within ten miles of 96 percent of our people. It is, in effect, an intrastate system, so that every area of North Carolina will have an opportunity to participate in effective economic development for better jobs for our people.

What we are doing is making North Carolina a better place to live and to work, and we are making it easier and safer for people to get to work. We want to bring jobs to the people. We want to help people get to the jobs in the congested areas. So that with this system, with buses to transport children to school, connections—paving the dirt roads so that our farmers can get their produce to market, so that businesses can move their products and get there just in time for inventories and to help our people enjoy their leisure time with the travel and tourist attractions of our State.

On the State level, we are trying to do our part. However, a fair Federal transportation program is essential to the success of any State transportation plan—this State or any other. One element of a fair Federal transportation program would be the orderly spend-down of the trust fund balances. I would advocate that to you and encourage you in that direction. More than $10 billion is sitting in the U.S. Treasury in an effort to disguise the true level of the Federal fund deficit. Taxpayers have contributed to the Federal trust fund thinking their money would be used to address transportation problems nationwide, and of course, some of it has; but, that surplus has not. And this money could be well spent on a backlog of critical transportation needs, such as unsafe bridges, relief of congestion in our cities, better access to our rural areas. The highway trust fund should be removed from the unified Federal budget process, in my opinion, so that its surplus is not used for the appearance of balancing the deficit. The trust fund is a dedicated revenue source for transportation programs and projects of that sort and should be taken off the general budget and made independently reportable and accountable.

The new Federal program that you are beginning to design also would be well served to omit the so-called demonstration projects. I have talked with the Chairman about this subject. Among the States and within the American Association of State Highway and Transportation Officials, opposition to the practice is virtually universal. However, once it is started, the pork barrel flavor of it initiates a free-for-all among States in their congressional delegations. The process distorts the distribution of funds at the national level and detracts from decisionmaking and planning at the State level. I would say that if Congress were to insist on continuing the practice of the demonstration grants that each State's demonstration grants ought to come out of that State's normal fair allocation so that we would each still get our fair share.

Highway safety will be another important element in the new Federal program. I see the key to the national safety program to be more local and State flexibility, again, in using the safety money,

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as well as dedicated and secure sources of funding for the long-term development of projects and requests.

As far as the current total Federal program is concerned, North Carolina has a rather dubious distinction. Our State has received the smallest proportion of Federal highway funds over the cumulative history of the highway trust fund. We are not a wealthy State; but we have been made a donor State. North Carolina is also a fast-growing State and the 10th most populous State and should not receive fewer Federal dollars than taxes contributed. A fair Federal program ought to ensure more equitable distribution of funds.

While we are on the subject of equity, I cannot help but mention the fact that North Carolina contributes $40 million a year to the mass transit account and gets back $2 million, for the $38 million difference in money that could be spent getting more of our handicapped people to the store and to the doctor. It is money that could be spent getting more elderly citizens to places they need and want to go when they are no longer able to drive. It is money that could be spent on a variety of mass transit alternatives. It is money that should be returned for use by its contributors, and we only ask for our fair share.

The public transportation need in North Carolina is different from many States of similar size. Our low-density cluster type cities are not suited for the billion dollar mass transit rail projects. But we do, as a State, own a railroad corridor and the right of way and the track from Charlotte to Greensboro to Raleigh to Morehead City on the coast and are now promoting rail passenger service with our own money. A fair Federal program would provide more flexibility in how that money could be spent.

Mr. Chairman, if there is a theme for the new Federal transportation program, I hope it would be, "Fairness and Flexibility." Because without those two vital elements, we would not have a great deal of interest in a Federal program. I know from the days that I spent in your midst that the decisions you will have to make and the debates and the persuasion that you will have to bring to bear on it will be difficult. But working together, I believe that we can develop a new Federal surface transportation program to meet the needs of the future for the entire Nation. Just be fair.

Thank you, Mr. Chairman.

Mr. MINETA. Thank you very much, Governor. I want to congratulate you for not only the fine job you did as a member of the House; but the leadership you are showing now as the Chief Executive Officer here and the $9.2 billion program that you have indicated. As I recall, your gasoline tax here in the State is one of the higher ones in the country. But I think—when I reflect on the area I represent, which is Silicon Valley, and then I look at the area here and the kind of growth that you have seen in the Triangle City area, as well as the State of North Carolina—I can very well appreciate what the needs are in trying to balance the needs of the people, the jobs it creates and the infrastructure. And when I talked about economic development, I am really talking about local and State economic development. So, I am really interested in what can this bill do that we—as we look at this new legislation. What

will that legislation do to help local and State economic development?

So, again, I am very appreciative of your comments, especially as it relates to demonstration programs. I remember when we had that discussion at the National Governors' Association. And so, I appreciate your comments on that.

Let me——

Governor MARTIN. Mr. Chairman, you mentioned the high gasoline tax, and one point that I would make that I think would be useful in this hearing is that, yes, it was increased, along with taxes on automobiles and trucks so that we have more highway user taxes to apply to highway uses. And that tax increase has been relatively—as everything is—but, relatively very well received by the people of this State because they know they are going to get their money's worth. They know that they will get a network of highways that will treat everybody fairly.

Mr. MINETA. One of the things that always comes up in this whole issue is fairness. And, this is where, frankly, Congressman Valentine—not to be a pain—but has been very forceful in bringing to our attention the fact that the State of North Carolina is not getting its fair share of Federal highway trust fund revenues. Now, the existing minimum allocation program provides for an 85 percent return to the States. Now, in your view, what is a fair return of the highway trust fund for the State of North Carolina?

Governor MARTIN. Mr. Chairman, again, it is relative. Anything would be fairer than what we are getting. That 85 percent is 85 percent of 75 percent, I believe. It is like Boss Hogg in the Dukes of Hazzard. "You get 10 percent of 10 percent." And when you think about it, that is only 1 percent. What our situation is, that even after all of our access to discretionary funds, we end with up sending about $400 million a year to the Federal highway trust fund to get back about $300 million a year. We are in last place in respect to the amount that we get. If there were no demonstration grant programs, then of course, 85 percent would be a higher fraction of what we get back. But, we do not see any reason why it should not be a fair 100 percent share.

We try to do that with our State. In getting support for the $9 billion program, we negotiated with the legislators and county commissioners and the highway board members—the board of transportation members—all over the State a fair distribution so that everyone would get a share that they could count on, and we worked out a way so it would be dependable. Not as a campaign promise, but as part of the law.

Mr. MINETA. The subcommittee, as it considers proposals to restructure the formulas for apportioning Federal aid highway funds, we look at a number of factors, such as lane miles, population, fuel consumption, a number of other factors. And the State of North Carolina has one of the highest diesel fuel consumption levels in the Nation. Should the committee consider diesel fuel as a factor for the apportionment of Federal aid highway funds?

Governor MARTIN. Mr. Chairman, I would treat it all the same. Whatever the source of taxes, it ought to be on highway users for the purpose of improving the highways that they use. And perhaps,

I missed a point of your question, but I think it ought to be treated the same.

Mr. MINETA. The—well, one of the things that I——

Governor MARTIN. We just want our share.

Mr. MINETA. Right. One of the things that as we talk about alternative energy, as an example, the question of whether or not diesel or methanol or ethanol are paying their fair share to the highway trust fund will be coming up as an issue. Of course, North Carolina is a big diesel fuel consumer through trucking industries, et cetera. So, I think that will have to be a factor we will take a look at.

Governor MARTIN. Mr. Chairman, I am familiar with all of that. But yet, the trucks use the highways. That is where they consume that diesel fuel. And if—according to the engineers—per mile traveled—in fact, per gallon consumed, there is more damage accumulated in the structure of the highway system than for automobiles because they are much lighter. I do not think that there ought to be a distinction. If you were to provide all the distinctions to encourage diesel and alcohol-based fuels, pretty soon, you would not have money to build your highways. And so, you would have to go back to taxing those instead.

Mr. MINETA. The gasoline tax here is, what, 12¾ cent per gallon?

Governor MARTIN. Mr. Chairman, it is——

Mr. MINETA. Is it 21 cents?

Governor MARTIN. It is just 20—20.5, 21 cents, depending on the part that is based on the wholesale price. Part of it is a flat cents per gallon, and part of it is based on the wholesale price, so that there is an inflation factor in it, but it is 21 cents——

Mr. MINETA. So, whether that is gasoline or diesel, it would still be paying the same gallonage?

Governor MARTIN. That is right. I think that is fair. You could make an argument for charging more because of the tonnage and the load that that requires you to build into your highway. The load factors that have to built into your bridges and highways that the cars do not need.

Mr. MINETA. Well, that is always my point is that regardless of how the car or truck is fueled, it still occupies the same space. It still occupies the same weight or impact in terms of bridges and highways and ought to be paying its fair share.

Mr. Valentine.

Mr. VALENTINE. Thank you, Mr. Chairman.

Governor Martin, North Carolina is still, I believe, the most rural State—whatever that means today. We have no real population centers such as exist in other parts of the Union, with apologies to Charlotte for that. But, the point is, is it not true that of the money that we send—of the money that we send to the Federal Treasury for mass transit—for every dollar we send, we get a nickel back, approximately?

Governor MARTIN. That is about all.

Mr. VALENTINE. And that is——

Governor MARTIN. Two million out of $40 million—a nickel on the dollar.

Mr. VALENTINE. And it is that way because of the fact that they take the position—the people who administer that program in Washington—that mass transit means the operation of trains on

rails. And that does not take into account the special needs of a population such as exists in North Carolina. To us, mass transit is also the movement of people in buses. And that is—presents a real problem, does it not?

Governor MARTIN. Yes, it does, Congressman. We also have a number of cities in both of your districts and across the State that are looking at mass transit systems that would move traffic—move people in and out and around the business centers of Durham and Raleigh and Charlotte and Greensboro and Winston-Salem, Wilmington, Fayetteville, Asheville—they are looking at those more localized kinds of mass transit systems. But in addition, we have the railroad that I mentioned before—the North Carolina Railroad—on which we are developing rail passenger service to connect those cities.

We do not have a single city that is dominant in size. In fact, you mentioned Charlotte. Its percentage of our State's population is the smallest of the 50 States. Every other State has a city with a higher percentage of the State population than does Charlotte. That is because we have a lot of scattered, diversified cluster arranged cities.

Mr. VALENTINE. This is not a problem that has just come to the fore in the past year or two. This has existed for a number of years, has it not?

Governor MARTIN. We see that as an advantage, rather than a problem. But it has its special needs in transportation.

Mr. VALENTINE. I am talking about the distribution of this mass transit money. We are not talking about this——

Governor MARTIN. The distribution of the mass transit money has been a problem ever since it was created, for us. It has not been much value to North Carolina.

Mr. MINETA. Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman.

I appreciate your testimony, Governor. I agree fully on the highway trust fund, the need to get those funds expended for their intended purpose. It is, I think, outrageous to use that fund to mask our deficit problems in other areas. I also appreciate your very effective emphasis on the question of fairness on North Carolina getting its share of these funds. Do you have any figures on how we fare in the formula funds versus the discretionary funds for highways? Do we have an equal problem in both areas?

Governor MARTIN. The chairman mentioned the 85 percent. Is that what you mean by the formula fund?

Mr. PRICE. Eighty-five percent, as I understand it, is to apply to both.

Governor MARTIN. Perhaps I can see if we have that. Excuse me. I will have to get that for you, Congressman. Just as I was looking around, everybody else was looking around. Secretary Harrelson was looking around.

Mr. PRICE. While they are conferring——

Governor MARTIN. But, what you want is to have for the record some information that would show the distribution of the total, but also the component parts, of the Federal highway fund?

Mr. PRICE. That is right, and——

Governor MARTIN. As it applies to North Carolina.

Mr. PRICE. And while we are on the subject——

Governor MARTIN. We will get you that.

Mr. PRICE. We clearly have a major problem with mass transit and just a very, very small return on our contribution there. I suppose the question one would ask about both the discretionary highway funds and the mass transit funds, are there ways the State, working with Federal administrators, could make more effective applications? Are there ways in which Federal law needs to be changed to enable us to do that? I mean, clearly, we are constrained by the terms of Federal mass transit aid, as Congressman Valentine stresses. That aid simply is not available to the sorts of purposes—for the sorts of purposes that we have in our cities and in our areas like the Triangle where the main need, perhaps, is for intercity mass transit.

Governor MARTIN. Yes, Congressman, and that is the reason that I brought it up. That we ought to address that and see if we cannot change it so that it would be more equitable. Our people have mass transit needs that are not defined in the same way as in some other areas. And that is why I would encourage you to negotiate with your colleagues ways to modify those definitions so that we can qualify more fairly. We are not a wealthy State. Again, I would emphasize that. We have been advancing in per capita income. We have come up from 44th, 8 years ago to 34th today. That is some progress.

But still, we are not among the wealthiest States; and yet, we are a donor State. And it is because all of the formulas—and the demonstration grants on top of that—all work against us. And so, I would hope that you could modify that so that we could use the creative ideas that many of our cities—including the ones in your district—are developing for better public transportation and help us to do that.

I would mention that insofar as working with the Federal administrators, we have had a good relationship with them over the years, regardless of administrations. We have had a good relationship with them and have been able to do fairly well with some discretionary funds; but, that counts against our minimum allocation, I believe, so it does not do us a whole lot of good as far as the percentage that we get back.

Mr. PRICE. Thank you.

Mr. MINETA. We use the word "transit" a great deal. Does that connote too much of an imbalance, maybe leaning toward the urban side, rather than rural? And maybe in order to get away from that, we should really go back to the Urban Mass Transportation Act of 1964 and talk about urban transportation and rural transportation in order to make sure we get that balance.

Governor MARTIN. Mr. Chairman, I think you are right. Even with the—you know—the selection of words. It is a perfectly good Latin word, transit, representing the movement from one position to another. But, it has taken on the connotation of a train transit, derived from the same word. But, that has sort of captured the thinking and the philosophy of mass transit. What we are talking about is public transportation for the people of an area so that they can get where they want to go with a minimum of congestion and

wasted time. We want to preserve those features of the life of our State.

Mr. MINETA. The survey seems to indicate that the people are willing to spend 50 percent more in terms of dollars or 30 percent more in terms of time and move from an automobile to public transportation if it is safe, reliable and efficient—and they are willing to pay up to 50 percent more in money and 30 percent more in terms of time, so that they can—if they could get out of their car, if there were another system available. Has North Carolina taken much advantage of the section 3 portion of the Urban Mass Transportation Act to allow that extension to move funds from the highway side to the mass transportation side?

Governor MARTIN. Mr. Chairman, as to the technical aspect of the section 3, which does not register in my consciousness, I would, of course——

Mr. MINETA. Sure. I will ask the same question of the Secretary.

Governor MARTIN. He will be prepared to respond to that. [Laughter.]

As you can imagine, Governors know almost everything; but sometimes, someone as wise as the chairman can pick a topic that I am not——

Mr. MINETA. Again, I just want to thank you very, very much, Governor, for your taking time from your own busy schedule to be with us today. This is an important subject for you personally, I know, and for North Carolina. And so, to have you here personally is even more indicative of your commitment to transportation. I would like to thank you very, very much.

Governor MARTIN. Thank you. Our responsibility is basically at the state level for better schools, better roads, better jobs, better environment, and we want to make progress on all of those, with your help.

Mr. MINETA. A lot of those jobs are leaving California to come right to North Carolina. Thank you very much.

Governor MARTIN. Thank you. We have got several of them upstairs.

Mr. MINETA. I bet. Yes, indeed.

I would like to again yield back to my colleague from North Carolina, Congressman Price.

Mr. PRICE. Thank you, Mr. Chairman. I would like to add my welcome to everyone attending this field hearing today. And thank you especially, Mr. Chairman, for taking the time to participate in this discussion about our country's surface transportation system and about our particular needs in North Carolina and the Southeast. I want to thank Tim Valentine and his staff for their work in bringing this field hearing to our area and for including me, although I am not a member of the Public Works Committee, in this hearing. I have the pleasure to serve with both Mr. Mineta and Mr. Valentine on the Science Committee. But I am an outsider in terms of the Public Works Committee, and I appreciate very much being included.

Research Triangle is an appropriate place to hold these hearings on surface transportation problems and solutions. We are a region in transition from being a cluster of small cities and rural townships into developing into a large—one large urban center. And, as

we encounter this transition, our State and local governments are looking at examples—both good and bad—set by other regions in the nation in deciding what type of transportation system will work best.

As a state, North Carolina is addressing the growing need for better access between our major urban areas, while also addressing the needs of our rural areas. We appreciate our Governor's testimony in this regard.

The good news is that we are planning ahead—that many good ideas are on the horizon. Amtrak, for example, recently began east-west service from Charlotte to Greensboro to Raleigh, with the aid of our State government. Interstate 40 is now complete from Wilmington to Asheville. Here in the Triangle, we are in the process of starting intercity bus services and are looking into the possibility of intercity light rail services.

The bad news is that the Federal Government is contributing less to infrastructure than at any other time in modern history. Since 1980, Federal grants and aids for infrastructure have shrunken by a whopping 40 percent. This comes at a time when our Nation's infrastructure needs are overwhelming. In the next 10 years, it is estimated that we will need something like $300 billion to repair our highways, another $50 billion to replace and rehabilitate our bridges. I believe the Federal Government should continue to play an important part in our Nation's surface transportation future. In addition, we need to better utilize the Federal transportation money that we have. We need to unlock the reserves in the highway trust fund and use this money for its intended purpose. We need a more equitable distribution of highway trust fund money comparable to a State's contribution. This is especially critical to North Carolina, as I know many witnesses today are going to underscore.

I appreciate the committee's continuing commitment to these matters and welcome you here today. I look forward to hearing the testimony of all of our witnesses. Thank you, Mr. Chairman.

Mr. MINETA. Thank you very much, Mr. Price. I was just looking at a map. I think it was not too long ago—maybe within the last several months ago—that we completed I-40 finally from North Carolina all the way to Barstow, California—that is right—with no stop signs in between—a complete—complete road system at that point.

Well, I want to thank everybody for their very warm welcome and hospitality to the Second Congressional District and to this area. This field hearing that the Surface Committee is having is really a continuation of a number of other hearings that we have had to try to determine the sum and substance of the future for our Federal aid highway system, as well as the mass transit program, safety programs that the Governor mentioned and research and development and other kinds of programs that are within the present law that will be expiring on September 30, 1991.

As all of you know, during the past 34 years, since the time President Eisenhower signed the Interstate Defense Highway System Act, Americans have enjoyed a tremendous Federal investment of more than $270 billion in our Nation's transportation systems—and that is both highways and in terms of mass transit as

well. Through that program, we have built roads and bridges, Interstate System and mass transit systems. We have built a way of life that has sustained the American people and fortified our economy. And the big question now is, what about tomorrow? Especially in high-growth States, like North Carolina where transportation plays such a key role. As I indicated earlier, I come from Silicon Valley in California. That is my district. And there are many similar facets of this area—the Research Triangle area—to our Silicon Valley in California.

For tomorrow, we must make certain that Americans can travel safely, that we move people and goods in a way that will improve our economic competitiveness internationally. Our companies and our economies have been able to grow because of the growth of our own and strength of our own domestic economy. But, that is no longer the case. We are now part of an international economic marketplace. And the question is, are we going to be able to compete in that international marketplace in the balance of the 1990's as we prepare for the 21st century?

The question of quality of life—what about the kind of air we breathe and the water we drink? The whole issue of quality of life is embodied in terms of what we are doing in this legislation, and we must leave no doubt in the minds of our children that we are going to act forthrightly, and more importantly, consistently.

Americans now travel more than 2 trillion miles on our highways each year. In the future, that level will only rise. And yet, it is estimated that as a nation, we will need to invest annually $95 billion a year just to retain the 1985 level of service through the year 2020. And so, the question is, where will we get the money and how should we use it? Clearly, the strong partnership that already exists among the American people, business, industry and all levels of government are going to have to be called upon to meet the challenges of building and rebuilding our transportation system. But at the same time, we must not lose sight of the fact that how we spend the money is just as important as how much money we have to spend.

So, for more than a year now, our Surface Transportation Subcommittee has set a legislative agenda to try and put together a set of hearings and a record to indicate the kind of system that we want to build in terms of the future—the future that America wants, and more importantly, needs. We have conducted these hearings in Washington, DC, where we have received expert testimony. But, the health and well-being of our transportation network requires more than these kinds of series of hearings in Washington, DC. It requires really the kind of hands-on experience that we intend to be hearing here in North Carolina. And, that is why we are here. We are here at the invitation of Congressman Tim Valentine to come and see what this part of the country is doing in order for us to formulate our programs for the future. I know how proud you are of Tim here in the Second Congressional District.

I have the good fortune of serving with Tim on the Public Works and Transportation Committee and also on the Science, Space, and Technology Committee, as Congressman Price has indicated. So, I have seen Tim's work since his election in 1982, his work on the Public Works and Transportation Committee and the Science,

Space, and Technology Committee since 1983. I have seen the work that he has done in terms of not only his work on highways and aviation, but really, in terms of all of the work that goes into representing the Second Congressional District. Tim has been able to bring in his gentlemanly way not only good humor, but a strong commitment in terms of looking out for the needs of North Carolina and the Second Congressional District, and I look to him for the leadership that he is going to have to provide as we try to bring this program together for the 21st century for this country.

In the 1960's and 1970's, we spent more than 2.3 percent of our annual gross national product on transportation. In the 1980's, that has now dropped to four-tenths of one percent. So to go from the 1960's and 1970's where we spent 2.3 percent of local, State and Federal assets in terms of transportation projects to now four-tenths of 1 percent, you can now understand, then, why we now have the congestion on our highways, deficient or functionally obsolete bridges, substandard pavement and decay of our mass transit systems. And the lesson is very clear. Transportation programs must never again be underfunded as they have been in the past.

In the 1990s, I believe the key role that we have to play is to find a solution to our Nation's transportation problems by attempting to define what is the appropriate Federal role. Now, I believe that that Federal role must take into account State and local needs and program flexibility. We have always worked on the basis of categorical assistance programs. But we have lost sight of the ability to be flexible among those categorical programs. And so, from my own experience of having been mayor of a city and having to deal with local categorical assistance programs and general revenue sharing, I was instrumental back in the 1972 and 1974 time period of heading up a committee both for the National League of Cities and the U.S. Conference of Mayors that finally ended up in 1974 with what we know today as community development block grants. So that kind of flexibility that we built into that program is something that I would like to see being put into place in terms of highways and transportation programs.

Now through this hearing, I am confident that we will further our efforts to determine what the Federal role should be in the future and to identify how we get there from where we are today. So let me again thank all of the witnesses today for their testimony and to thank especially Congressman Tim Valentine for his leadership and his hospitality in bringing us here to the Second Congressional District. I want to also thank Congressman Price for being here. Wade County and Chapel Hill and that area is also very important and is recognized by us in terms of what the needs are.

At this time, I would also like to submit for the record and ask for unanimous consent for Mr. Ballenger's statement to be submitted for the record.

At this time, I would like to call forward a panel made up of Commissioner Harold Rives of the Georgia Department of Transportation; Secretary Tommy Harrelson of the North Carolina Department of Transportation, accompanied by Dr. Larry Goode; and Harold W. Worrall, the Assistant Secretary for Finance and Administration for the Florida Department of Transportation. So, Mr.

Rives, Mr. Harrelson and Mr. Worrall, if you would please come forward, and Mr. Goode, I appreciate it.

Your prepared statements will all be submitted as part of the record. And so, in the interest of time, I would appreciate it if you would go ahead and abbreviate your testimony and proceed in your own fashion. And, I would like to call on first Commissioner Hal Rives of the Georgia Department of Transportation. Commissioner Rives.

TESTIMONIES OF HAL RIVES, COMMISSIONER, GEORGIA DEPARTMENT OF TRANSPORTATION, ATLANTA, GA; SECRETARY TOMMY HARRELSON, NORTH CAROLINA DEPARTMENT OF TRANSPORTATION, RALEIGH, NC; HAROLD W. WORRALL, P.E., SECRETARY FOR FINANCE AND ADMINISTRATION, FLORIDA DEPARTMENT OF TRANSPORTATION, TALLAHASSEE, FL

Mr. RIVES. Thank you, Mr. Chairman. It is good to be here, and thank you for giving us the opportunity to appear before you. You have my prepared Statement. I would like to concentrate my remarks on three phases of the reauthorization program, and that is funding, the character of the Highway System of National Significance and increased truck weight sizes, et cetera.

As a representative of the Georgia Department of Transportation, we support the AASHTO funding proposal for the Reauthorization Act. And that proposal is for highway funding beginning in fiscal year 1972, as well as transit funding for highway funding to rise to a level of $17.6 billion. In 1992, transit funding rising to $3.5 billion and proceeding upward on a graduated scale to 1995, where highway funding would be $25.9 billion and transit funding of $5 billion. We would note that through 1993, that can be accomplished by drawing down the balance on the trust fund, without any tax increase. In 1994, however, because the balances would be extended, there would have to be a significant increase in moneys flowing into the program in order to accomplish it. But, this is—this is vital and it is necessary.

In 1988, highway funding from all sources—federal, State and local—was $66 billion. The Federal portion of this was approximately $14 billion. Our AASHTO studies show that this needs to rise to $100 billion a year just to maintain the current level of service that is on the system to take care of the growth and maintain the current level of service. No improvement to the current level of service. It would take $80 billion per year nationally. To improve the current level of service, as well as meet the—as well as meet the growth, we need another $20 billion per year. That will not bring the level of service up to theoretical needs. We, in AASHTO, call this a constrained program that constrains the level of service somewhat below the theoretical needs, but would increase the level of service over what we have today.

The AASHTO proposal would increase the Federal share of this, which on the current $66 billion, was approximately 21.2 percent. On the AASHTO program, the Federal share of the total expenditure would rise to approximately 26 percent.

We think there need to be changes in the distribution of the funds. We think that a new formula should be developed that

would relate to the factors of highway use and the size of the total highway network. These factors would be vehicle miles traveled on the system, diesel fuel consumption and lane miles. The formula should be constructed by giving weights to these various factors, so as we turn to each State, a minimum of 92.5 percent of the motor fuel funds collected are the highway user taxes collected from that State.

The minimum—the minimum allocation program would, therefore, be eliminated, along with some of the bad portions of that program, which—if you are a minimum allocation State, as Georgia is—precludes you from receiving benefits through the various discretionary programs set up in the current act. That is a big factor.

We think that the highway system of the future—the one that will be reauthorized—should consist of two programs—a categorical program which would handle the Highway System of National Significance, and the flexible program, which would be flexible with moneys going into this program being eligible for use on any transportation program within the State—any highway and transit elements.

The Highway System of National Significance is a major facet of AASHTO's proposed reauthorization and of Federal highways. This Committee—your Committee—the total Committee requested that the Federal Highway Administration develop maps showing the proposed Highway System of National Significance. That came from the House Public Works and Transportation Committee.

The Federal Highways directed the States to prepare two maps and gave us the option of preparing a third. The first map they called—they stated would be the basic system, and they allocated nationally for that map 120,000 miles. This is much too small, particularly when you look at the way they apportioned it between the States. In Georgia, it would not even provide sufficient mileage for the defense necessary for Strahnet. When you take out the miles that would be on our Interstate System, we would receive fewer miles for the non-interstate portion than we have on the Interstate Highway System. It would not provide a system. This limitation on size would not provide a system in Georgia that would serve the defense needs, nor will it provide a reasonable system for intrastate travel, nor will it provide sufficient mileage to have reasonable connectivity to our adjacent States.

The second system that the Federal Highway said that we could submit—that they asked for—was an alternate system with 150,000 miles. That is somewhat better, but it is still inadequate. Federal Highway Administration seems to be looking at perhaps an extended Interstate System—an extended system of highways designed to interstate standards. Therefore, they are keeping it small. But, many of the miles on this system do need to be designed to interstate standards. The AASHTO standards that have been developed have been approved by Federal Highways for use on Federal aid work set standards for various classifications of roadways, depending upon the traffic. That should be used as a guide, while not determining—predetermining the design standard for a specific road within the system, but look at its service. Look at its traffic. Look at the service level. Then, use the AASHTO standards to decide the standards to which a specific road will be designed.

The third system that Federal Highways have given us the liberty to pursue we are doing in Georgia. We have submitted the maps to Federal Highways. A national system of about 180,000 miles, if property—if properly distributed to the States would suffice. The distribution currently used by Federal Highways is obviously at fault. As I understand how they distributed the mileage to the States was that they looked at the traffic on the current Interstate Highway System. They took the average of that traffic and allow you to put other roads on the system that have traffic higher than the average on the interstate. When you take a system like ours that has very high interstate traffic on it, then that precludes many of the rural miles that we are trying to put on the system that need to be put on the system.

In doing this, as I understand it, the request of committee was for Federal Highways to follow AASHTO criteria in establishing the Highway System of National Significance, and they certainly have not.

I will close my remarks with a few comments about trucks. There are proposals by the American Trucking Association to put triple-bottom trucks on the highways—triple 28½ bottom trailers—big trailers—and double 48-foot trailers on our highways. We are adamantly opposed to this. Not only will the load be heavier with respect to the structural capacity of our highway systems; but they will not meet the geometric constraints that are on our highway systems. They will be unsafe. Tests conducted in the State of California illustrated the weaving and the moving back and forth of those combinations on highways—of those combination of vehicles.

This will also cause something else that I do not think—we do not think it is in the public interest. That is a further shift of tonnage—of freight tonnage from the railroad onto the trucking industry. We think there is a balance—I do not know what it is—that should be kept between the rail system and the highway freight system. And, we think competition should dictate what that is. That competition should not be affected by legislative breaks to either one of the two competing systems.

Finally, safety with respect to trucks—we find in Georgia that if you have a highway that has 15 percent trucks, the trucks will be involved in 30 percent of the fatal accidents. Trucks double the percentage of volume of traffic with the percentage of fatal—their involvement in fatal accidents. That is an area in which our fatal accident rate is growing, should not be tolerated and should not be encouraged.

I thank you for hearing me.

Mr. MINETA. Thank you very much, Commissioner Rives, for your fine statement.

Secretary Harrelson.

[The prepared statement of Commissioner Rives appears on p. 3347.]

Mr. HARRELSON. Thank you, Mr. Chairman, for the opportunity to speak with you this morning. I want to thank the House Public Works Subcommittee on Surface Transportation for coming to this region of the United States. I am particularly pleased that you have come to North Carolina. And I want to thank you, Congressman Valentine, for your diligent work and for seeing to it that

highways, bridges and public transportation are put in the forefront. They certainly are issues we desperately need to deal with.

Today is just one way to start that process. Tackling the job of a new reauthorization bill will be no easy task. The budget deficit and the current Middle East crises will no doubt make your job more difficult. You will have to deal with individual groups, organizations and States coming to you seeking your help in making this new bill a fair one. We realize how important your role is because this transportation bill will lead not only us, but our children and even their children, into the 21st century.

What I want to do this morning is give you a North Carolina Department of Transportation perspective. We have been dealing with a situation I want you to know about. For 34 years, North Carolina has received the smallest proportion of Federal highway funds during the highway trust fund's history than any State in the Nation. For every dollar we contributed to the Federal highway trust fund since 1956, and including the year we are in right now, North Carolina has received 83 cents in return. But, that only represents part of the picture. When we include the interest that has accrued to the trust fund, which also is part of the apportionment process, our net return is a mere 73 cents on the dollar.

During the life of the trust fund program, our state has suffered an estimated $1,910 in lost revenue. That is almost $2 billion North Carolina has badly needed to meet the demands of a rapidly growing State. Two billion dollars that has been spread out across the Nation through formulas that became outdated decades ago.

These facts become even more significant when you realize that North Carolina historically has had one of the lowest per capita incomes in our Nation.

Out of necessity, North Carolina has responded by initiating an innovative State and local funding program to make up this Federal funding void. Our State gasoline tax is 21¾ cents per gallon, the fifth highest of all States. The tax supports virtually all highways in North Carolina, the largest State-supported system at 76,000 miles. We have a long-standing financial relationship with our communities that dates to 1951 when we began sharing State motor fuel tax revenues directly with our cities and our towns. I trust you will hear from some of these mayors today on the success of these relationships, as well as the initiatives within our own municipalities to develop local funding packages necessary to get the transportation job done.

And last year, North Carolina committed an additional $9.2 billion during the next 13-plus years to highway improvements and expansions. In large measure, our highway trust fund law was passed because of the inability of the current Federal programs to address our growth demands. We felt it necessary to "pick up the ball," so to speak. Local governments have also done the same, and several of our State cities and counties have passed major highway and transportation bond issues.

Even so, an appropriate Federal program remains critical to this partnership. The establishment of funding levels, categorical formula criteria and matching ratios must be developed independently of these individual State initiatives. No State that has initiated

major funding packages to address its own needs should be directly or indirectly penalized under a new program.

On a broader level, we support the concept of a Highway System of National Significance. However, we do not think it should be loaded up with smaller highways, simply to improve a State's position in return of Federal dollars. The system should be defined to include only those highways truly of national significance—those on the Interstate System, most principal arterials and limited others.

Also, we support the concept of two major spending programs—a categorical program for highways of national significance and a flexible program for all other highways. North Carolina seeks the most flexibility possible—within these programs and between them. We have numerous examples where categorical programs and the lack of flexibility have cost us money, delayed projects and worked against the needs of North Carolina. A good example is our bridge program.

We recognize the fact that the categorical program should be driven by formulas. At the same time, it is universally accepted that many of the existing factors driving today's formulas are outdated and no longer reflect the needs of a national transportation system. They do not reflect the use of the system, and they certainly do not reflect the high growth that many States have experienced in the last decades.

We know the redefinition of these factors will be difficult, but it is necessary. North Carolina largely supports formula factors based on the use of the highway system, rather than its size. We think use characteristics more accurately describe the wear and tear on the system and the need for capacity expansion. Factors such as vehicle miles traveled and motor fuel consumption more accurately measure the demand on the highway system than do land area, density population and the like.

U.S. DOT's cost allocation studies in 1982 found that about 70 percent of the wear and tear on the Nation's highway system was due to use. About 30 percent was a result of such factors as weather, exposure and old age—best measured by size characteristics. Consistent with these findings, we think use factors should be weighed more heavily than size factors in any new formula. This is consistent with the recommendations of the U.S. General Accounting Office.

We recognize the unique difficulties in many stages, particularly the extremely rural States that cannot generate the tax base necessary to construct and maintain their portion of nationally significant highways. Allowance for such situations must be made. We stand ready—as we have through AASHTO—to continue working toward ways to accommodate a system that is fair to all States coast to coast.

While we do that, however, we should not lose sight of the basic premise that highway use causes the damage that requires repair, causes the congestion that must be addressed and reflects the growth and access requirements that must be served.

Above all, we must work toward a new or modified national program that provides funding equity to the States. We realize that any taxing system creates "haves" and "have nots" and that a re-

distribution of some resources must occur. At the same time, fairness must be paramount. I will tell you today that North Carolina, a low-income State, along with a few other States, has carried the brunt of the funding for the national program since its inception in 1956.

While we are talking on the subject of fairness, let us revisit a bit the public transportation funding. North Carolina sends, as you already hear, $40 million a year to Washington and only receives $2 million in return from the mass transit account. This is a 5-percent return on investment—certainly, the worst of any State in the Nation. This—as I am sure you will agree—is an erosion of our transportation funding base and an inequity for which correction is long overdue.

What we want in North Carolina from this new legislation is equity and flexibility. Equity means a fair return from the Federal program. Flexibility means the ability to put the funds to work where the needs are in North Carolina. We will do that in a responsible and environmentally conscious and timely manner. We have a proven track record of responsibility and fairness that is evidenced by the relationships we have with our General Assembly, our cities and our towns and our rural areas.

The future can really be exciting for us, but there is much work left to do. You will have many issues and perspectives before you. We look forward to working with you as together we face the transportation challenges ahead.

Let me tell you again how delighted we are to have you in North Carolina, how excited we are and appreciative of your holding this hearing in the southeast. Thank you again.

Mr. MINETA. Thank you very much, Mr. Secretary, for your very fine and complete statement.

I would now like to call on Harold W. Worrall, the Assistant Secretary of Transportation for Finance and Administration for the Florida Department of Transportation.

Mr. Worrall.

[The prepared statement of Secretary Harrelson appears on p. 3271.]

Mr. WORRALL. Thank you, Mr. Chairman, Congressmen. I want to take this opportunity to thank you again, as some of the other States have, for having this hearing in the southeast, for we at the board of DOT hope that today's hearing will serve as a vital step towards achieving some of the goals that are expected in the reauthorization of the Surface Transportation Act.

The Federal aid surface transportation program, one of the most important programs in the Nation, has a profound effect upon life in America. Today, American transportation stands at a crossroads. As international events have demonstrated over the past year, the world is changing dramatically, and the United States must change with it. Soon, your committee will be framing the most important transportation legislation in nearly 40 years. Significant change in Federal funding formulas and program structures must be brought about, and reauthorization provides the vehicle for this vital change.

Before I begin some of the other testimony, I would like to present some statistics on Florida. We have approximately 13 mil-

lion residents in Florida. That is a 30-percent population growth from 1980 to 1990. We have 37 million visitors a year in Florida. Twelve autos for every 10 residents in Florida. Six of the top 10 growth areas in the Nation are within the boundaries of Florida. We have had a 60-percent increase in traffic in Florida from 1980 to 1990. And, we are now the third largest contributor to the Federal highway trust fund, $689 million in 1990.

Florida has documented many of its recommendations for some of the proposed changes in a brief report entitled, "Transportation 2020: Ideas for the 21st Century . . . Florida's Future Depends On It." This report, which accompanies my testimony today, makes three recommendations and then provides a rational justification for each of those. These three recommendations are of such fundamental importance to the improvement of American transportation that they could quite appropriately be referred to as the "Three R's of Transportation." Instead of the traditional grade school "Reading, 'Riting and 'Rithmetic," these three "R's" are "Raise, Restructure and Revise."

First, raise transportation funding over a period of years by reducing the balance in the Federal highway trust fund.

Second, restructure the overall Federal transportation partnership to use more efficiently whatever level of funding is made available. We believe that 60 or more current Federal funding categories should be consolidated into a focused simplified program.

Third, revise the current formulas which disburse transportation funds to the states to more accurately reflect today's transportation needs. Because allocation formulas direct the distribution of transportation money, they are the key to the entire program. Therefore, we support the AASHTO's recommendations for revised Federal funding formulas. Florida, along with several other States, have also advanced the AASHTO process one step further by advocating a specific allocation formula. The short white paper entitled, "Federal Highway Financing, Who Gets What," also included with my testimony, provides further explanation of this recommendation.

While we do not claim to have arrived at the perfect allocation formula, our formula does provide a rational and equitable method for distributing Federal highway trust fund dollars. However, like beauty, equity is often found in the eye of the beholder. The subcommittee may wish to review the projected levels of the minimum allocation fund in any of the proposed allocation formulas yet advanced in order to arrive at a less subjective definition of equity.

Originally created in the 1982 Surface Transportation Act, the minimum allocation supplement now includes some 19 States at an annual cost of approximately $1 billion. The size of the minimum allocation program is a clear indicator of the current programs in equity. Consequently, we believe that those proposed formulas should reduce the number of MA States, and the total cost of the MA supplement should be logically viewed as being more equitable.

Although formulas proposed by some Western States would, indeed, cut the number of MA States about in half and reduce the cost to the $300 to $500 million range, our formula would leave only two MA States with a cost of less than one-half million dollars. Such a formula should clearly be considered equitable.

Having paid $689 million into the highway trust fund in fiscal year 1989 and only receiving back $355 million in fiscal year 1990—a return of just 52 cents for every dollar sent to the trust fund—we firmly believe it is time for a program that addresses the needs for all States by providing a fair return on our contributions. The time has passed when Florida can accept a program which benefits a few at the expense of the many.

Let us design a new Federal aid program to match the exciting challenges of the 21st century. If we are to meet the needs of tomorrow, we need the same kind of boldness present in 1956 when the Interstate System began. A band-aid approach of patching up the current program is not capable of carrying us into the next century.

We at the Florida DOT solicit your support for the recommendations contained in our testimony and the accompanying materials. We look forward to actively working with you and your staff to enact these important proposals into law.

Thank you again very much for the opportunity to present our testimony here today.

[The prepared statement of Mr. Worrall appears on p. 3380.]

[Additional materials appear on pp. 3384, 3392.]

Mr. MINETA. Thank you very much, Mr. Worrall, for your complete statement.

Mr. Rives, you speak of the need to revise the formula factors which determine the allocation of Federal highway funds in favor of those which might better reflect the transportation needs of the States. Are you confident that such factors as VMT—vehicle miles traveled—can be inexpensively, yet accurately, measured by the States, and if so, could you describe Georgia's efforts in this area.

Mr. RIVES. Yes, I do. I think that the highway performance monitoring system, which is a—uses, I believe, in Georgia some 1,200 monitoring points that are statistically set to model the highway system with respect to the character of the road, the character of the traffic and the volume of traffic that flows on it. It is through those counting stations and the other things that they do there, we have a good statistical model of what is going on in our highway system and we can accurately measure the VMT.

Mr. MINETA. The problem of—you know—what to use as a basis becomes such a contentious issue because I guess as you go further west, lane miles becomes much more of a factor than VMT.

Mr. RIVES. I would put lane miles—my formula—the three factors in my formula would be VMT, diesel fuel consumption to get the truck factor into it—we are a high truck volume State—and lane miles simply to reflect the cost or the means of maintaining physically the structure—the physical structures that you have on the road. And those three factors—maybe not necessarily weighed evenly within the formula—but those three factors would most adequately reflect the factors that need to go into a distribution formula. I think perhaps there should be different weights on each one of those factors so as to get a realistic return of dollars collected back to the States that are involved.

Mr. MINETA. Secretary Harrelson, in your testimony, you are critical of the amount of funding that North Carolina receives from the mass transit account of the highway trust fund. The one penny

that goes into the motor fuel taxes that are earmarked for transit purposes of the 9 cents that is the Federal gasoline tax. How would you respond to someone who suggests that not all Federal transportation programs can benefit each state equally just as other programs, such as those provide agricultural type support, et cetera, do not benefit each of the states equally?

Mr. HARRELSON. Mr. Chairman, we feel that we need to be benefited from this program equally because the needs of the rural poor are not being adequately met, nor are the needs of medium-sized cities being adequately met by the inequity in the way this money is distributed nationally. We think that transit needs are all over the country, regardless of whether you are in a major urban area, or whether you are in a rural area.

Mr. MINETA. And, has North Carolina applied for discretionary section 3 funds to extend to the transit side?

Mr. HARRELSON. Mr. Chairman, we are a very aggressive department, and we try every angle we can to look out for our interests, and we have applied for those funds and gotten all we—all we—we have been pretty well treated on that. But, the basic formulas do not—just work so hard against us that no matter how hard we try discretionary funding, we just cannot come up to anything close to fairness.

Mr. MINETA. In looking at the new national transportation strategy or policy that has been issued by President Bush, how do you think you would fare under that program in terms of how they are restructuring it, hoping that States would come up with more monies to fund local programs?

Mr. HARRELSON. We would fare exceptionally well under that because we have already taken the initiative as a State to provide for greater funding for transportation at the local level, and we have already done that. And if that did come about, we would—we really would not have to do anything further.

Mr. MINETA. Okay.

Mr. Worrall, under Florida's three R's of transportation, the first R provides for raising transportation funding to nearly $18 billion in fiscal year 1992, and then gradually to $26 billion in 1995 by drawing down the balances from the highway trust fund. If the Congress authorizes funding levels of, let us say, somewhere between $18 to $26 billion over the next 4 to 5 years for the Federal air highway program, do you have any idea as to how much of a tax increase would be required in 1995?

Mr. WORRALL. At the Federal level?

Mr. MINETA. At the Federal level on the draw—on the completion of that drawdown that you have suggested.

Mr. WORRALL. I certainly have not calculated that out, but I can—it is my understanding that approximately a penny at the Federal level produces about $1 billion a year in revenue. I would expect that with the current balances in the Federal trust fund, you could probably make it out 3 to 4 years, as we have proposed in this presentation today. And then, at that point, there would be some significant increase at the Federal level, but I have not calculated that out, Mr. Chairman.

Mr. MINETA. The other thing I was going to ask about—as I recall in your statement, you talked about one of the R's as being a

consolidation of the program. If we are talking about this restructuring in terms of consolidating some of the funding categories into more focused and greatly simplified programs, would such a proposal provide assurances for funding these existing categorical programs? Would you have some sort of a grandfather clause—some kind of hold harmless—some kind of whatever?

Mr. WORRALL. It would be our expectation that any of the existing programs would have to be transitioned out. That it could not just be a cutoff and conversion to a categorical program. So, we would expect some sort of transition in that.

Mr. MINETA. Mr. Valentine.

Mr. VALENTINE. Thank you, Mr. Chairman.

Mr. Harrelson, the—when the Chairman asked you about—I understood—what I understood to be these discretionary programs and you replied that the department is aggressive in pursuing that sort of thing, are you talking about funding that is available to your department from the Federal Government that is in addition to this formula that we have discussed here? That is based maybe on special need?

Mr. HARRELSON. With respect to the highway discretionary funding, we have been aggressive, and in fact, were able to get discretionary funding for the Winston-Salem Bypass. But then, it counted against us the next year in minimum allocation. So——

Mr. VALENTINE. Well then, it was not—it was not discretionary funding, was it?

Mr. HARRELSON. It was an advance we had to pay back.

Mr. VALENTINE. Is that a matter of somebody's judgment in Washington, or is that written in the regulations, so far as you know?

Mr. HARRELSON. It is in the law, as I understand it.

Mr. VALENTINE. Well then, how do demonstration projects figures in this sort of thing?

Mr. HARRELSON. Demonstration projects are treated more equal than that—treated differently from that.

Mr. VALENTINE. Well, are you saying that we treat everybody equally, but some more equal than others?

Mr. HARRELSON. As the book said, some are more equal than others.

Mr. VALENTINE. And a demonstration project, by the very nature of the beast is a little something extra, is not it?

Mr. HARRELSON. Yes, it is, and it demonstrates the ability of somebody to get the project funded; but it does not necessarily demonstrate the need——

Mr. VALENTINE. What I am really trying to get at—could not we—in this State, with all the effort that has been forth to change the situation that exists and has existed for many years, that we could very well be in a situation where we are hooked into—or have been hooked into a formula that we think is unfair. And yet, when we go to the Federal Government to ask for discretionary funds—we ask for a little extra help because we need it—that they can now say, "Well, you do not need it because you got all that money you raised down there yourself." So, by becoming involved in—by what we think of as being forced to be involved in an ambitious, far-reaching program to increase the tax on our own citi-

zens—make it one of the highest in the country. Spend—what—$9 billion over the next 13 years or so. In your opinion, could that initiative of itself, under the present arrangement, come back to haunt us?

Mr. HARRELSON. We would urge the subcommittee and the committee to not penalize North Carolina for being proactive. We should be, if anything, rewarded for taking a stand. We should not—certainly not be——

Mr. VALENTINE. Well, do we not need to talk about not so much to what the Congress can do—and I agree with you—but, what the bureaucracy can do or ought to be able to do now.

Mr. HARRELSON. I think that because of the law, that the bureaucracy's hands are tied as to any help they can give us.

Mr. VALENTINE. What—do the—well, I guess I have asked you that. But, I will ask again for the record. Do the figures that you have given us here that have to do with our percentage participation and what funds are available—do those figures take into account any other methods of funding—discretionary funding, demonstration projects or any emergency money or anything else that comes into the State?

Mr. HARRELSON. That is total funding. That includes everything.

Mr. VALENTINE. Tell us a little bit—so that we may increase in knowledge and wisdom—about the difference in the North Carolina highway system than many States. North Carolina runs the whole system in the counties, is not that correct?

Mr. HARRELSON. Yes, sir.

Mr. VALENTINE. In many States, the counties build roads. Tell our chairman something about that situation.

Mr. HARRELSON. Congressman Valentine is exactly right. We do—although we are not the biggest State, we have the biggest State system in the country. Other States have more roads, but we support as a State a bigger system than any other State—76,000 miles, including all of the secondary roads of the State. Now there are municipalities which have responsibility for some of their municipal streets, but we do—we are unique in that. There are other States, I suppose, that have State systems, but we have the most miles.

Mr. VALENTINE. What you are saying some States might have roads built by the county government. North Carolina builds all of the roads outside of the cities and towns, is not that right?

Mr. HARRELSON. That is correct, sir.

Mr. VALENTINE. And part of the money in the cities and towns is built by the State because of this power fund money?

Mr. HARRELSON. Yes, sir; built and maintained.

Mr. VALENTINE. Are we the only State that deals with it that way?

Mr. HARRELSON. I do not think so. I think that there are other States that have State systems; but, we are the largest of the State systems.

Mr. VALENTINE. Is there communication between your department and these other States? Because, you know, sometimes, I think that one might think, "Well, if we are the only one that is doing it, there must be something wrong with it." Or, "If there are only two of us doing it, there must be something wrong with it."

Do you talk to these other people and say, "How are you guys getting along with—how does it work the way you do it?" You know, to consider whether we need to change and put some of this burden that is on State taxpayers back on the counties, except for the counties in my district. [Laughter.]

Mr. HARRELSON. I think you have answered your own question, Congressman.

Mr. VALENTINE. No; but I mean, do you talk to them through your organizational ties?

Mr. HARRELSON. Yes, we do. We are very active in all professional organizations throughout the State—throughout the United States, and we do—we are very active.

Mr. VALENTINE. You know, we—I think that that is important to always see what other folks are doing. For years and years, North Carolina and one other State painted the school buses a little different shade of yellow. And, we still put signs outside of every municipality of North Carolina—the city limits, whether it is a city or town. You know, just some other—we pride ourselves on—sometimes, on these differences, and maybe sometimes, we ought to look around at what others are doing and see if it is time for us to change.

One thing it brings to mind is the toll roads. Many States have long ago gone to a system where they put the burden of the construction of bridges on the people that use the bridges. North Carolina has not had a toll road now for 60 or 70 years. What do you think about that? Do you give consideration? Would it be a good idea? Would it not be a good idea for us to save some of the money that we get from our taxpayers and the Federal Government and build the bridges that are needed over these inlets in eastern North Carolina that are going to be used almost entirely by local people? Would not it be a good idea for us to put some toll bridges down there?

Mr. HARRELSON. Congressman, we are looking into that. The legislation of setting up the trust fund also asks for—mandated that the Department report back to the General Assembly on the possibility of toll roads and, indeed, identify some specific instances where they might be available. We think there are some which possibly could be appropriate. You correctly pointed out bridges and some of the bypasses might be.

Mr. VALENTINE. I think that the resistance expressed by some big newspapers in the State maybe has caused some of we politicians to fear that. I think that that should be pursued aggressively. I think that there are many places where people would pay for the facility if they could get it and pay for it by tolls. And there again, I would—we would be one of—they have toll roads in Virginia and South Carolina. Would we not be one of only one or two or three States that has no toll facilities whatever?

Mr. HARRELSON. There is probably several that do not have tolls.

Mr. VALENTINE. By George, if we had been able to do something like they did in Virginia and get that bottleneck at the Richmond-Petersburg Turnpike, which must be the most lucrative toll road in the free world. [Laughter.]

Mr. HARRELSON. Hands down.

Mr. VALENTINE. They could finance the whole system with that operation. It has now gone to a dollar and a half. They raised it. It is not going down; it is going up.

What about—what do you think about radar detectors? What is the policy, or do you have any policy? What do you think about this business of people being able to manufacture and advertise and sell a device, the only purpose of which is to help people violate the law?

Mr. HARRELSON. I know some States have outlawed them. Our State has not outlawed them at this point.

Mr. VALENTINE. Do you think we should?

Mr. HARRELSON. It is possible that that would be a possibility that—for highway safety to cut down on speed.

Mr. VALENTINE. Why would not it—how could there be any other—any other answer to it? I mean, I do not want to cross-examine you. But I mean, when you got something that the only purpose in the world is to see to it that you find out where the radar is so that you can slow down—I mean, why would not that help us all just to be rid and finished with that? Would it help if the Federal Government forced you to do it? [Laughter.]

Mr. HARRELSON. It might.

Mr. VALENTINE. I used the term "help" loosely. Well, I do not want to take up a lot of—I am—really, I am trying to dramatize some things that I think in these areas—some of the things that I think we can do for ourselves in this—in our beloved State.

One final question, what do you think about these triple trailers or do you have any—is that what you call them? Do you have anything that you want to tell us about that? I see them advertised. As one who travels—who goes to his place of employment in Washington most of the time up and down Interstate 95, I do not know what—I cannot hardly imagine life on that highway with these rubberized trains moving up and down out there.

Mr. HARRELSON. Congressman, it might be appropriate if the third section was a caboose.

Mr. VALENTINE. We have got a big trucking industry in North Carolina. Do you all really have a position on that?

Mr. HARRELSON. We have not taken a position. My inclination would be that—it would not be appropriate for North Carolina.

Mr. VALENTINE. And, there is no—there is just no way that could be good for the highways, for public safety—is it? Is there any plus you can think of?

Mr. HARRELSON. It would not be—I—it would, of course, help in the trucking industries. It would help their efficiency. But, in the—I think the perception of the driving public would be very much against triple trailers in North Carolina.

Mr. VALENTINE. Thank you, Mr. Chairman.

Mr. MINETA. Congressman Price.

Mr. PRICE. Thank you, Mr. Chairman.

Mr. Harrelson, I would like to pick up on your comment about the bureaucracy's hands being tied. I fully appreciate the changes that are needed in the law—in the formula. I think we are all aware of that. But, I wonder if the administrator's hands are completely tied. My understanding is that this 85 percent is a floor, not a ceiling. And by definition, a good many States are getting more

than that. They have to be. Is there—is there no discretion at all that would enable us to do better?

Mr. HARRELSON. It is my understanding that the formulas, as set forth in the law, work so much against this State that we are unable to do better than that. The minimum allocation was—came forth later to—the inequities were even worse before that.

Mr. PRICE. I understand that. There have been some changes in the law that have helped somewhat. But now, there is that pot of discretionary money that exists in addition and that States are free to apply for and that we have had some success with in Winston-Salem, as you said.

Mr. HARRELSON. Yes, sir, Mr. Price, but then, we have to pay it back. It is—the minimum allocation States have to pay it back, which is even more unfair because we are getting less money to begin with, and we have to pay—we have—it comes out of our next year's minimum allocation.

Mr. PRICE. And that—how does that—how does that interact with the—with the 85 percent rule? That is what I am getting at. How does that minimum allocation work in conjunction with the 85-percent rule?

Mr. HARRELSON. It just offsets it dollar for dollar. It really becomes—it really is more of a loan than it is a grant. If you get a discretionary project funded, if you are a minimum allocation State, the next year, it comes out of your minimum allocation that same amount, dollar for dollar.

Mr. PRICE. So, the 85 percent really is not all it appears to be?

Mr. HARRELSON. Well, we get the 85 percent. But if you get a discretionary project, it is not adding to it.

Mr. PRICE. It serves, in this case, as a ceiling, you are saying?

Mr. HARRELSON. Yes.

Mr. PRICE. Not as a floor.

Mr. HARRELSON. It is a ceiling.

Mr. PRICE. Do any of the other States want to contribute to this discussion? Is that the way it functions in your case? Yes, sir.

Mr. RIVES. The 1986 act, in the last days of the 1986 act, Senator Bentsen from Texas put in an amendment that stated that if you received the 85 percent minimum allocation if you were a minimum allocation State, that if you received any other funds over and above that 85 percent in any one year, the next year, the minimum allocation would be discounted by the amount you had received the previous year over and above the minimum allocation.

So what Secretary Harrelson says is true. It happened to Georgia. We had two demonstration projects. We were very happy and congratulating ourselves until Senator Bentsen put in that amendment.

Mr. PRICE. Let me clarify. We are talking now not just about the discretionary projects, but also the demonstration projects?

Mr. RIVES. The same way with discretionary or demonstration—either one. Any way you get any money over and above the minimum allocation in this year, you pay back the next year.

Mr. PRICE. Well now, the demonstration projects, I thought, were a separate—I thought there was earlier testimony that they were separate, is that not true?

Mr. RIVES. They are separate from discretionary money, but you still pay it back the next year if you get any demo project money this year. It happened to us.

Mr. PRICE. If you are a minimum allocation (MA) State?

Mr. RIVES. If you are a minimum allocation.

Mr. PRICE. If you are not, then the demonstration projects are not under that——

Mr. RIVES. And discretionary both—you know, if you have got—if you have—I would rather have 85.1 percent—I am sorry—I would rather get 84.9 percent—I would rather not be an MA State, to tell you the truth. [Laughter.]

And be able to fight for those projects.

Mr. PRICE. Yes; I understand.

Mr. MINETA. If the gentleman would yield on this one point.

Mr. PRICE. Yes.

Mr. MINETA. The demonstration programs that are funded from the general fund are not treated as the demonstration programs, let us say, that are coming out of highway trust funds.

Mr. RIVES. It is only title 23, yes sir.

Mr. MINETA. Those that are funded out of the highway trust fund would then affect your next year's allocation.

Mr. RIVES. Yes, sir.

Mr. MINETA. But, if they come out of the general fund, that is not counted as a part of it?

Mr. RIVES. They are difficult to get.

Mr. PRICE. I know our time is limited. Let me move on. Just very quickly, Secretary Harrelson——

Mr. WORRALL. Congressman, if I may.

Mr. PRICE. Yes; of course.

Mr. WORRALL. I would just simply like to echo the same for Florida. We have had that very same thing happen to us. We had discretionary funding for the interstate to complete the interstate, and then subsequently, we had the reduction of the MA, so——

Mr. PRICE. Thank you.

Secretary, I could not agree more with that sentence in your statement about the importance of not penalizing States that have moved to help themselves. That is terribly important to us in North Carolina. Do you have some way you could elaborate that or some specific suggestions as to how we could make certain that that penalty is not imposed on States that have moved, after all, to tax themselves to help themselves to take the initiative?

Mr. HARRELSON. I would just suggest that to be on the lookout for any amendments or any language that would contain that proviso. We certainly would not want to be penalized.

Mr. PRICE. If anything, it ought to be a reward.

Mr. HARRELSON. If anything, a reward—exactly.

Mr. PRICE. Mass transit—the inequity there is almost incredible in terms of the amount of money that comes back to North Carolina compared to what we put in—something like a nickel on the dollar. Now, we have a lot of mass transit needs in this State. Maybe they do not fit the conventional formula—clearly, they do not fit the conventional formula. What changes would be required to do better—to get the help we might need in the future, for example, with intercity bus or rail systems here in the Triangle. We

can see those needs coming. What is it going to take administratively, legislatively to make ourselves eligible for that kind of assistance?

Mr. HARRELSON. Well, the two buzzwords we are using are "equity" and "flexibility." If we would get a fair return on the dollars we send in and we, as a State, are allowed the flexibility to use those dollars within the State the way we see fit to meet the needs of our citizens, then we feel like we can meet those needs in a better way than we are doing today.

Mr. PRICE. And those needs, as far as you are concerned, do include the kind of intercity——

Mr. HARRELSON. Yes, sir.

Mr. PRICE [continuing]. Pressures we are seeing here in the Triangle?

Mr. HARRELSON. Of course.

Mr. PRICE. Bus and rail?

Mr. HARRELSON. Bus and rail.

Mr. PRICE. Well, I know I would appreciate seeing a summary of the kinds of changes and criteria that would be needed in order to make those mass transit funds usable to us in these circumstances.

Mr. HARRELSON. We will certainly furnish you that information.

Mr. PRICE. Mr. Chairman, I would like to suggest that that be included in the hearing record. Thank you, Mr. Chairman.

Mr. MINETA. Without objection, so ordered.

Mr. Secretary, there was mention made about highways of national significance. Has North Carolina started the process of trying to determine what would be included in their system of Highways of National Significance?

Mr. HARRELSON. Yes sir, we have. We have started the process.

Mr. MINETA. Have you already completed that process?

Mr. HARRELSON. It is complete.

Mr. MINETA. It has been.

Mr. Rives, let me ask—in your testimony, you refer to the need for flexibility in meeting your future transportation mobility needs, and I wonder if you would share with us how would you define that flexibility and apply this term specifically to future surface transportation programs.

Mr. RIVES. That is part of AASHTO—the second phase of the AASHTO recommendations is the flexible program which would incorporate within it those programs not included in the HSNS. This would be the—currently, the Federal aid secondary program, the Federal aid urban program, the safety programs. And we would use that—we would use that money to continue essentially those programs, but be able to distribute that money without the categorical restrictions that currently you have between Federal aid secondary which is the rural program, the urban program which we really need more money in than we now have because as you compare the Federal aid urban program to the urban assistance program to the secondary program, we think the secondary program—more—we would like more money from the secondary program going to the urban program. With the flexibility that we would get under the AASHTO proposal, we could do that. In other States where they have more rural needs than they do urban needs, they

can move the monies back into—they can concentrate the moneys in the rural area.

It is hard to define categorical limits that fits all of our diverse 50 States, and that is why we need that more flexibility. We, with a very major urban area, the Atlanta area and other smaller urban areas, Savannah, Macon, Columbus, Augusta, Albany, Rome—we need to concentrate more money into the urban areas than we do the rural areas. Other States, Utah, Montana, they have just the reverse. That is why we propose that all other programs, except the Highway System of National Significance be put into a flexible fund by which we can address the unique needs for each unique State.

Mr. MINETA. So, you would have that flexibility going either way?

Mr. RIVES. Yes sir, going either way.

Mr. MINETA. I get the feeling, however, from "the highway interests," that they may be afraid that more of the money may go over to the transit side, and thereby reduce that portion. Do you have any——

Mr. RIVES. I think that would be up to the individual State to do that and up to the individual metropolitan area, when you get right down to it, how that would float. I think that in a flexible program, that we would want to have the ability to move money from highways to transit and perhaps vice versa. Right now, you can do that. Urban systems moneys—highway urban systems money can be spent in the urban areas on transit. It is up—that is a flexibility we now have, and that can still be done. That can be done today, and we would want to retain that. I do not see that within urban areas, the movement of urban funds to transit and vice versa would be affected by this because you can do that today.

What would be affected perhaps would be the movement of funds that now go to rural areas if they go into the flexible program could possibly then be moved into transit in your urban areas. Whether you would or not, of course, depends on the unique circumstances within the State or within the communities. And the programs are meant to serve them, so why not let them have that flexibility and the discretion of the authority within that State that better serve their populous.

Mr. MINETA. Mr. Commissioner, you have been commissioner for the State of Georgia how long now?

Mr. RIVES. I have been commissioner for almost 4 years, but I have been very involved for 33 years.

Mr. MINETA. Thirty-three years in the department?

Mr. RIVES. Yes, sir.

Mr. MINETA. Well, I have watched you and listened to you for a long period of time now. I just want to congratulate you on your activities within AASHTO and the leadership that you have been providing.

Mr. RIVES. Thank you, sir.

Mr. MINETA. Let us see, do you become President AASHTO next year?

Mr. RIVES. Unless my colleague gets too mad at me, I will be president in December.

Mr. MINETA. So, that is how you are going to get all of us to visit Atlanta in 1996 for the Olympics, is it?

Mr. RIVES. Well, if we——

Mr. MINETA. Or did I raise an open subject for you? [Laughter.] Did I open the door for you?

Mr. RIVES. I was going to say, depending on the character of the reauthorization bill, we invite you. [Laughter.]

Mr. MINETA. Well, let me thank this very, very fine panel with all of you who are leaders at the State level on transportation issues, and I do look to AASHTO very much and the National Governors' Association, the National Governors' Safety Transportation representatives. I look to all of you for answers to this. As many of you know, I chaired the Aviation Subcommittee for 8 years. And, my undertaking this task as chair of the Surface Transportation Subcommittee has only been since February 1989, so I am learning a lot from the likes of all of you. So, thank you again for being before us today. I appreciate it.

Mr. RIVES. Thank you, sir.

Mr. MINETA. At this time, we call forward the Honorable Bill Goldston, State senator and chair of the North Carolina Senate Transportation Committee. Senator, it is great to have you with us. Is Senator Basnight with you, sir?

Senator GOLDSTON. He did not make it.

Mr. MINETA. He did not. Okay.

Senator Goldston, if you would go ahead and proceed in your own fashion, sir.

TESTIMONY OF HON. BILL GOLDSTON, SENATOR, NORTH CAROLINA GENERAL ASSEMBLY

Senator GOLDSTON. Thank you, Mr. Chairman, and I would like to welcome you to North Carolina, and having worked in your fair State for 7 years, I cannot think of anyone more qualified to——

Mr. MINETA. I am sorry to have lost you to North Carolina. Whereabouts were you?

Senator GOLDSTON. I am from North Carolina, but was just transplanted for 7 years.

Mr. MINETA. Whereabouts were you?

Senator GOLDSTON. Down in Irvine, California.

Mr. MINETA. Irvine—a beautiful area.

Senator GOLDSTON. But I happened to see your transportation problems, and I cannot think of anyone any more qualified to chair this panel.

Mr. MINETA. So, that is why you also came back to North Carolina?

Senator GOLDSTON. And to our local Congressmen, welcome home. We are always delighted to see you.

I am W.D. Goldston, chairman of the North Carolina Senate Transportation Committee. Recently, I served as cochairman of the bipartisan Highway Study Commission consisting of legislators, mayors, business leaders, and county officials to study our transportation needs, much as you are doing from a national level.

The study commission found that North Carolina, in fact, was growing. At that time, our 1990 population is estimated to be over

6.6 million people, a 12-percent increase from the 1980 total. The demographer went on to project that the population would increase another 10 percent by 1990, and the year 2000 would exceed 7.2 million. This growing population caused us to look ahead—try to look ahead at transportation needs.

If you extrapolate these figures looking at vehicle registrations, in 1970, we had 0.49 vehicles per every—per population—per person in North Carolina—man, women and children. In 1980, that moved to 0.66. In 1990, it is now up to 0.82. And if we move this on out to the year 2000, it would indicate that we will have 1.04 cars per person in North Carolina, which puts a tremendous strain on our roads.

Unfortunately, our investment has not been keeping up with our needs. In 1988, our department of transportation estimated we had over $10 billion in needs. The future's needs that were accumulating at a rate of approximately $550 million per year, but included only those projects that were needed immediately at the time to relieve urban congestion and provide additional capacity for overburdened rural roads. And when we put all these together, it was a staggering figure of over $16 billion in needs by the year 2000.

Our highway construction fund, I am afraid we have seriously neglected. From State funds, we have only put in about $60 million a year. So, you can see, we are going to be very short.

Now, as a study of our hearings that we held for 18 months, we came up with a $8.6 billion figure, which was recommended to the General Assembly to be funded over 12 years. Now, the General Assembly modified that to $9.2 billion over 13½ years, but kept intact the four basic goals—or five goals—that the study commission had established.

Now, let me talk just for a second about these goals. Number one was to construct 1,700 miles of new four-lane highways and widen and improve 113 miles of existing interstate highways on the 3,600-mile Intrastate System. We, too, believe in economic development and trying to get that economic development to our rural areas.

Now, had this road been in place—some of these roads down east—let me bring up an issue now that would have helped us tremendously with our Middle East crisis. As you know, we have Fort Bragg, Camp Lejeune, Cherry Point. If we had had these four-lanes, it would have certainly expedited moving these military vehicles to our ports at Morehead City and Wilmington in a much more expeditious manner than what we now have. Now, that is the first part of our plan.

Number two, to try to serve—help everyone to complete portions of urban loops around seven of our major cities to help relieve their congestion. There again, we are struggling with the same problem you are struggling with—how to help everybody.

So we then put in there to pave 10,000 miles of our unpaved secondary roads to help our farmers and people who live in our rural areas.

We also—Congressman Valentine mentioned a Powell bill fund—we also put an increase in there to help supplement the Powell bill funds to help our municipalities for maintenance of their roads.

Now, the fifth issue that we have discussed—that we have put in here—we allocated $5 million a year to provide funds to study a

mass transit system. To see if it is needed and possibly to help. Some of these funds, I am sure, Congressman Price, will be used to help this study that is going on now with the Chapel Hill/Durham/Raleigh area.

Now, this was a major initiative on our part. But, North Carolina has been known to take leadership back when Cameron Morrison—when he started the road programs, then to Governor Scott—we have always taken initiative. And, I think it is our—as leaders in the community—it is our initiative. We should do the same thing.

Now that I have spent my time bragging about North Carolina—which I think we should, to tell you you are not just sitting here waiting on the big eagle to come over and lay more money on us—we wanted to help ourselves. We have faced our problems, but it does not lessen our needs for Federal help. We see our efforts as complementary to the Federal system. And the two programs still would not completely erase our needs.

In addition, a new Federal program should not penalize a State, such as North Carolina, that has taken the initiative. And as you have heard many times this morning that we are not getting—we feel like we are not getting our fair share back. I am sure some of the people in our area feel the same thing. What comes to State, they do not get the full amount back. But, that is something we have to live with. We want to make sure that the funding level and categorical formula criteria and matching ratios for any future Federal programs are developed independently of the State initiative. No State should be directly or indirectly penalized for trying to take care of its own needs.

Of course, finally, let me set it clear now. I am—have been connected with the trucking industry for over 40 years and am still connected with it, so I am hearing what you asking about trailers and so forth. But, we believe the Federal motor taxes should not be raised unless they are going to be used for transportation purposes and not to erase the national debt. As a result of our highway program, North Carolina raised its motor fuel tax by about a nickel a gallon, which makes us—as you have heard—one of the highest in the State—in the country. But, we did not get the flack that I thought we might because under our bill, the people will see where their money is going and they will be given an annual report of how it is being spent. And I do not believe the people of this State will support a gas tax increase that is not directly tied to transportation improvements.

Again, thank you very much for taking time to come to our State and allowing us to participate and share our thoughts with you on this matter.

[The prepared statement of Senator Goldston appears on p. 3264.]

Mr. MINETA. Senator, thank you very much for your very fine testimony. Your State has really become a leader with the 21¾ cent gasoline tax that is combined, and I know that what you said about people willing to pay because they are going to see the results of that. This kind of a user fee is really a solid approach. Just recently, in the June election in California, voters there decided to—yes, that they are willing to increase the state gasoline tax to new heights—doubled it to 18 cents—so, just in terms of the state

gasoline tax. So yes, they are willing to pay, knowing that they are going to see the results.

Now, your study commission that you mentioned appears to have taken a comprehensive look at the State's current and future transportation needs. What did the commission find was the most pressing problem in North Carolina—that is, new construction, more capacity on existing roads, maintenance, bridges—where did they point to?

Senator GOLDSTON. Well, as you noticed, we sort of prioritized it. Number 1 was to get some of our counties that really have a long way to go to get their four-lane road—down east, for instance, down the Outer Banks—you have to drive about 100 to 125 miles to get to a four-lane road. Up in our mountain areas we have up toward the northwest in my district, we do not have a four-lane road. You have to go a right good ways to get to a four-lane road. And of course, that is very important. We have to have these economic corridors. Nobody is going to put a plant on a road that is very difficult to move his trucks in and out. So you have got to make it accessible. And to me, it makes more sense to bring the roads out so we can get industry to locate in those areas, rather than to congregate people into urban areas. So you see what infrastructure programs—that does.

Mr. MINETA. What do you do in, let us say, outer banks or the mountain areas where you say you want to go to a four-lane road. Let us say you have a heavily populated area where you already have a four-lane road. Maybe that has to go to six lanes. Maybe it is—I am quite sure you have blood alleys here in North Carolina.

Senator GOLDSTON. Death Valley.

Mr. MINETA. That are four—four or six lanes that are crying for funds and, yet, you want to do, let us say, four-lane roads in the mountain areas, outer banks and—so, how does this get weighed in terms of where those resources get directed?

Senator GOLDSTON. Mr. Chairman, in our studies, that is what we did, if you will notice. We are four-lane. We are taking some of the pressure off what we call our Transportation Improvement Program, which is a 7-year program to let people know what to expect in the way of roads so that we can four lane and five lane—I mean three lane some of our interstates. Take the pressure so we can divert that money into there. But all of this has to be addressed. There has to be something for everyone because, remember, everyone is paying the tax if they have a motor vehicle. So, you cannot just say, "We are going to help the urban." "We are going to help the rural." We have got to make it a composite thing to help the rural, urban and all. And we try to balance it, and we put it in the bill, so they know which roads will be improved and to what degree.

Mr. MINETA. Now, North Carolina has already raised its State tax to address your own highway needs, and you have worked aggressively to try and meet those needs. Now, in our new legislation, we may put some language in there to try to leverage on other States to aggressively go after their own needs and try to increase their own gas taxes to provide different kinds of incentives to raise taxes to address their own needs. If we do something like that, first of all, would you favor that kind of an approach? And I suppose

you would want to have some safeguard so that those incentives do not tax North Carolinians any more.

Senator GOLDSTON. Well certainly, such as we have done and you have done in California, apparently. Because we have needs; we recognize the needs; our people recognize the needs and are willing to pay more. We should not be penalized. I am beginning to sound like a supplement to a school system. If we see we have the need, give us the flexibility to do it, but do not penalize us for doing it.

Mr. MINETA. Congressman Valentine.

Mr. VALENTINE. Senator, can you think of any formula or any method that you would like to share with us here today as to—in line with what I think Chairman Mineta was just asking you. Any way that the Federal Government can take State motor fuel tax levels into consideration when setting Federal motor fuel tax rates?

Senator GOLDSTON. I personally feel like that whatever the State does, if they have the initiative to do it, should be completely ignored in your deliberation. I think that we should go ahead if we have the need and the people of North Carolina feel we have the need. Let us supplement what the Federal Government is going to do. But as I said, do not penalize us for it. I think it would be a very complex formula and would cause as much confusion as some of the confusion in the now Surface Transportation Act if we tried to factor in formulas from every State throughout the nation.

Mr. VALENTINE. Well, let me ask you this question. I think that the gasoline—increasing the gasoline tax in North Carolina was accepted by the general public to a degree that was just amazing. I remember when the same thing was done under the previous administration, there was a lot of—seemed to be more hue and cry of a political nature, if you will pardon the expression. This time, there was—it seemed to be absolute surrender. As a matter of fact, the powers—the architect of the universe must have had a hand in it because as I recall, about the time that gasoline tax, Mr. Chairman, went into effect, the price of gasoline came down, so it did not change a bit. Is not that right, Senator?

Senator GOLDSTON. Yes sir, it did. We were looking at the futures—the gasoline futures, but it did work out—but, it did work out to our benefit.

Mr. VALENTINE. A strange thing. I take it back. I do not attribute that to any other influence—any divine thing because we had the wrong administration to get that kind of intervention.

Senator GOLDSTON. But, Mr. Congressman, if I might add, this is the one time that the people knew exactly what the money was going for. It is in the bill.

Mr. VALENTINE. Yeah. That was my thought. Not only that. But, like you say, everybody—it was spelled out clearly. And also—you people who would normally be opposed to tax increases—that sort of thing, you can see that quicker than anything else. I thought they ought to have done the same thing for public education. They did not do it. You cannot see that. But, you can see new cloverleafs and you can put fast food restaurants close by and gas stations. That is something that tickles your imagination. Suppose we were—suppose we having done that because of a situation that we regard as unfair and we are frustrated about it, and we take the bull by the horns and we pass this legislation and it is accepted by

the people, and then the Federal Government—we have got one of the highest gasoline taxes in the Union, and the Federal Government comes along to solve its problems—I am not talking about where the money goes, we are all going to agree that the Congress—it might increase the gasoline tax, fuel tax, and provide that the money go to build infrastructure. That still raises everybody up, you see. Then you have got the consumers really griping because they do not know where it came from, but they just know that somebody raised the heck out of it last year and here comes some more politicians and raised it again.

Is the General Assembly going to be under pressure to reduce the State tax?

Senator GOLDSTON. I do not think under this particular bill. I think if the Federal Government comes out with a bill that is as specific as our highway trust bill, I think the people of North Carolina would be a lot more receptive if it is going to promote their welfare and help their future welfare.

Mr. VALENTINE. But it is hard to see that coming from Washington. You can see that coming from Raleigh, but it is a more nebulous thing it seems when it flows down from Washington.

Senator GOLDSTON. Yes, but Congressman, to go ahead and tax motor vehicles, the way people in North Carolina get to work, to take care of the deficit, I think would be very objectionable to the people of North Carolina.

Mr. VALENTINE. Oh, I agree.

Senator GOLDSTON. Now if they could see that it was going to specific road projects that were going to help for years to come, welfare and getting around—we have an addiction for our cars, no question about it.

Mr. VALENTINE. Well I did not want anybody to get the impression—I am not talking about—all of us stand united, as far as I know, all of us in this delegation and most of us on this committee, certainly every member of Congress here, that money that people pay taxes for highway user purposes, gasoline tax and that, ought to be used for that purpose and not go to some other purpose.

One final question and you might want to supplement this in writing. I think that what Chairman Mineta was inviting you to do was to help us think about some ways to at least present to the Congress some way to reward States, not just put North Carolina in the position where the General Assembly might be tempted to reduce the tax, but to maybe give this State a little extra because of what it has done for itself, so as to encourage some other States to do that. And I would ask you, if you would do it, if you can think—put your mind to think about some ways that we might translate that into words that we can consider.

Senator GOLDSTON. That is a difficult task, but I will certainly attempt to do that.

Mr. VALENTINE. Thank you, Mr. Chairman.

Mr. MINETA. Mr. Price.

Mr. PRICE. Mr. Chairman, I have no further questions. I do want to thank you, Senator, for your testimony today and for the leadership you have demonstrated in this critical area.

Mr. MINETA. Senator, thank you very, very much for being here and taking time from your own busy schedule to testify before us.

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Senator GOLDSTON. Thank you very much. And I can sort of sympathize with your job, the task you have facing you.

Mr. MINETA. Thank you, Senator.

I would like to now call on the Honorable Sam Hunt, a Representative of the North Carolina General Assembly, Chairman of the North Carolina House of Representatives Infrastructure Committee.

Representative Hunt, we are pleased to have you with us and want to commend you first for your leadership in what you have done and your key efforts in enacting the North Carolina highway trust fund program.

Your statement will be made a part of the record, and if you would go ahead and proceed in your own fashion, sir.

TESTIMONY OF HON. SAM HUNT, MEMBER OF HOUSE OF REPRESENTATIVES, NORTH CAROLINA GENERAL ASSEMBLY

Mr. HUNT. Thank you, Mr. Chairman. On behalf of the House of Representatives, I certainly want to join in the welcome of your Committee and appreciation for you being here on behalf of the House and our House Speaker Joe Mavretic, who helped lead the fight in the House to get the highway trust fund bill passed.

Also, Mr. Chairman, I would like to recognize the fact that we have a couple of members from the House of our Joint Legislative Highway Oversight Committee here in attendance at these meetings; Representative John McLaughlin and Representative Billy Creech, who were instrumental in also helping us in the House.

Mr. MINETA. If Representatives McLaughlin and Creech would like to come up and join you at the table, Mr. Hunt, that is fine. Why do we not have them come on up and just be seated here—that would be fine.

Mr. HUNT. I have got to brag a little bit on the House side about what we did in the highway bill. Basically—and a lot has been said—basically we made the bill big enough, fair enough and flexible enough, and we had enough accountability that when it came time to count the votes, we had an overwhelming majority. I think we had something like 92 to 95 votes out of 120 in the House. We have hardly had that many for anything. So it was big enough to where we took the old rural and urban fight out of the bill.

In other words, every time we have ever tried to do anything in North Carolina, we have got in a fight between rural and urban and nothing got done. And so we split it up to where everybody got enough and by somebody else benefiting, it did not take away from the others. So when the urban loops went it, it did not take away from the fact that we were going to pave every unpaved road in North Carolina. We were going to take everybody in North Carolina out of the dirt. And so it was big enough in terms of the four-lane roads, in terms of what the cities got, in terms of the dirt roads, in terms of the urban loops, to where everybody benefited.

It is fair enough in that we have a distribution formula that the seven major regions of the State have to go along and progress according to a formula and in 7-year increments, everyone has to have an equal share within 10 percent. And that satisfied the members. It was big enough to satisfy the public in terms of the projects

and it was fair enough to satisfy the members and it is flexible enough for the department where half the money is controlled by the TIP and we let them swap Federal dollars, where there was a Federal project, and it gives the department flexibility enough.

We have accountability where they have to come back—we formed a Highway Oversight Committee, it is a Joint Legislative Highway Oversight Committee of the Senate and House, and we get the accountability in how they are doing by region, by different types of projects. And we have taken the distrust that may have been there before and we have got the General Assembly and the department working together, and we have found that that has worked well so far.

In terms of the program that your Committee is considering, we would like to echo—and I would like to echo—flexibility. I think every speaker I have heard today has asked for flexibility and I know from being in the General Assembly how everybody wants everything unattached, no strings attached, and I know how that is not possible. But I think that when you do put this bill together, that the more flexibility it has for the States, the better, 50 percent flexibility certainly we hope would be the minimum.

An example of why flexibility is needed, if you look at the Federal bridge repair and replacement program, under the current requirements not more than 35 percent of these funds can be spent off system, where in North Carolina 60 percent of our needs are off system. Another part of that is, it is required that when a bridge is repaired, that it be done back to standards almost of new construction standards, when sometimes you might be able to correct a minor flaw and put the bridge in pretty good shape and it would be more cost-effective to do it that way than to have to spend more money on the bridge than necessary, because the needs are so great. I cite that as one illustration.

I would—I think you have got the flexibility point pretty good here today, so that I would just say the vehicles miles traveled and those type of formulas certainly are what North Carolina wants, fuel consumption, population as opposed to land area or cost of improvements.

But we appreciate the opportunity to come here and testify before you and hope that—wish you well in your efforts to craft this legislation so it will benefit North Carolina. [Laughter.]

[The prepared statement of Mr. Hunt appears on p. 3278.]

Mr. MINETA. Thank you very much, Representative Hunt, for your statement as well as for your past leadership on this whole issue. As you said, you are the cochair of the Joint Legislative Highway Oversight Committee.

Mr. HUNT. Yes, sir.

Mr. MINETA. Let me ask with regard to these seven localities that are going to be getting the funds over the seven-year period. Are those seven geographic areas also going to have to have some kind of local match of their own in order to bring these State funds in?

Mr. HUNT. No, Mr. Chairman, the formula excludes the urban loops because every region doesn't have an urban loop and it excludes the unpaved roads that are being paved, because some areas have more unpaved roads than others, so they are out of the for-

mula. But other than that it is strictly a combination of the Federal and State money in the seven geographic regions, which what we did was took—we have 14 highway districts and so we combined two highway districts, and by combining the two highway districts it gave the department enough flexibility in terms of some projects being further along in planning than others. So it was a matter of flexibility that we reduced it to seven.

Mr. MINETA. And how have you enhanced flexibility by freeing your seven geographical areas of some of the federal restraints?

Mr. HUNT. Well of course we still have the federal restraints on any Federal project, but what we allowed in our bill was that any of the Intrastate System, you might could call it highways of State significance, that we were going to put the money in, that were any projects that were eligible for federal money, they could use Federal money on that and then that would free up State money to go into bridge repair or whatever.

Mr. MINETA. Do you know offhand what percentage of dollars the program earmarked for rural areas as opposed to more urban areas, as well as how the General Assembly arrived at this funding split?

Mr. HUNT. The money in the highway trust fund is tilted slightly—I could stand corrected on that, but I think in the rural favor, but at enough to answer the urban needs and also by increasing the funds, it helped the cities also. But I think, you know, there again if we have a better situation under the Federal—new Federal plan—of course that will be helpful.

Mr. MINETA. The fact that North Carolina has increased its State motor vehicle fuel tax, we may be—given what is happening with the Federal budget and the meeting of the budget summiteers up there, we may be facing an increase in the gasoline tax at the Federal level, and hopefully those summiteers will allow that money to be spent for transportation infrastructure programs. How do you think your constituents would react to that?

Mr. HUNT. Mr. Chairman, I think it's essential for public support and confidence that—it certainly has been in North Carolina, and I feel at the Federal level it is the same way, it is the same taxpayers—that the money be spent for the purpose it is raised. And I think we have established pretty clearly a precedent that the people that use the roads ought to pay for them and I think if we start asking them to pay off their road usage for something else, it will deteriorate public confidence and it will be a step backward.

Mr. MINETA. Well we want to be sure that the gasoline tax, if it is adopted by the budgeteers—by the summiteers, I should say—that by golly, they do make sure it goes into transportation infrastructure and not divert it to deficit reduction. As laudable a goal as that may be, to me it takes the trust out of a trust fund, if we break that linkage between gasoline tax and transportation infrastructure projects.

Very well. Congressman Valentine.

Mr. VALENTINE. Mr. Hunt, did not the General Assembly in North Carolina at last session go into the—do the very same thing that we are concerned about here? That is, take part of the money that is collected from the gasoline tax and put it in the general fund?

Mr. HUNT. Congressman, from the time the ink was dry on our highway trust fund bill, there were people who wanted to obtain money from it for other purposes. It started out there was $106 million that they wanted and then it was $30 million annually on a permanent basis. Because we have developed this strong support through our oversight committee and the members being involved in what is going on in transportation and the money being used for the purpose intended, we were able, particularly in the House, to defend that and it ended up that they did get one time $17 million, and if revenues come in as we hope they will, that will be repaid to the highway fund, so that we will not lose anything.

But we have had to fight the same thing that you are hearing with the summiteers, but I am happy to say, with members of our oversight committee and Representative McLaughlin in the Appropriations—he is the highway fund chairman in the Appropriations Committee on the House side, we were able to do pretty well under current circumstances.

Mr. VALENTINE. But they did get some of it though, did they not?

Mr. HUNT. They got some, subject to repayment.

Mr. VALENTINE. And is that written in the statute?

Mr. HUNT. Yes, sir.

Mr. VALENTINE. And that was money that the General Assembly, under those circumstances, did authorize them to take from the fund, the user fees that we have been talking about, a diversion to help support public education but the General Assembly—they have the knowledge that they will have to revisit that, that that cannot be—you know, will not just drift along and get bigger and bigger.

Mr. HUNT. Congressman, that is correct. In other words, this was a 1-year only, and I will not go into boring you with all the details of what it was, but it was money had revenues not been down, they would have got anyway. And if revenues increase, we will get it back. So it was strictly a 1-year thing and we were quite pleased to end up with that situation, considering what they wanted.

Mr. VALENTINE. Can you tell us, Mr. Hunt, generally what other sources of revenue—from whereabouts does the other money come in our state, tax funds, to support the highways and infrastructure? In other words, what happens to the money for automobile license plates, drivers license, that sort of thing?

Mr. HUNT. Yes, Congressman, as part of this bill, in addition to raising the gas tax to the level it is, we also put a use tax on—highway use tax on automobiles of three percent, which was the biggest single component of our bill.

Mr. VALENTINE. Does that have a cap on it?

Mr. HUNT. It has a thousand dollar cap now and will go to $1,500 in I think another year or 2 years. And then we raised the title fee, which was another big component, from $5.00 to $40.00. In other words, about every—it was a potpourri or smorgasbord of taxes everywhere, and fees, that we could come up with the amount of money that we needed because we could not get the $9 billion on gas tax alone.

Mr. VALENTINE. Now I want to ask you a question, and I want you to know that I know the answer to it. I just want you to tell Congressman Mineta. [Laughter.]

Mr. MINETA. That is always true of every question he asks, he always knows the answer.

Mr. VALENTINE. The way that we build highways in the State of North Carolina—this was alluded to by previous witnesses—if Charlotte wants to build highways and streets within the corporate limits of the city of Charlotte, they can use tax money that is collected in Charlotte in any way they want to, can they not, to do that?

Mr. HUNT. I think they can.

Mr. VALENTINE. But they do not have any additional revenue use taxes. There is no additional tax—when you buy gas in Charlotte, there is no way they could charge an extra penny per gallon or anything of that kind.

Mr. HUNT. They have asked for that but they have never had that authority.

Mr. VALENTINE. That is because of the fact—and the same thing applies to Mecklenburg County and Wake County, which goes back to the fact that the State of North Carolina finances—levies the tax and builds the highways, is that not right?

Mr. HUNT. That is right.

Mr. VALENTINE. So you do not have a situation like you do in some places in this Union, as I understand it, where a county will build the roads. No counties build any roads in North Carolina, is that not right?

Mr. HUNT. That is correct.

Mr. VALENTINE. So you do not have—when Chairman Mineta asked you the question about when you divide this money up and this region gets this part and this region gets that and so on, there is really no way for the region to make a contribution to this except a city can build streets, is that not right?

Mr. HUNT. That is correct.

Mr. MINETA. Would the gentleman yield on that?

Mr. VALENTINE. Yes.

Mr. MINETA. So things like a driver's license fee or a motor vehicle registration fee, that is not by formula shared with local government or with a county commission, it all stays at the state level.

Mr. HUNT. That is correct.

Mr. MINETA. Thank you.

Mr. VALENTINE. Has any consideration been given recently, as far as you know, to changing that? That is to look at the situation in the rest of the country and see what other states are doing and if it is time for us to make—you know, not suggesting that anybody knows better than you all what to do, but I think it is always a good thing to find out what the competition is doing and see if it is time to make some adjustments in that area. I just mention that.

Mr. HUNT. Well certainly I am more prejudiced to the way we do things in North Carolina.

Mr. VALENTINE. Oh, I am too, I do not want you to interpret anything I say as any disloyalty. [Laughter.]

I think it is best too. Even though we still stay last in a lot of places, I think it is best.

Mr. HUNT. I would not have a comment on that, Congressman.

Mr. VALENTINE. Okay. I am almost finished. You talked a lot about flexibility. Is flexibility not one of the things we have been suffering from, in the sense that when you look at the word flexibility and the ways that Congress provides discretionary ways that people in the Federal Government can make money available at their own discretion—is flexibility not one of our problems? Do we not need—is there not too much flexibility in the bureaucracy in what they do with mass transit? Do we not need to tell what the formula will be? Do we not need to direct the people that North Carolina will get more than a nickel out of every dollar? Is that not too much flexibility?

Mr. HUNT. Well I think it depends on how you define the flexibility, but we want to be able to get our share of the money and when it gets here do what is needed with it rather than what is directed. Now however you can define that, I think that once the money comes to North Carolina under the existing things that we have done, I think you can be pretty satisfied that it is going to be done in an appropriate and fair manner and it will be supported by the people who pay it. Other States may not have that structure that lends itself to that. And certainly it might be—if I read your question like how can you have flexibility and some control at the same time to make sure it is done like you intended. It could be some type of certification or accountability that if you are doing—if you are maintaining your Federal system properly, then you do not have to go through all the red tape, and those who do not do it properly, maybe they do. So you know, it could be some States——

Mr. MINETA. Would my good friend yield at that point?

Mr. HUNT. Yes.

Mr. MINETA. But that flexibility—and as you say, the definition of it may depend on who is speaking, a mayor have a different idea as to what the idea of flexibility is, as a State representative or a city director of public works may have a different idea of what flexibility means compared to the secretary of transportation.

I know from my mayoring days, I used to get flexed by the State all the time. [Laughter.]

One of the things that flexibility also means is is there a good council of government or some fair place where everybody is going to be able to mix it up with give and take and then come out with a final solution. Is there a council of government or some kind of metropolitan planning organization where that mix will take place and people can really thrash it out there to come up with a plan. And frankly, as I look at the country, there are probably a handful of places in the whole country that have a good council of government or a good metropolitan planning organization where that might occur.

I am all for flexibility, but as you said, it is also a question of control to make sure, quote, "the right thing gets done".

Mr. HUNT. Well Congressman, I think one thing in North Carolina is that since we do control all the roads, you know, pretty much in the State and we do not have county systems, I think that we are in a better position to handle that than maybe where you have a State that has one strong county here and one weak county system there and it does—I think that North Carolina is better for that and of course in the past when we were building the Inter-

state System there needed to be more money—if it was not required, it probably would not have ever been built as fast as it was, so that now that that is completed, we need to be able to use some of that money in other places.

Mr. MINETA. Well let me ask you, where does that coordination occur of a city doing its thing and the State doing its programs and all of a sudden you have got, let us say, a four-lane highway that comes to the city line. What is on the other side of that city line, it may be a two-lane road there, so where does that coordination take place?

Mr. HUNT. That is still a State highway. In other words, a State highway can go through a city.

Mr. MINETA. You see, one of the things I see wrong with what has happened in terms of the Interstate Highway System—we built a great system between cities and we came to the point of getting to the city and then we dumped all that traffic into the city and said okay, it is all yours now. And then the cities would come back and say hold it, we now need a bypass around our city because of what is occurring. So when you see these beltways, so to speak, being built around cities because of what the Federal Interstate System did, I am wondering what is going to happen here in terms of the aggressive program you have undertaken and what kind of coordination is there between local governmental agencies and the state as they come up with their plans.

Mr. HUNT. Well the flexibility that we have in our Intrastate System is, depending on the traffic and the situation it depends on whether there will be a bypass, an on-grade crossing or an interchange, and that will be upgraded as—you know, the more you build, the same thing happens with the Federal program, they develop and get more traffic and so you have got to upgrade it. But those decisions, we feel like we need to have some more control over that in the States, recognizing that you have responsibility to make sure it is not out of balance.

Mr. MINETA. I appreciate the gentleman yielding.

Mr. VALENTINE. I cannot let this flexibility thing pass without sharing with you a little political history. There was a Member of Congress from my home town by the name of Harold D. Cooley, who served in Congress for 32 years, he was chairman of the Agriculture Committee. He had a big problem with a thing called flexible price supports, flexible supports. To dramatize his aggravation with that sort of thing, he would go around with a rubber walking cane and he would stand up and say this cane—look how this cane supports me, flexible price supports, and of course he would press it to the ground and it would buckle. So when you get into flexibility sometimes you come to a contradiction in terms as you do with flexible supports—at least that is what Mr. Cooley contended.

And I see that you all obviously do not find that as interesting or amusing as I did. [Laughter.]

One final question. Do you think that there is any solution to some of our problems that you would like to discuss with us to going down to some of these wonderful sections in eastern North Carolina—we do not have big enough cities to generate toll roads and movement of traffic and that sort of thing like the New Jersey Turnpike and even Richmond-Petersburg. But where there has

been great hue and cry for the construction of bridges going back through my political life, to go down and say we will build you this bridge, the bridge is going to cost the State $30 million and we are going to let the taxpayers put in a couple of million and we are going to put a toll on it. Then you can get from here to there and you will not have to bother with a ferry, you can get to your job and this place and that place.

Do you not think that it is time for us to give some thought to that, free up some money, when you have to build bridges down in that part of the country, sparsely populated? It takes a lot of money, they are entitled to means of transportation—you know what I am talking about, there are some places where you can look across the river and you get across there on a ferry with just a few miles, but the population is not such that you are required to spend a lot of money. What do you think about solving that problem with tolls?

Mr. HUNT. Certainly I think toll roads are something that is being discussed and studied, and where it would be appropriate, you know, I think it is a good idea. There has to be enough traffic to pay for it, that is the biggest problem in North Carolina, outside of a few bridges or isolated places, is to have enough limited access traffic going between two points to justify the cost of the toll road.

Mr. VALENTINE. Thank you, Mr. Chairman.

Mr. MINETA. Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman, I would like to pick up on Mr. Mineta's earlier point about regional authorities and the extent to which over the long haul we are going to factor effective regional planning and coordination into the system. We do have, of course, councils of government, we have more and more discussion anyway of regional needs for environmental protection, regional needs for some kinds of mass transit alternatives and so forth.

How do you see that kind of regional plan—I realize we have a State-centered system that is about as centralized with the state as any in the country. I wonder though down the road how we factor effective regional planning into the system.

Mr. HUNT. Congressman, while we do have a central system, I think we do at the same time have a regional approach with the 14 highway divisions, the engineers and the board members and the planning that we are doing, you know, with our TIP, 7 years out. I feel personally confident as to the approach our department is taking on that and I know, speaking for our region, which is the Piedmont, Guilford, and Alamance, that area, we do not see that as a problem.

Mr. PRICE. That will be a question, of course, that we would need to take up with our mayors and local officials later today.

Thank you, Mr. Chairman, I have no further questions.

Mr. MINETA. Well Representative Hunt, let me thank you very, very much for your leadership again in this issue and I appreciate Mr. McLaughlin and Mr. Creech being here as well. We appreciate your leadership, especially on the appropriations side, that is a very, very important part of it, Representatives McLaughlin and Creech, so again, thank you very, very much for your presence here.

I would now like to call on those who really have to answer to constituents, mayors. The Honorable Avery Upchurch, mayor of the city of Raleigh. I would like to have Mayor Upchurch come before us at this point. Having been a mayor myself, I can appreciate very well—it is an exciting job, exciting position that you are in. So let me go ahead and submit your testimony for the record, and if you would go ahead and proceed in your own fashion, sir.

TESTIMONY OF HON. AVERY UPCHURCH, MAYOR, CITY OF RALEIGH, NC

Mayor UPCHURCH. Thank you, Mr. Chairman, Mr. Valentine and Mr. Price, I am pleased that you are in our region holding these hearings.

Also, I was very attentive to the comments that you made on behalf of Mr. Valentine, even though Mr. Price is my Congressman, if someone were to mention Congress to me, I would think of Tim Valentine. Being a mayor, there is no committee as important to us as the Public Works Committee. So your entire committee is the one that I listen and watch most often because you certainly do play a major role in all the things that we are attempting to do. You know what has happened in recent years as cities have taken on more and more responsibility, and we have faced some major ones and I feel like today my comments will not be just for Raleigh but it will be for a medium-sized city nationwide. I am on the board of the National League of Cities, so I know many of these people across the nation, but Raleigh is in that category of medium sized.

Mr. Price, I like you as my Congressman too, so I do not want you to misunderstand when I said I thought about Mr. Valentine, but there is a major role there that we do appreciate.

I believe our city's——

Mr. VALENTINE. Mayor. I apologize for interrupting you, but I must say before I forget it, I must compliment you on your testimony up to this point and say that you, thus far, have made wonderful sense. [Laughter.]

Mayor UPCHURCH. Well I will even take it further. I hope I can see the day when you are chairman of the Public Works Committee, and I have been telling you this for years and years, that you just stay there. [Laughter.]

No, he had some doubts about that committee in the earlier years and I kept reminding him that he was in the right place.

Mr. VALENTINE. That is true.

Mayor UPCHURCH. I certainly do appreciate it and the people of North Carolina do.

Let me move right along into these comments, and I am sure I am going to be using the same words that have been used before here today—the word flexibility that you were playing with a few moments ago, and I am not sure how you are going to use it against me or with me in a few moments.

I believe our city's large population, its dominant role in the greater urban and regional setting, and its proximity to State government qualify us to understand the transportation needs of the modern city.

On one hand, our problems are based on magnitude; urban congestion, safety, air quality. On the other hand, the problems relate to the legislative process; highway funding and the flexibility of regulations concerning that funding.

What are the highway concerns of the modern city? Our experience shows several, including making accurate needs projections in the face of shifting demographics; a growing gap between urban jobs and existing transportation systems for suburban areas; increased urban and suburban congestion; growing maintenance needs as capital projects reach the end of their design life; rising public transit operating costs; and federal mandates for transportation programs to reduce air pollution.

We know that these are problems that we almost must solve without additional funds, unless something can be worked out. We have already made and won a case in North Carolina and you have heard that story this morning, and I think it is a story. North Carolina cities are well underway in many street improvement programs. We spend some $283 million annually on streets and transportation. And there is some $80 million above that that we spend out of our operating budgets and I noticed a few moments ago some question about do we spend other moneys, and we do spend other monies.

What we need now is a partner, not only in funding, but in understanding the program needs we have.

We encourage a major increase in highway funding if that can be accomplished within the context of managing the federal deficit reduction. These numbers are really up to you, but the way we see it, it is really quite simple. Infrastructure improvements increase the country's productivity in greater proportion than the dollars spent. The continuing concern over the short-to-mid term economy may factor into the need for this program.

Funding flexibility. Almost as important as funding to us at the local level is a problem that Congress can more easily address; providing flexibility in spending the funds you provide. Nothing is more frustrating to citizens and officials or makes a centralized government appear more ineffectual, than to have money available that cannot be spent on obvious needs. To offer a lug wrench to a traveler who is out of gas is foolishness at its height.

Mr. Mineta, you have been a mayor, as I heard you say this morning, and you know the importance of funding flexibility at the local and State level. If the Congress truly wants to improve transportation, make the funding flexible like a block grant. Make it so we can spend it with local needs in mind, so long as we satisfy you that we are meeting the national goals you have set out. Do not pigeonhole the money so it must be spent on lower priority needs just to meet standardized goals.

The block grant concept is more in line with the realities of transportation needs funding throughout the country. You cannot expect the variety of circumstances in size, needs and investment be met by a single national program that targets its funding in such a narrow way. I feel your emphasis should be more on meeting the goals, not so much on how the goals are met.

Current highway funding categories are too restrictive and do not correspond to where local officials know and understand the

problems are. I urge you to let us match the funds with the problems. If we are allowed to do this, we can better meet the problems of congestion, safety and air quality, with solutions like outer beltways, pollution controls, urban and rural access roads and the like.

This next gets right to the heart of what was being said a few moments ago, and I would welcome a question about MPOs because I think we have a situation here that is an example. Continue the MPO process. You have heard of the three Rs, let me mention the three Cs. We enjoy an excellent relationship with the state DOT in the three Cs planning process; continuing, comprehensive and cooperative planning, as it is known. As chairman of our area TAC committee, I can speak directly and earnestly for the value of this process. I believe in the fundamental responsibility for transportation planning and decisionmaking being placed at the State and local level.

North Carolina has good experience with the MPO process. As a matter of fact, to digress a bit, we have two in this immediate area and now we are beginning to meet, and my reading for this weekend will be three consultants' reports which we have commissioned as a joint venture to study the very issues we are talking about. So we are on top of this constantly.

And then we support urban congestion management. Along the same line I have discussed with this theme of flexibility, we support the preliminary urban congestion management system proposed. For a populous city like Raleigh, where we function as the major metropolitan hub for this part of the state, we encourage the flexibility outlined in this plan. We feel that it will help us relieve congestion, air pollution and reduce energy consumption by recognizing locally-determined practical applications and technological solutions to the problems. An example of this flexibility as applied to energy savings is the opportunity to pay for a highway interchange instead of a highway intersection.

And let me just close with this little remark—in conclusion, we would like to have more money with fewer strings. What we may get is more money with more strings. But if you decide to keep the money, please keep the strings. [Laughter.]

[The prepared statement of Mayor Upchurch appears on p. 3370.]

Mr. MINETA. Very good. Well said, Mayor Upchurch. I can relate to your whole statement.

You had indicated that you have an excellent relationship with your State department of transportation in the three C planning process. However, as we review the structure of MPOs throughout the Nation, we find varying relationships among the States. Is there a need to revise the three C planning process to ensure that transportation plans support local, State, and Federal objectives?

Mayor UPCHURCH. I am not sure that I have thought of a need for revision, because as I say, we have a system that works and we do exactly what you said, we get in the room and roll up our sleeves and we have—probably the strongest debate now is are we putting sufficient funds into the transit systems that we talked about versus the automobile—roadways. We probably debate that one the most, but we are coming to grips with it.

So ours works. As I said, we did not remain in the communities around Raleigh and the communities there, we have expanded it to

jointly begin to talk with the one in the Chapel Hill/Durham area and we have a Triangle Council of Government which is six counties, and this is the heart of all of this activity, within these elements I just mentioned.

Mr. MINETA. TAC you mentioned is what?

Mayor UPCHURCH. Transportation Advisory Committee, that is the MPO, it is the same thing.

Mr. MINETA. And that is a six-county——

Mayor UPCHURCH. No, that is the urbanized area in Raleigh. Then you have it—they call it MPO, I should not have used TAC I assume, because that is the former designated, I believe, designation for the Transportation Advisory Committees, now they call them Metropolitan Planning Organizations—it is the same thing.

Mr. MINETA. Now throughout these Subcommittee hearings, we have heard two recurring themes. One is, as you said, you would like more money and the other thing of course we hear about is flexibility. Now would providing flexibility for the use of Federal aid highway funds give urban areas sufficient leverage to meet their transportation needs?

Mayor UPCHURCH. If there was sufficient funds to match the flexibility, I am sure it would. Maybe I did not grasp your——

Mr. MINETA. In other words, a lot of times if you only have so much money, you can really make it go further by having flexibility. And I am wondering in this case, given—I am hoping we will end up with more money and with more flexibility, but you have read about all of our budget problems at the Federal level, so we may not get as much money as we had—as I am hoping for. We may only get this much money. But will flexibility give you more ability to leverage the use of the money you get, to make it go further?

Mayor UPCHURCH. I can only use my city as an example. Soon after becoming mayor, that was one of the major initiatives, was a transportation improvements program in the city. We have leveraged our funds with the State department of transportation in being a partner with them in building projects that would go to a certain point and urge them to pick up. We have used a leveraging system and that flexibility, and that gets back to Mr. Valentine's or Mr. Price's reward. If you could offer the reward for those that will invest.

We are investing ad valorem tax money for the building of roads in my city. We took on that initiative and we issued bonds and the people approved it, and the vote was 80 to 20, 80 percent approval. So we are actually in a position, and we have many projects within our city that we have actually worked with the department of transportation in a joint venture and we are building roads, we have probably some 43 projects in and around our city and some of those are $10 to $20 million projects. They are not all just small bridge replacements.

Mr. MINETA. You require what, two-thirds for general obligation bond passage, or is that just majority?

Mayor UPCHURCH. Majority, just a majority.

Mr. MINETA. And then the population of Raleigh is what, roughly?

Mayor UPCHURCH. 220,000.

Mr. MINETA. Very well. Thank you very much. Mr. Valentine.

Mr. VALENTINE. Mayor, would you, without taking up a long time, just give the chairman and our other visitors just kind of an overview of the situation in this area, the population increase in Raleigh—when did you become Mayor?

Mayor UPCHURCH. 1983.

Mr. VALENTINE. And the growth from 1980 to 1990 in Raleigh-Durham/Research Triangle Park, the airport and that sort of thing. The population figure, is that what you anticipate population will be after the census?

Mayor UPCHURCH. The census—we were estimating from our planning department that it would be 225,000, the preliminary estimates are looking about 210, so I was kind of hitting in the middle there. In 1980, we were 149 and that growth is similar to the other parts of the region, Raleigh-Durham-Chapel Hill area.

Mr. VALENTINE. And Durham would be approximately what?

Mayor UPCHURCH. I think they are probably 160-70,000. I am really pulling that one out of the air. Someone will be here from Durham later.

Mr. VALENTINE. Well a lot of things have happened around in the area, road construction, over the past several years. Raleigh is now completely belted, so to say. There is an inner loop——

Mayor UPCHURCH. Yes.

Mr. VALENTINE [continuing]. And the outer—the plans are for an outer loop?

Mayor UPCHURCH. That is correct, it is supposed to eventually be a total loop, but the original part will be connecting the 64-264 corridor with the Outer Banks, Nag's Head-Manteo area into Highway 40 at the airport. So that is probably 30 to 40 percent of the total loop that will eventually go around the city.

Mr. VALENTINE. Is there a way you could describe for us by mileage or any other way, the paving that has occurred, the other road construction, the improvements, extensions and widening in this Raleigh-Durham-Chapel Hill area over the past ten years?

Mayor UPCHURCH. All I know is that within a five-year period, we have either completed or have under construction some $120 million of roads in Raleigh. Now you need to go to DOT records to find out what it is for the immediate area, but that gives an example of how much we are investing within our city.

Mr. MINETA. I am sorry, what was that time period, $120 million in what——

Mayor UPCHURCH. We began the program in 1985 and actually probably completed the first project in 1987, so we are cutting a lot of ribbons now. You know, those are rewarding days when you cut the ribbon.

Mr. MINETA. Absolutely.

Mayor UPCHURCH. And our people—as was said by Mr. Hunt and I believe Senator Goldston, the people of North Carolina accepted paying for this transportation system and the people of our cities, as I said, they voted for the bond referendum. And overall, I do not find an objection to a system that can be planned and improve the roads for safety, air pollution. We are a mobile society and if we do not protect that mobility, I do not think we have much future.

Mr. VALENTINE. Mayor, I want to say for myself, I do genuinely appreciate what you said earlier in your testimony. I remember those discussions, I did think about making some changes, but that is in the past. I do not have any—I want to say for the record also that I do not have any aspirations to be chairman of the committee as long as Mr. Mineta is on the committee. [Laughter.]

Mr. MINETA. I heard that distinctly.

Mr. VALENTINE. One final question. I would like to ask you, Mayor Upchurch, and indeed anybody else here within the sound of my voice, to invite you to consult with the wise men that you have access to and give us—give me and our subcommittee, your advice as to how we might try to craft—try to formulate something to present to our colleagues or to consider presenting to our colleagues, that will reward states that have done what North Carolina has done, and not penalize them. Now that is going to be a neat trick, because as I see it on the face of it, it is going to be taking the position that if you have raised your taxes to solve these problems, we are going to give you more Federal money. I think it has to have that in it, but I would ask you to give that some thought and share your ideas along those lines with us.

I do not have any further questions. Thank you, Mr. Chairman.

Mr. MINETA. Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman. Mr. Mayor, I would like to add my welcome to this hearing this morning and commend you for the leadership you have exercised, particularly in transportation areas, as mayor of Raleigh. That leadership is widely recognized to be outstanding.

You have testified very strongly about the need for flexibility, the fact that the current funding categories are too restrictive and do not correspond to where local officials know the problems are. Could you elaborate on that? As this committee looks at this legislation, tries to improve the statute in the future, could you elaborate on how the rigidity of present categories have held us back, the kinds of specific changes you would want to see?

Mayor UPCHURCH. I thank you for the question. I am not in a position this morning to give you detailed specifics of various cases and situations in which we have had to deal with conditions that maybe curtail or either delayed or almost prohibited some of the projects that we are dealing with, but each time we go into one of these projects, there are many requirements and regulations that we are confronted with that makes it more expensive. However, there are certain environmental requirements that some people become very alarmed if we move a project forward and because we will not have to meet a Federal requirement—we just need to put our heads together and work out a plan in which we can build projects that meet local needs and at the same time does address what the Federal Government is requiring be done, because every region, every area of the nation is not alike, is not in the same situation.

Mr. PRICE. Let me just invite you to submit for the record if you would like some of the specifics along those lines, especially in terms of the funding categories and the way they might be made more accessible to you. We would welcome that kind of specific testimony as we get—move the legislative process along.

You talked about the MPO process and said you would welcome a question about that. I would like to give you the opportunity to elaborate on how that has worked here because I think we all recognize the importance of that kind of planning.

Mayor UPCHURCH. Well I can recall very distinctly back in the early 1980's, it was not that important. We were just really beginning to grow and become a stronger region. I have chaired this one in Raleigh since the beginning, since I became a council member, and I have seen the expansion into other communities; the Marshvilles, Carys, the Apexs, the Garners and then the greater Raleigh area, and the same thing has happened in the Durham and Chapel Hill areas. And so we have been working with one another as we built plans for the outer loop. The outer loop was planned because we were all working together.

The counties basically were not too involved with that decision because they do not build roads, but they have land use control which is so important to transportation planning. So they have entered the picture and now we have the county commissioners and they have become more involved in transportation than they were at one time because again, council governments are counties and cities.

So I almost feel that we have an ideal situation in that we are meeting—we organized the regional transit authority which came out of this very group, as the forerunner of transit authorities in urban areas of North Carolina. That has been organized, is moving forward and in a few months I believe, we will have actual activity, whether it is bus or rail, there will be something taking place because the MPOs, with the council of governments worked together.

Mr. PRICE. How many jurisdictions are involved in that authority?

Mayor UPCHURCH. The authority is the Raleigh-Durham and Chapel Hill, three counties, three counties out of the six. These are the urbanized. But see, the towns of Chapel Hill, Raleigh and Durham have transit systems and then in the middle we have the Triangle Park where there is none. The Triangle has become the hub of the transit system.

Mr. PRICE. We have heard a good deal of testimony this morning about the imbalance between what North Carolina pays and what we get back in terms of transportation funds in general. That disparity is especially striking in the mass transit area.

Mayor UPCHURCH. It certainly is, and I have read the records of the dollars that have been spent in the districts of some Congressmen that I will not mention today, and that is the reason I follow the Public Works Committee so well, just observing how these moneys did go into some of these areas. And I recognize there are no monies available any more for establishing, initiating or planning or building one of those systems. We have come up short in this and we certainly need to look for assistance.

Mr. PRICE. Well there is a strong implication that one of the problems is that lack of flexibility that you identified.

Mayor UPCHURCH. That is right.

Mr. PRICE. That the way that mass transit assistance is defined, the kind of criteria that are contained in the law, simply prevent us from making an effective application for those funds. You talk

about the discussions that have gone on within the region about highway needs, our public transit needs. What kind of changes are going to be required in federal law in order for us to get the help we need, to do better than a nickel on the dollar, and of course the point is not just to get money for money's sake, but to be able to address the needs that we all recognize that we have and are going to have in the years ahead.

Thank you, Mr. Chairman. Oh, I am sorry.

Mayor UPCHURCH. I appreciate the homework assignment that Mr. Valentine and Mr. Price gave me, and I did record that mentally and I will go back and try to respond to those two questions.

Mr. PRICE. And if I could just add to that. I think whatever reflections you have on what it is going to take, what kind of changes it is going to take to enable us to apply effectively for assistance in this mass transit area in particular.

Mr. MINETA. Well Mayor Upchurch, thank you very, very much for your being here today.

Mayor UPCHURCH. Thank you, sir.

Mr. MINETA. I would now like to call on the Honorable Lucy Allen, mayor of the city of Louisburg. We are pleased to have you here, and you may go ahead and proceed in your own fashion.

TESTIMONY OF HON. LUCY ALLEN, MAYOR, CITY OF LOUISBURG, NC

Mayor ALLEN. Thank you, Mr. Chairman. Mr. Chairman, Congressman Valentine, Congressman Price, ladies and gentlemen, I am Lucy Allen, the mayor of Louisburg, North Carolina. I am afraid it is a town, not a city, just under 4,000 in population. But when it does come to the needs of transportation, perhaps I can speak for much of North Carolina because ours is a State of small towns. We have 506 active municipalities and nearly 50 percent of our population is municipal, 90 percent of our towns have fewer than 10,000 people.

Mr. Chairman, you have heard many facts about North Carolina's highways today that your subcommittee should know, and I may be adding to that refrain and repeating it and I hope that will mean you remember the song when you get back to Washington, and hum it every now and then.

Our State does have a highway network of more than 76,000 miles and it is the largest State-maintained system in the nation. The State is a major trucking center for the country with over 700 trucking firms providing service to virtually every community. In addition, there are more than 14,000 miles of municipally-maintained streets. Yet you have heard that North Carolina is a transportation donor, and nowhere is that more apparent than in our return for rural highways. The need is great and the return is small.

As a mayor, I have been active statewide and nationally in discussing the problems and opportunities of small cities and towns. From where I stand, none of these is more critical than transportation at the local level. To put things in perspective, there is no national transportation problem, but a series of individual and local

transportation problems that, taken together, do constitute a national need, beginning in the small towns.

Urban and rural areas are now and always interdependent. Rural areas and small towns need safer and better road access to urban areas for shops and for jobs. Urban areas need access to a labor force and markets. Because we understand this locally, cities and towns in North Carolina are in the roads business as never before.

I want to impress on you four things about transportation programs and transportation funding.

First, the need for rural access.

The need for significant national investment to augment local funds.

The continued need for local involvement in transportation planning.

And the implication of other decisions you as Members of Congress will make that control the destiny of highway funding.

As to rural access, past transportation policy has focused mighty heavily on urban and interurban transportation needs while failing to adequately fund transportation needs in rural areas and small towns.

In the strongest and simplest terms, adequate funding of rural access is important as a way of building up our urban areas.

As you discuss and debate terms like "roads of national significance", keep in mind that in North Carolina and much of the country, it is small cities and towns like Louisburg that will provide the growth, vitality and economic progress for areas like Raleigh, Charlotte, Atlanta, Baltimore. It is we, and hundreds and thousands of areas like us, who will fuel the engine of their prosperity. This strategic importance must be recognized and planned for in the funding of highway programs, and I present that as a basic need for your committee to address.

Local and State investment. Local governments have been raising and investing local dollars in transportation programs while the Federal Government has been retreating in its responsibilities. Nationally, the Federal share has reached its lowest level in 27 years, according to figures from the National League of Cities, while the local share has risen from 41 to 53 percent. Between 1984 and 1987, the Federal share dropped from 31 to 23 percent and all States' share from 29 to 24 percent. We might not remember the percentages, but the trend is significant.

In North Carolina, this picture is dramatically different. Ours is a true partnership in which the State understands the return on investment from highway expenditures and has put its money where its mouth is. More than $80 million is made available to municipal governments for local street improvements and maintenance, and in addition, the State raises and spends $1.1 billion for its basic State highway funding program.

You have heard about the major new initiatives that the 1989 General Assembly passed in legislation to finance $9.2 billion in new highway improvements over the next 13.5 years. This measure established a new highway trust fund and uses revenues from a gasoline tax hike, as you have heard, and other highway use tax increases. The trust fund will finance an Intrastate System of four-

lane highways throughout North Carolina putting every city and town within 10 miles of a four-lane quality road. My town of Louisburg is exactly 10 miles from U.S. 1 and because of this new program, U.S. 1 will finally be four-laned after decades of delay. Also funded are loop roads in some urban areas and paving of 10,000 miles of secondary roads. We have embarked on an ambitious plan in North Carolina, but we need Federal rural access money to accomplish this work fully. We could also do more if the Federal money we were receiving for our State—a State of our size and complexity—were more equitable. Unless more rural access money is made available, areas like mine will be penalized.

As to local involvement, fundamental responsibility for transportation planning and decisionmaking should be placed at the State and local level. Local governments should have the authority and the flexibility to ensure that transportation plans support local objectives and satisfy local needs. I am active in our region K council of government and planning and the State helps us very carefully with our local thoroughfare plans in towns such as Louisburg, to coordinate what the State will be doing with what local needs are.

Speaking for just a moment, our highway board members, Jim Peden and Nancy Rand, work very, very closely with localities to make sure that decisions fit into local plans. In very much the same way, where there are overriding national or statewide transportation concerns, Federal and State Governments have a legitimate role in planning and decisionmaking, but local governments should never be excluded from these processes.

Finally, I want to touch briefly on topics that I hope you will give more attention. The Congress' search for more money to reduce the national deficit should not undermine basic principles of equity and good government.

Municipally we oppose eliminating the deductibility for State and local income, sales, property and real property taxes. The loss of deductibility will make it much more difficult to raise local revenues. It will put pressure on local governments to reduce spending for important projects. It will lower bond ratings and it will increase the cost of municipal borrowing at a time when city infrastructure needs are increasing.

We support continued exemption from taxation for bond proceeds which are used to finance critical types of infrastructure facilities such as airports, roads and bridges, mass transportation facilities and water, wastewater and solid waste facilities.

We support spending down the Federal highway trust fund and I will mention the aviation trust fund, and consider it dishonest to tax for these important highway and aviation programs and not spend the money for its intended purposes. Holding this transportation money hostage increases our tax burden and frustrates citizens' reasonable expectations of government.

On September 28, my county, Franklin, will break ground, thanks to the efforts of Congressman Price and Governor Martin and Secretary Harrelson, on a new general aviation facility which will be a reliever airport for Raleigh-Durham. During that siting and planning process which was lengthy, there was much fear that the government would begin to siphon off the aviation trust fund and that small communities like ours would not have a chance to

have such facilities. We are grateful that the trust fund has remained inviolate and hope it will continue to do so.

I appreciate the opportunity to speak, particularly today for highway needs, from a small town's point of view, and hope that you will keep these ideas in mind as you return to Washington.

Thank you.

[The prepared statement of Mayor Allen appears on p. 3248.]

Mr. MINETA. Thank you very much, Mayor Allen. You are roughly how far from Raleigh?

Mayor ALLEN. Thirty miles, just directly north on 401, which is not four-lane, but which has been widened, which helps. Towns like Louisburg do not expect to have the same things that Raleigh has, but we do need to be sure that we have access in order to keep our area prosperous.

Mr. MINETA. Now in your testimony you recommend greater local participation in the transportation planning process. How are local governments being excluded under the current process, if that is the case, and what changes would you recommend for getting greater involvement of local officials into these critical decisions?

Mayor ALLEN. In the Federal process?

Mr. MINETA. In the Federal process, as it relates to this metropolitan transportation planning process.

Mayor ALLEN. In our rural areas such as Louisburg, we are not involved in metropolitan planning. I would feel that our municipal league would be glad to provide you with specific suggestions as to how you could increase the local involvement. Our transportation board has certainly made every effort to bring in people to add to their input as they work with the Federal Government. I do not have a specific suggestion, but will be glad to look into that.

Mr. MINETA. Mayor Upchurch mentioned the MPO, the metropolitan planning organization. In the case of Louisburg, are you part of this—what is it, the Transportation Advisory Committee—that is not even connected with you?

Mayor ALLEN. No, we are not, we have a local thoroughfare plan, we work within the county, which our county has just developed a county thoroughfare plan. We work within the region K organization, which is a five-county council of governments and we work with the board of transportation in submitting our ideas for the State's transportation improvement plan. We have been given every opportunity to work with our board members and our legislators to meet road needs in our area.

Mr. MINETA. Governor Orr of Nebraska has been very big on this whole issue of trying to make sure that there is rural access and you of course speak to that whole issue of rural access as being a key element of what your own needs are.

Do you have any recommendations as to how there might be a dedicated program for rural access alone, or should it be one of several options for emphasis under a flexible program?

Mayor ALLEN. I am interested in the flexibility because that would give us a chance, in North Carolina—I have very few opportunities to speak to the Federal program and I am delighted for that opportunity today. But I do not hesitate to call my board members or the Secretary of Transportation to speak within North

Carolina on the flexibility of funds and how we think they should be utilized.

I do like the idea of the block grants coming to the States and I do feel that under that type, with supervision and oversight by the Federal Government, that you are going to see very responsible planning on the part of states like North Carolina.

North Carolina is a little red hen, it is doing for itself what sometimes the Federal Government does not do and I think you have heard very adequately this morning that we feel that we should not be penalized because we are doing an excellent job.

Mr. MINETA. So you feel like here, at least, you have got a chance to speak your piece and there is some give and take in terms of how a smaller community of let us say 4,000 can get its voice heard as part of the bigger picture.

Mayor ALLEN. That is correct. We know that we cannot put the money into road projects that some of the larger cities can, but the State has offered us ways to show us that we are sincere in our effort to support our own needs and we have tried to come through with those and I feel that a balanced program that looks at rural access as a need within an entire scope and picture of the national road needs is very achievable.

Mr. MINETA. We had a situation just recently when we were in Arkansas in a hearing where the Cherokee Turnpike on the Oklahoma side is a four-lane wide highway and it gets to the Arkansas border and meets State Route 71 and dumps into a two-lane road.

Mayor ALLEN. U.S. 1 in North Carolina has been that way in some cases until recently, and North Carolina's plan now is to make sure that you do not have that kind of thing happening. We cannot be responsible for other States obviously. We do understand the interconnection of all our state systems and we do understand that each State should be expected to be up to snuff as North Carolina is.

Mr. MINETA. Good.

Congressman Valentine.

Mr. VALENTINE. Let me go back to this often-used words here today, Madam Mayor, about flexibility. Of course there is flexibility and there is flexibility. There is flexibility on the part of the—I guess it would be called flexibility or discretion—on the part of the Federal Government as to—flexibility as opposed to a set formula as to who gets what part of the Federal money there is to be given to the States. And, of course, there is the flexibility that we are talking about here as to how you would use the money that is made available to you.

When you talk about local flexibility, I assume we are talking about being able to—I should have asked this question of Mayor Upchurch—being able to spend the money for the projects that local people think—to fulfill local priorities, not necessarily flexibility to change existing highway standards as to the width of highways and what you have to put down by way of drainage and the weight limits on bridges and that sort of thing. We are not talking about that kind of flexibility, are we?

Mayor ALLEN. Not at all, because North Carolina is making a real effort, across the state we are beginning to adhere to the same standards in many ways, whether it is watershed protection or

something about roads or whatever. So we would never want to in any way destandardize that kind of thing.

Mr. VALENTINE. Yes. I would like to give you—to say first of all—compliment you on your presentation. I think that you have represented your folks very well, and I want to give you a chance to give us a little more information for our edification, for the edification of our visitors and for the record, about the town of Louisburg. It is the county seat of Franklin County, Mr. Price's district of course, and there is a small 2-year college there, right?

Mayor ALLEN. Louisburg College is a nationally known junior college, we are very proud of it. We have a great baseball program, we send many stars to the pros. So we are delighted for the chance to comment on that.

We are excited about our new airport coming and we are excited about the fact that——

Mr. VALENTINE. That is a new airport, a completely new facility.

Mayor ALLEN. Brand new, the ground has not even been broken yet, will be broken, Congressman Price will be there for that event, on September 28 and it will be playing a part in North Carolina's plan to free up congestion of Raleigh-Durham Airport by serving as an important northeastern reliever airport.

We also will be cutting a ribbon on a new road in several weeks, which the state has helped us construct with the realization that we will be able to open up an area for industrial development, which is important to small communities, that we have a place for existing industries to expand and continue to promote our own economic prosperity and self-sufficiency.

Mr. VALENTINE. How much money do you get on an average from the state under the Powell Bill, so-called, which if I might say, if we have never explained this, this is a method North Carolina has devised to—the formula whereby a certain part of the money that the State collects for the construction of highways is shared with its towns and cities, is it not, on a formula basis.

Mayor ALLEN. That is correct, on a formula basis. We are inching toward 100,000 and expect to be over 100,000 as a result of the new highway trust fund program which would increase the amount that we receive. Again, we constructed, in concert with planning with the state, the first phase of a new municipal street with that money and we are hoping that the State will help us to construct the final phases of that particular street.

Mr. VALENTINE. And are you required to spend all your Powell Bill money on street construction, curb and gutter?

Mayor ALLEN. There is a list of things for which it can be spent, all relating to either street construction or street maintenance and upkeep.

Mr. VALENTINE. Thank you, Mr. Chairman.

Mr. MINETA. Thank you. Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman.

I want to welcome Mayor Allen, who is an outstanding mayor of Louisburg and well known across our district and across our State for her leadership. I appreciate her being here today.

This is a model statement, and to most of it I would just say amen. I think the points you have touched on are of great importance and we need to remind ourselves that the roads that have

earned our state in the past the designation as the good-roads State, are those rural roads, that network of rural roads that is unmatched in this country. And while naturally at the Federal level, we are going to be focused on so-called roads of national significance, it is very important that the system as a whole continue to have that kind of balance and continue to provide good rural access.

I think your comments on tax policy are of critical importance. That is not directly within this committee's jurisdiction, but it certainly is within the budget framework that we are working on right now, and it is very, very important to preserve those incentives that have been so critical to the local, State funding of our transportation facilities.

You made a powerful case about the highway trust fund, the aviation trust fund, and on that of course you are absolutely correct.

You refer to the planning process and I would like to ask you to elaborate a bit because we have heard from Mayor Upchurch about the region J process and how that has come to be a true regional process, talking about intercity needs, regional needs, really conceiving of our transportation needs in a new way. Region K of course is a much less urban region, region K is mainly rural, small towns. What form does regional plan take in that kind of area, what are the implications do you think for the way we design the next generation of Federal transportation programs?

Mayor ALLEN. Well I would think from the perspective that planning in region K is a coming together of the minds within the area on all its transportation needs—I do serve on a planning committee which oversees general planning for the region. We work towards looking at our needs, working with our legislators and the board of transportation on making them aware of those needs and it is pretty much like a set of building blocks, that I would see the same thing happening with the Federal program; that is, as we feed into the State program the needs of the rural areas, that they will continue to feed into the Federal program, the needs that we and others across the State have. We do not have as structured a planning process as the metropolitan areas have. But we do try to look out for ourselves, we do lobby constantly for the better roads because you are right, it is—back in the mid-1800s we had a North Carolina legislator who had the dream that if all of North Carolina could be connected from coast to mountains with a series of roads, and at that time ferries and such to cross the rivers which intersect throughout our State, that we could have a prosperous state all the way across, rather than having some regions which suffer because of it.

And that is what we would like to see, just the regional planning that will allow the smaller cities to reach their potential simply through their own efforts and by incentives and encouragement given to that type of program.

Mr. PRICE. Of course you are increasingly involved in the patterns of economic growth and development that involve us here in the Triangle.

Mayor ALLEN. We are in that position. As Congressman Mineta asked me where we were located—we are just north of Raleigh and

therefore experiencing some of the growth and development and problems and the traffic congestion. There are a large number of commuters from Louisburg to the Raleigh area and to the Research Triangle area and the commute gets longer and longer, not because of the distance, but because of the congestion. Yet on the other hand, we work very closely with the regions just north of us because of our actual similarity in the size of our towns.

Mr. PRICE. Well you have preserved a lot of the small town and rural amenities while enjoying some of the benefits of this growth, but there is no question that if that is going to continue, transportation is an important part of the equation.

You mentioned the general aviation facilities, the need to—not just to relieve Raleigh-Durham Airport, but also to provide that kind of facility for your own county. And of course the highway needs have escalated. I assume you believe transportation is critical to keeping pace with economic development or you would not be here today.

Mayor ALLEN. It is critical for us because each of the industries which look at our areas look at roads along with schools and the quality of life and things of that sort. They have to have the access that a good road will provide for them. The state is working with us to do that and we hope that the Federal Government will continue to work with the state to reward the efforts that North Carolina is making.

Mr. PRICE. Thank you. Thank you, Mr. Chairman.

Mr. MINETA. Mayor Allen, in looking at the map, under this new program I take it Highway 1 is going to be upgraded to four-lane. But what about 401?

Mayor ALLEN. 401 is dear to my heart and Mayor Upchurch's heart.

Mr. PRICE. Funny you should ask that question. [Laughter.]

Mayor ALLEN. It was widened, it had shoulders added to it, which has greatly affected the shape of the road, within the last 2 or 3 years. Currently the State is projecting that it will not be four-laned until sometime in the year 2010, 2015, because of other needs in the State. And we recognize that, but the State, Mayor Upchurch, the Wake County Commissioners, are hoping that it will be four-laned at least to Rolesville, which as you will see on the map, is halfway between Louisburg and Raleigh, and a great deal of the traffic will be eased because of that, should that happen. We can live with that very easily, we do not expect a four-lane highway going past every house in our state—do not even want one.

Mr. PRICE. What kind of increases have we had on that highway though, just as an example of the kind of increased use we are having in this area—what kind of increase do you suppose in the last 10 years on U.S. 401?

Mayor ALLEN. I cannot give you the actual figures. I am sure someone on Secretary Harrelson's staff could do that. But I can tell you this, you cannot pass because of the curves on it, there are usually six or seven cars in the morning for the work traffic and coming back, there is always something that you cannot pass. It probably has doubled though, within the last 10 years.

Mr. MINETA. It is pretty flat or is it hilly?

Mayor ALLEN. It is hilly and curvy and it is dangerous as it is. But it bears a large commuting traffic. It is not one of our strategic corridors going into Raleigh according to our State plan, but I think they are making every effort to utilize it as a rural access road so that those who do work in Raleigh can safely and easily reach their destinations.

Mr. MINETA. Well Mayor Allen, I want to thank you very much for your very fine paper, testimony and your excellent presentation this morning. We appreciate you being here. Thank you very, very much.

Mayor ALLEN. Thank you, Mr. Chairman.

Mr. MINETA. I would now like to call on the Honorable Robert Mays, city councilman in the city of Greensboro and a member of the Transportation Advisory Committee. Mr. Mays.

Councilman, your statement and supporting documents will be made a part of the full record, so if you would go ahead and proceed in your own fashion.

TESTIMONY OF HON. ROBERT MAYS, CITY COUNCILMAN, CITY OF GREENSBORO, NC, AND MEMBER, TRANSPORTATION ADVISORY COMMITTEE

Mr. MAYS. Thank you, Mr. Chairman, it is a real pleasure to be before you today.

Just for your information, to get your bearings a little bit, Greensboro is in the Piedmont section of the state, the center of the state, about 190,000 in population and is adjacent to the cities of High Point and Winston-Salem. We also have the nice location of having Interstate 40 and Interstate 85 go through the city limits of the city.

I am indeed honored to be allowed to address you about transportation concerns not only in Greensboro, but concerns that have been shared with me by fellow council members in North Carolina and throughout the Nation.

America, of course, has one of the most comprehensive surface transportation systems in the world, but the clock has been running on this system.

As has been alluded to by my other colleagues, as to the fact that North Carolina has the largest State-maintained system in the country, but even more importantly since 1960, we have increased our number of licensed drivers by 55 percent. Vehicle registrations have increased by 95 percent and our vehicle miles traveled has increased by 168 percent. And all of these changes with a highway system that has only increased by nine percent.

In Greensboro, we have been planning thoroughfares since 1954. Our 1954 plan was one of the first in the country and we are proud of that. Last year, we approved our new thoroughfare plan, which reflects many changes that are taking place in society. You know, change can be dramatic, such as the oil embargo of 1974, or change can be as subtle as the creation of a van shuttle service. The decisions that you make over the next year will cause a change in that pattern.

I did not come here today to tell you only about problems in cities like Greensboro. I think we each have success stories to share

with you. Thanks to a broad community-based citizen effort that focused on transportation as well as other critical areas, our citizens passed in 1988, a $75 million transportation bond program. At that time, that was the largest transportation bond program in the state. We have also as a community begun to face up to the fact that we cannot continue to build just highways, we have to take major initiatives in public transportation, and thanks to some citizen effort, a lot of staff assistance and guidance from NC DOT and UMTA, we are embarking upon that.

Today, I would like to try to point out three items to you that we feel are very important.

Preservation. We must preserve what we already have. We have established a transportation system that cannot be replaced. We must preserve that as a valuable commodity.

We must apply the necessary funds to ensure that our highways, bridges, our railroads and other transportation resources stop crumbling and be re-established to serve future generations.

I do not need to quote to you the number of highways that are crumbling before our eyes or the number of unsafe bridges that are being used every day by trains, cars and yes, school buses.

Funding does not come easy but our policy must address preservation and it must be realistic and fair.

The second point I would point to you would be the combination. We must increase our funding by combining our resources.

We at the local level realize that the Federal Government cannot solve all our problems. We know that from surveys, society believes that it is already taxed enough and many of us believe that the fairest and most equitable taxes are user-based taxes. You will be pressured to look at many funding programs, but we hope you will examine each very carefully. Our future depends on that fairness.

Being responsible and fair includes allowing local and State governments to determine their own priorities and apply those funds. Local communities stand ready, as I believe do State governments, to be partners in funding of highway, transit and other transportation needs in an open and responsible manner. We know that none of us can do it alone.

And at this point, I would say to you, Mr. Chairman, that I have followed closely my two colleagues' comments about COG's and MPO's and TAC's and I would welcome more questions on that at the conclusion of this.

My final point is that we must maximize our technology. In order to solve our transportation problems, we must pursue new technology.

In Greensboro, we are creating a public/private participation system of mass transit. This comprehensive planning method of public transportation can be applied to other areas of the country.

We have also begun the formation of a regional transportation planning organization with our neighboring communities of High Point and Winston-Salem. We have found that our problems are similar. Now we are searching for common solutions.

One common problem that we all probably will face is air pollution and we are starting to work together to develop measures to assist each other in solving.

Greensboro and High Point have joined together to fund planning studies concerning regional highway projects. We have created an intercity shuttle between Greensboro and High Point that since its creation in January is now approaching its capacity. This service is an incubator that will one day lead to scheduled bus service between Greensboro, High Point and Winston-Salem.

We have one of the most successful ride-sharing programs in the country. Municipool has been recognized by many public transportation groups as being innovative and effective at a small cost to the taxpayers.

Our planning efforts have been important in the past and will be even more important in the future. These are just some of the things that we need to continue to do and grow on.

We federally, State, and locally need to find and fund new and innovative transportation applications that are diverse and fit areas needs and the needs of its citizens.

Transportation planning has come a long way since that 1954 plan in Greensboro. We now use computers and modeling packages that tell us how effective different improvements are. The question now is will the funding be there to implement those improvements to our streets, roads, highways and bus systems.

In closing, I would hope that you and the committee remember the preservation of our systems, the combination of our funding efforts and the pursuit of new technology.

We thank you for this opportunity and let us leave here today with a clear understanding of what needs to be done. Now it is up to you and your colleagues to provide us with a program that will take our nation into the first half of the 21st century.

[The prepared statement of Mr. Mays appears on p. 3296.]

Mr. MINETA. That is very fine, Mr. Mays, I really appreciate the thoroughness and completeness of your statement.

Let me ask, you reference the organization of a regional transportation planning organization along with High Point and Winston-Salem. Would you share with the subcommittee how this new organization will fit within and might be recognized by the State transportation planning and funding process here in North Carolina?

Mr. MAYS. Yes, sir. We are very excited about this, because it is not unlike what Avery and Lucy have told you and it is a perfect arrangement, if you will, of combining rural and urban interests. What we have of course in High Point and Greensboro and Winston are three separate MPO's or TAC's. I serve on a TAC but up until just recently we were not able to put those different planning organizations together in a way that our staff could really look at the future of transportation, whether it be mass transit or road transit, together. We have over the last year had joint meetings between the groups, much the same as what has occurred in the Triangle area and I am pleased to tell you that with the state and the efforts that the State has brought forth to us as a facilitator, we are closer now to being able to put together a functioning organization that will look toward the entire region, an 11-county area, and I might digress a moment and tell you that a similar effort is called Triad Horizons, which represents that Piedmont area of 11 counties. And we are speaking to a number of different issues, but

the main point being planning and from my viewpoint as a TAC member, the main point is trying to get our road systems to understand each other's needs and leverage those needs against the short amount of money that we seem to find whenever we get ready to build a project.

Mr. MINETA. So the Transportation Advisory Committee is to the city of Greensboro?

Mr. MAYS. That is correct, just as the TAC in Winston is to Winston and the TAC in High Point. And as Lucy has pointed out before, most of your major cities have TAC's that function within the MPO's. It is the rural interest that has been recognized or dealt with through our COG system, as Congressman Price has mentioned. And we find that there is a problem with that in some regards because MPO's and TAC's have high caliber of transportation staff there for those cities to use. It puts the rural interests at a disadvantage because they do not have that staff and they are dependent upon the COG, which in many cases does not have that expertise either. So it all falls back to the State and the State cannot be involved to a high degree in every area. So I think the best idea for the future is more of a regional effort facilitated by the State, combining your MPOs and TACs into a group with rural interests that can get the job done.

Mr. MINETA. Do you see that happening here?

Mr. MAYS. Yes, sir, I see it happening right now in the Triangle area, in the Piedmont area and in the Charlotte-Mecklenburg area of the State.

Mr. MINETA. In your Piedmont area, you are doing that as TACs coming together or is that because the State is saying "now hear this, now hear this".

Mr. MAYS. There is always a little bit of that no matter what project you look at. But it is really a cry from the citizenry that came to elected officials and said, you know, you guys have to get together to do this in a more efficient manner and we heard those types of requests, and to show good faith in that regard, the easiest way to do it was to look at taking professional staff in these three areas and putting them together. And that is where we are at this point. We hope that it will then broaden out into the 11-county area, and the State has been a facilitator of that.

I have the highest regard for the way the state is able to work with us because we are not so different from a Raleigh or a Charlotte, we put money, our own ad valorem money into roads, but we are able to leverage that money with State and Federal agencies to get more roads built. And that is really where it is.

Mr. MINETA. I would like to have you explain a little bit about this ride-sharing program that you have called Municipool.

Mr. MAYS. Yes.

Mr. MINETA. It has been cited as one of the successful programs and I was wondering how—you know the old joke about "I am from the Federal Government and I am here to help."

How do you think the Federal Government could help in making a program like Municipool may be replicated in other communities or improve what you are doing right there in Greensboro.

Mr. MAYS. Well the municipal program draws on a number of Federal funds in terms of providing vans in a situation where we

can provide citizens that simply call a number with rides, coordinating them to get from their home to work. The program has exceeded our expectations because frankly the American citizen is so wedded to the automobile, it is like prying them loose to get them to ride the bus or to ride in a pool or a van. And we were surprised.

But what happened, the good thing that happened, was that through some good promotion and some good people in the city and a good facilitation between High Point and Greensboro, we have identified the routes that people seem to be using the most of and made it known to them that they can get in this van program. They have been chomping at the bit to be in the van program and we are just overwhelmed with the response.

Now bear in mind, Greensboro has not had a mass transit system other than one provided by a utility company, Duke Power Company, and because of that probably the van pool has been more successful in Greensboro than it would be in some other areas where you had a better mass transit system.

Mr. MINETA. Mr. Valentine.

Mr. VALENTINE. Thank you, sir.

What is the approximate population of Greensboro; that is, projected through the census?

Mr. MAYS. Well depending on who you talk to, you get a different answer, but I will say 190,000.

Mr. VALENTINE. And that will represent what kind of growth over the past 10 years, 1980 to 1990?

Mr. MAYS. Ten to 12 percent.

Mr. VALENTINE. And what would you estimate—the same questions with respect to Winston-Salem?

Mr. MAYS. Well Winston, one of the bedroom communities outside Winston, a town called Kernersville——

Mr. VALENTINE. Oh, yes.

Mr. MAYS [continuing]. Has probably the highest growth rate of any of the three cities around there, some 50 or 60 percent. They are really booming. Winston-Salem, High Point and Greensboro have all experienced very methodical one or two percent growth each year for the last 10 years. So Winston is probably 160,000, High Point is probably 75,000 to 80,000. And so if you look at the greater area then you are upwards of 300,000 for that triad area.

Mr. VALENTINE. Three-county area?

Mr. MAYS. Well it is a two-county area, Winston-Salem and Kernersville being in Forsyth County.

Mr. VALENTINE. Oh, yeah, High Point and Greensboro being in the same county, Guilford, the only county in the state with two courthouses.

Mr. MAYS. That is correct.

Mr. VALENTINE. I used to work with the State Revenue Department in High Point, there's a courthouse in High Point. That is a good way to solve problems.

Mr. MAYS. That is right.

Mr. VALENTINE. Do we understand that there is satisfactory, in your judgment, Mr. Mays, planning and cooperation amongst those three population centers with respect to local highway construction, street construction?

Mr. MAYS. Yes, sir, that is correct, and I would just say on that point, in the last 5 years while I have been on council, we have selected two projects as a group of cities that we had concerns about and were able to leverage together the funds necessary to get the EAS done on some of them and actually get some design work done. So we think it is working well.

Mr. VALENTINE. Would you care to give us more information, to illuminate briefly, the role of citizens of your city, Greensboro, and other areas—other citizens in that area—with respect to the initiatives which you have described in public transportation?

Mr. MAYS. Yes, sir. Some 4 years ago, the city of Greensboro put together a strategic planning organization, we called it Visions, and our purpose there was to let a number of our citizens take a look at different parts of government, of the community at large, what they thought was important. And one of the initiatives that came out of that was transportation, both road transportation and public transportation. And at the working of this committee, they brought to the council the request to enable us to go to referendum, to allow the citizens to vote on whether they wanted to participate in mass transportation up to 3½ cents on their tax rate. It was an overwhelming success from the electorate. They did enable us to do that and in fact we have now completed negotiations to take over the bus system from Duke Power. Duke Power paying their way out of that franchise and effective next June, we will take that over and levy a half cent against that 3½ cent possibility to help run that.

I might also add that the help of UMTA in providing us with staff to study our transportation needs was very, very important and still is important, as is the State of North Carolina.

We also just recently appointed an authority of nine citizens who will then appoint a citizens advisory committee of some 50 individuals from different walks of life to continue to keep that hands-on citizen interest in transportation.

Mr. VALENTINE. And that triad area, the colleges and universities there include High Point College, Guilford College——

Mr. MAYS. Guilford College, Greensboro College, UNCG, A&T, Bennett College and then in Winston we have Wake Forest and Salem College and Winston-Salem State, so we have plenty of colleges.

Mr. VALENTINE. And you have Bowman-Gray School of Medicine, which is part of Wake Forest and that big Baptist Hospital there.

Mr. MAYS. That is correct.

Mr. VALENTINE. Anything else you want to tell us about—no, I do not want to give you that opportunity, we will be here all afternoon.

I do not have any further questions.

Mr. MINETA. Just out of curiosity, how large is the student body at Wake Forest?

Mr. MAYS. I am not certain of the exact figure of that.

Mr. VALENTINE. 3,500. I can enlighten you further on that. That 3,500 includes the medical school, Bowman-Gray, and includes the law school I think. And the law school is completely self-supporting, they rely on tuition and they do not have any student housing. I know, I sent my oldest son there.

Mr. MAYS. Found out in a hurry.

Mr. MINETA. Well, Mr. Mays, thank you very much for your presentation and your work on the Transportation Advisory Committee. I really appreciate too your having included in your—as an attachment on your testimony, this "Commuting in America." I have had a chance to see that in the past and it is a very good analysis of our whole work force and what is happening.

Again, thank you very, very much for your presence here.

At this time, I would like to recognize State Senator Bob Martin, who is here I believe somewhere in the audience. Bob, if you are still here, if you would wave your hand or make your presence known. He walked out, okay.

Let me at this point just indicate that we will go ahead and recess for lunch at this point and reconvene at 1:45.

[Whereupon, at 1:05 p.m., the Subcommittee recessed, to reconvene at 1:45 p.m., the same day.]

AFTERNOON SESSION

Mr. MINETA. The Subcommittee on Surface Transportation will reconvene now. And, at this time, I would like to ask the Honorable Sue Myrick, the mayor of the city of Charlotte, to please come forward. I understand Mayor Myrick has an airplane to catch and would like to go ahead and proceed at this point. So, Madam Mayor, your whole statement will be made a part of the record, and so, if you would go ahead and proceed in your own fashion.

TESTIMONY OF HON. SUE MYRICK, MAYOR, CITY OF CHARLOTTE, NC

Mayor MYRICK. Thank you, Mr. Chairman. I do appreciate your consideration for my schedule. Thank you very much. It is good to have you here in North Carolina. We are grateful for the fact that all of you Congressmen chose to come to North Carolina and hear what we have to say. I will be brief. I am going to touch only on the public transportation part of my comments. And of course, I will be glad to answer any questions otherwise.

Charlotte has made a significant commitment for funding in our public transportation system through local sales tax and auto registration fees that are dedicated to public transportation. This year, we will contribute over 55 percent of the budget and 85 percent of the operating deficit for our system. In 1981, the Federal Government contributed 50 percent of the deficit. Our bus fleet and facilities have benefited from Federal capital assistance, but now, we find ourselves with almost 20 percent of our fleet over 15 years old and without sufficient Federal capital assistance to program timely bus replacements for our expanding system.

There are three aspects to Federal transit assistance: the amount of funds available, flexibility—which you have heard over and over again—and the matching ratio for fund categories.

We believe that we are demonstrating in our city our willingness and ability to provide public transportation funding. And while, of course, a greater amount of assistance would be welcome, we understand and recognize the budget constraints under which you—all of the Federal programs are operating.

Greater flexibility in local decisions regarding the use of Federal funds and in programming them over several years would offset, to some extent, the steady funding levels and matching ratios. Now, we have inadequate funds and categorical restrictions on their use. We urge you to allow local governments greater flexibility and discretion in the use of these funds through the removal of category restrictions and the establishment of block public transportation grants. We are a rapidly growing highly congested city, and we are just now reaching the size and density threshold for higher capacity of transit, which of course, in our mind is light rail. Yet, our public transportation is a key element in meeting our transportation needs.

As you have also heard today, North Carolina has received an average of less than $2 million a year from the mass transit account, while contributing nearly $40 million per year. We need more equitable access to these funds to meet our needs for bus transit and other transit alternatives. We urge you to establish a formula basis for the mass transit allocation—a minimum return to each state.

Although you do not directly—this particular—this particular is not directly related to the reauthorization of the Surface Transportation Act, we feel that there are other federal policies that significantly impact the transportation activities in the local area. And today, it is incomprehensible in a world which is choking on automobile exhaust that free or underpriced parking is an untaxed employee benefit, while employer subsidies to the employee of over $15 a month for transit passes are treated as taxable income. This sends precisely the wrong signal to commuters making their choices on how to get to work. It remains a source of great frustration for the public transportation professionals across the country.

We are also looking to the future in Charlotte in attempting to purchase and protect rail corridors that have been abandoned for future transit use. Local governments need better opportunity and more leverage to participate in the processes of abandonment, about which we are frequently notified too late and in which we are placed in a difficult bargaining position.

And just this week, we have been placed in such a position in our city. There is a piece of property that is being abandoned which we have just found out about and, of course, had not programmed into our local funding for that. And so, we are trying to figure out a way that we can do this because it would be a particularly important corridor for future light rail in our city.

I wanted to mention just two other things, too, that we are working on. One, we are in the process in our area of establishing a regional transportation authority. This is just in planning stages because there is something called the Carolinas Transportation Compact, and it is a little unique in that it involves two states, North Carolina and South Carolina—both departments of transportation working together, as well as the counties in our region that surround Charlotte as the metropolitan area. And so, we see this as a future way for us to be able to work together better regionally; but also as a way for us to be able to meet our transit needs, as well as our transportation needs.

I appreciate very much the opportunity to be with you today, and I would be glad to answer any questions.

[The prepared statement of Mayor Myrick appears on p. 3328.]

Mr. MINETA. Well, thank you very much, Mayor Myrick, for your fine statement. We have heard testimony from the highway side of the Federal Transportation Funding Program saying that their resources should be targeted to the heaviest use of highway facilities. How would you respond to someone who suggested that the same concept should be applied to transit funding; that is, that funds should be targeted in a greater proportion to those systems—especially rail systems—which have the highest ridership?

Mayor MYRICK. Well, particularly in North Carolina, I do not think that that is a fair statement from the standpoint that we are working very hard, as you have already heard—the Governor told you about the light rail task force and the train, The Carolinian, that is back on track between Charlotte and Raleigh. We feel very strongly in our State that we need intracity rail, as well as we do urban transportation systems. And so, naturally, in Charlotte, we are looking to the future to have one, and we would like to have all of the money we can. But by the same token, we feel it is equally as important that we are able to establish those relationships between the cities. So, I think it should be more of an equal sharing.

Mr. MINETA. Mr. Valentine.

Mr. VALENTINE. Thank you, Mr. Chairman.

Ms. Myrick, we do appreciate your taking the time to participate in this hearing and give us the point of view of the largest city in the Carolinas. What is—I know you might not have all of these figures with precision—but, what is Charlotte's budget approximately on an annual basis, and how much of that is spent for highway and street construction and improvement?

Mayor MYRICK. Well, our budget on an annual basis is about $330 million. But interestingly enough, back in 1988, we issued a bond referendum for the first time for $100 million——

Mr. VALENTINE. That was when?

Mayor MYRICK. It was in the end of 1988—November 1988.

Mr. VALENTINE. Okay.

Mayor MYRICK. It was approved by our voters. And so, right now, we have $150 million of locally funded highway transportation improvements in the hopper—I mean, actually going on—projects that are started or will be started very shortly.

Mr. VALENTINE. Will they be within—do you refer to it as the inner loop or the beltline?

Mayor MYRICK. No, they are not all within the inner loop. These are projects that range from projects within the inner loop to new corridors coming in from our heavily—where our heavily populated areas of town are, trying to provide other means for people to get into town. So, it is really a combination program. It also includes a lot of intersection improvements because we have found that just adding a left-turn lane or deleting a left-turn—that type of thing—has made dramatic differences in traffic flow through intersections. So, we do a lot of intersection improvements.

Mr. VALENTINE. When you start improving urban streets and roads, you run into a tremendous cost for the real estate when you

get involved in imminent domain condemnation proceedings, do not you?

Mayor MYRICK. We are experiencing that right now. The State of North Carolina is improving interstate--I mean Highway 74, which is Independence Boulevard, our most heavily traveled street in our area. And, that is—the right-of-way for a project like that is extremely expensive.

Mr. VALENTINE. Generally speaking, what will—how will the face of Mecklenburg County be changed or affected by the State program over the next—is it $13 and 9 years, or 9 years and—I mean $13——

Mayor MYRICK. $13 billion over 9 years.

Mr. VALENTINE. Okay. Over that period.

Mayor MYRICK. It is $9.1 million or $0.2 billion. Forgive me for not remembering exactly.

Mr. VALENTINE. What will—what will Charlotte's—Mecklenburg County's part of that likely be?

Mayor MYRICK. Well, we hope that it is going to be a major funding of our outer belt, which is the first outer belt that we will have in our city. We do not have one, like Raleigh does have an outer belt now. Charlotte does not have one. And so, we felt this is a very important part of what we need in our community to grow the way we have been growing, to handle the growth. So, that is, we hope, going to be a very important part of that.

Mr. VALENTINE. I do not want to get into anything that would ask you to divulge anything that would put you at disadvantage or be improper or confidential or anything of that kind, but were you talking about acquiring railroad rights-of-way, some of that downtown property that used to be owned by—was it the North Carolina Railroad?

Mayor MYRICK. No, this is—this particular piece is not North Carolina Railroad. This is a spur that is—I believe it is Norfolk Southern, or it may be Seaboard—I think it is Norfolk Southern, and it is right in the uptown area. We had already acquired one piece very close to that for what we hope is going to be a new NFL stadium. That was part of that land purchase. And so, we went ahead and purchased that piece——

Mr. VALENTINE. You have purchased it or have options on it?

Mayor MYRICK. We are in the process right now of doing that—as part of that purchase with the land. This piece is adjoining that, and it is another one we did not realize was going to be coming available.

Mr. VALENTINE. The North Carolina Railroad and the Atlantic and—whatever the name of it is——

Mayor MYRICK. Right.

Mr. VALENTINE. I do not know whether that is unique in this state, but as some other witnesses that pointed out that the State of North Carolina owns those extensive right-of-ways, and it has been leased to other railroads, like maybe the Norfolk Southern or——

Mayor MYRICK. Right.

Mr. VALENTINE. I used to be an attorney—which is a little piece of political patronage way back there—an attorney for the North Carolina Railroad, and the lease was 100 years and it ran out or

was about to run out. It seems to me that—I recall that the State, in connection with that right-of-way business, owned a lot of land in downtown Charlotte—not just along the railroad tracks, but a lot—you know, the railroads used to acquire extensive property on each side of the tracks. That in the heart of that city, a significant amount of real estate was owned either by the State and leased to some railroad or by the railroad. And, how would—and I understand what you are talking about. It would be a good idea if you could at least somebody would bother to write you a letter or call you on the telephone. How would you—how would you suggest that you would address the problem as being able—of your being able to find out when property becomes available and that kind of thing before some speculator has——

Mayor MYRICK. Well, very simply, if an arrangement could be worked out with the railroad so they would just give us, in other words, first right of refusal on any particular piece that was pertinent to what could be a major part of our transportation system for the future.

Mr. VALENTINE. Could you work it out the next time that you considered an increase in the ad valorem taxes?

Mayor MYRICK. Well, we also—you know, that is one thing, when you mentioned the North Carolina Railroad—we also want to work very closely with them when they do renegotiate their leases with particular firms because it would give us an opportunity to say, "May we have right-of-way usage for light rail on this particular line?"—you know, that is another way that we hope to be able to work that out.

Mr. VALENTINE. And, it would seem that they would not need as much of that property as they thought they were going to need 100 years ago.

Mayor MYRICK. Right.

Mr. VALENTINE. Thank you, ma'am.

Mayor MYRICK. Thank you.

Mr. MINETA. We have gotten a lot of testimony about flexibility, and I am wondering if you have any fears about that flexibility issue of where the states might leverage against local government to make sure that more of that funding goes—might go away from transit programs and—because of the needs related to highway improvement.

Mayor MYRICK. I do not think today I would say that at all. I think—we have a very good—first of all—working relationship with the state DOT. They have been especially—especially generous and good in working with Charlotte in helping us meet our needs. And, I think the fact that the whole State has become much more aware now of transit needs and the rail—Governor Martin having brought the rail issue to the forefront a couple of years ago—I think has really helped. And of course, the highway bill does have—I mean, the new funding bill for transportation does have some money in it for rail. That is a first for North Carolina because we had not thought that way before. So, I think that there is a feeling now within our General Assembly and within the North Carolina DOT that this is a very important part of our future. I really do not have those fears relative to the flexibility in North Carolina. Of course, I cannot speak for other States.

Mr. MINETA. Well, thank you very much, Mayor Myrick, for your being here and participating in these hearings. I appreciate, given the fact that you have a plane to catch, that you have taken the time to stay this long.

Mayor MYRICK. Well, thanks for your consideration.

Mr. MINETA. Thank you very much.

At this time, I would like to call on Dorothy Sparrow, director of the Kerr Area Rural Transit System, Community Transportation Association of America; Robert J. Godding, director of transportation, Chapel Hill, North Carolina and president of the North Carolina Public Transportation Association; Wib Gulley, chairman of the board of directors of the Triangle Transit Authority; and Cheston "Chet" V. Mottershead, president of the Tri-County Industries.

Let us proceed, and Ms. Sparrow, if you would go ahead.

TESTIMONY OF DOROTHY SPARROW, DIRECTOR, KERR AREA RURAL TRANSIT SYSTEM, COMMUNITY TRANSPORTATION ASSOCIATION OF AMERICA, HENDERSON, NC; ROBERT J. GODDING, DIRECTOR OF TRANSPORTATION, CHAPEL HILL, NC, PRESIDENT, NORTH CAROLINA PUBLIC TRANSPORTATION ASSOCIATION, CHAPEL HILL, NC; WIB GULLEY, CHAIRMAN, BOARD OF DIRECTORS, TRIANGLE TRANSIT AUTHORITY, DURHAM, NC; CHESTON "CHET" V. MOTTERSHEAD, JR., PRESIDENT, TRI-COUNTY INDUSTRIES, ROCKY MOUNT, NC

Ms. SPARROW. Thank you, Mr. Mineta and Mr. Valentine, for the opportunity to be here today. And, my testimony represents a different sector than has been represented today. I want to speak on behalf of the rural people of our State.

The process of reauthorizing our Federal transit legislation via the Surface Transportation Act, and field hearings like this conducted by the subcommittee, gives us an excellent opportunity to reassess our existing policies and to respond to the changes that have occurred in our transportation needs since the last reauthorization. On behalf of Community Transportation Association of America, the North Carolina Public Transportation Association, of which I serve as secretary-treasurer, the Kerr Area Rural Transit System (KARTS), where I serve as executive director, and the rural people of our State, I am excited about the opportunity to emphasize our needs. I also greatly appreciate the opportunity to specify points I believe should be given higher priority.

To tell you a little bit about the program that I work for, KARTS, we are a coordinated public rural transit system that serves the citizens of a five-county area. The counties are Franklin, Granville, Person, Vance, and Warren, with a population of 160,000-plus. These five county governments formed a regional transportation authority to oversee and operate their public transit system. We contract with over 25 human service agencies, one of our community colleges, as well as serving the general public, who are all transportation needy. With a fleet of 40 vehicles, it requires driving nearly 800,000 miles a year to provide approximately 150,000 trips. While we are in a position to help many, there are still more that need our service. With the initiation of the JOBS Program, our capital needs will become inadequate to handle the

increase without Federal funding assistance. Without our transportation service, how and where will the social service agencies buy or secure transportation to meet the needs for the JOBS Program and help to remove these people from dependency on welfare?

Prior to the 1980's, there was little recognition that rural areas might have transit needs. Now, there is a growing awareness that the rural communities represent at least a third of all the people who can be considered transportation dependent because of their lack of access to adequate private transportation resources, such as a family automobile.

I am convinced that rural transportation needs are much greater than those of our urban brethren. Rural residents are often isolated to the point that public transportation is their only life line or link to even modest amenities. By modest, I refer to a hot meal once or twice a week, a means to seek medical assistance, buy meager groceries or to wash their clothes. A means to seek assistance from social service agencies, to receive training or education and even to receive dialysis to maintain their existence.

Enactment of the section 18 program clearly demonstrated that mobility needs are real and extensive in the rural areas. Provision of public transit outside urbanized areas has grown substantially in the last decade. Despite this dramatic growth, it is estimated that current transit service in rural areas is adequate to serve only about one-tenth of the basic transportation needs of an isolated and transit-dependent population.

Reauthorization of the Surface Transportation Act gives us all the opportunity to do something about this deficit. During the 1980's, our Federal partner has withdrawn its financial support, dwindling from 100 to 80 percent, and now, in many cases, to no operating assistance. And the reduction in administrative and capital assistance from 80 percent to 60 percent. While federal assistance has become less and/or stagnant, our costs are skyrocketing. For instance, fuel, capital acquisitions and even labor for repair and maintenance of our vehicles. Stiffer mobility requirements are creating an inability to keep up with capital needs.

During the reauthorization, please remember the high priority of the rural needs and the inadequacies of the funding ratio as it is now. The following points, in my opinion, should be included as you analyze and debate the many crucial issues which must be considered as you develop a new Federal surface transportation program.

One on my list is the inequity of distribution of Federal resources whereby less than 3 percent goes to rural and small urban, while in reality, a more equitable percentage should be proportionately closer to the actual rural/urban population split.

Second, I believe that rural isolation is more damaging that urban isolation since it is often impossible for the rural citizens to access medical services, jobs, and even to training and education.

The American Disabilities Act is third on my list. I feel that these impact costs are unfair and are unattainable. This 40-percent increase of the cost to every transit vehicle is an unnecessary requirement when our present percentage of mobility equipment meets the present needs with prior scheduling. Who will finance that additional cost?

And last, please consider more human service coordination. While KARTS does a good job in this area—as does most of North Carolina—this is not true in other States. The new Family Support Act, the JOBS Program and Head Start should be coordinated for maximum cost effectiveness.

I believe that a reauthorization of transit programs and Federal assistance that includes these elements listed above will give Federal transit investment the higher priority that events today demand and that our rural citizenship deserves.

I really appreciate your coming to North Carolina to hear our concerns, and I do not underestimate the enormity nor the difficulty of the task before you. I humbly ask that these issues I have raised be considered in your process of reauthorization.

On behalf of the Community Transportation Association of America, the North Carolina Public Transportation Association and myself, thank you for the opportunity to express my views. I will be happy to answer any questions you may have later.

Mr. MINETA. Thank you very much.

Mr. Godding.

[The prepared statement of Ms. Sparrow appears on p. 3364.]

Mr. GODDING. Congressman Mineta, Congressman Valentine. My name is Bob Godding. I am the director of transportation for the town of Chapel Hill in North Carolina. I am also currently the president of the North Carolina Public Transportation Association, the folks that brought you lunch a few minutes ago. Our membership includes 41 transportation operators—mostly public operators, but a few private operators in both rural and urban communities across the State. We appreciate the opportunity to present comments to you as you undertake the most serious task of reauthorizing the Surface Transportation Act.

Public transportation systems in North Carolina have been asked to play an expanded role in helping to solve some of our State's more serious transportation problems. In many of our rural and urban areas, we are, unfortunately, strangling on our own success. Increased demand and utilization of our services have exceeded our operating capacity. In Chapel Hill alone, we experienced a 16 percent increase in our ridership in the past year. Much of the growth has occurred in our rural areas; however, recent environmental reports show that several of our urban areas are not meeting minimum air quality standards. This, of course, has resulted from traffic congestion and our overwhelming reliance on private automobile. The urban public transportation operators will be pressured to help expand their services to help solve this problem.

This increase in demand has reduced the ability of available financial resources to deliver these needed services. We are seeing dramatic reductions in the availability of Federal capital and operating dollars to finance transportation programs. For capital programs in Chapel Hill, for example, our local match—matching share for capital grants has increased 100 percent over last year. This has been primarily due to the fact that we have run out of section 9 funds for capital. We have allocated all of our section 9 funds for operating requests across the State, and we are seeking a statewide section 3 grant—capital grant for both urban and rural communities here.

Likewise, our section 18 funding has been completely allocated. And at the moment, it is really resigned primarily to be used in administrative costs for these rural and smaller urban programs.

As we make a request for additional Federal financial assistance, we are quite sensitive to the fact that we at the local—that we also need to fight for a stronger involvement at the local level. We realize that our State efforts to finance public transportation services are not what would be expected for a State of the size and stature of North Carolina. And as a statewide association, we promise to work on all possible fronts to try to ensure that each responsible jurisdiction—Federal, State, and local, as well as the actual user of the public transportation services—share in the cost of these services.

We hope that as we proceed into the future, a reauthorized Surface Transportation Act will provide a reliable and predictable level of funding—one that represents a fair Federal share of meeting our citizens' public transportation needs.

Specifically, I ask that you consider the following:

The adoption of the increase in federal gasoline tax to provide additional public transportation funding. This would result not only in a reliable source of funding; but it would also stimulate the driving public to reconsider how efficiently they are using their cars. It could also relieve the current burden on the general fund—Federal general fund as a source of public transportation programs. I believe the American Public Transportation Association has proposed a 7-cent Federal gasoline tax increase that would finance approximately $12 billion annually for a public transportation program. I feel that that is a fair proposal which deserves serious consideration.

We ask that you eliminate the Federal tax policies that encourage auto use and discourage transit and private investment—private investment in transit capital. Several of these alternatives have been mentioned already.

We ask that you provide adequate funding to cover the costs of those federally mandated regulations—activities that we are being required to adhere to as a result of the adoption of Americans with Disabilities Act and the Clean Air Act. We have no problem making sure that our services are fully accessible to the handicapped community. But, we realize that this is going to be a significant cost, and we do not want to see our costs increase so much that we have to cut back services to balance our budget. That would not be the purpose of the legislation.

We ask that you continue to provide an adequate program of operating assistance for transportation systems of all size. But also, we are aware of the fact that this money needs to be spent wisely, and we suggest that you consider some methods of measuring productivity as you apply those funds.

The current situation in the Middle East dramatizes quite clearly the importance and magnitude of our domestic transportation problem. We really have squandered an opportunity over the past 16 years since the first oil crisis to take the steps that would really eliminate our dependence on imported oil. As a nation, we are addicted to oil. We have only 5 percent of the world's population, but consume 20 percent of the world's annual oil consumption. If there

is any question about whether our addiction to oil is truly more serious than our addiction to other illegal substances, like cocaine, you need only look at the fact that we have billions of dollars worth of military equipment and more than 100,000 troops stationed in the Middle East and not South America.

As I look at the situation in the Middle East and other events occurring around the world, I find some significant ironies. I was brought into the transportation industry as a result primarily of Federal policies. In the mid-1960's, like millions of other people, I was drafted into the Army. I was eventually trained as a transportation officer. I spent a year in Vietnam, like millions of others. When we were asked the reason why were being sent to Vietnam, we were told we were there to stem the tide of Communism. Well, we have been out of Vietnam for 15 years now, and Communism has not crept very far from Vietnam. As a matter of fact, as we look at the situations in Eastern Europe, we see that Communism is crumbling from within. I think this situation makes the lives that were lost in Vietnam even a larger waste than they appeared to be 15 years ago.

I wonder what our troops in the Middle East are going to think 20 years from now when they are asked why they have been sent to the Middle East. I hope that they do not have to look back and conclude that lives were lost and blood was shed because our Government followed the wrong policies. The lives of our most precious resource—our young men and women—are far more valuable than continuing the policies that encourage the irresponsible use of the private auto and our increased dependence on foreign oil. Although many steps must be taken to reduce the—this addiction and improve our public transportation system, certainly, we are going to do everything we can to help take those steps.

We thank you for—I thank you for the opportunity to speak to you, and I hope that you enjoy your visit to North Carolina.

Mr. MINETA. Thank you very much, Mr. Godding.

Mr. Gulley, Mr. Mayor.

[The prepared statement of Mr. Godding appears on p. 3262.]

Mr. GULLEY. Thank you, Mr. Mayor, Mr. Chairman, Congressman Valentine. I want to tell you all that it is a pleasure to be before you, but it is even a greater pleasure to have you all here with us, to make time with all that is asked of you to come down here and be here. It is very important to us. Thank you so much.

I am appearing before you in my capacity as chairman of the board of the Triangle Transit Authority. It is a relatively new body of government that has been created just last year. Two MPO's worked together to create a three-county public transportation agency within their area. We have begun our work to try to provide some strong, affordable public transportation program within our area of some 700,000 people.

We envision that the system that we will put in place will include several things, and I am sure you are familiar with all these options—ride sharing, bus service linking major cities with our airport and the Research Triangle Park, HOV lanes, some form of fixed guideway transit between major population/employment centers—those kinds of options.

Our transportation needs here arise, as is always the case, from the particular geographic, demographic characteristics of our area. And, let me talk about those for just a minute, if I can. As with some other areas of the country, we have experienced rapid population growth. I think that the reflection is that it is not just rapid population growth, but this is not a traditional urban center. It is not a city that has grown from a center out; but rather, several smaller communities that have literally grown together. A different kind of urban community, if you will. And with that have come several challenges that are not new, but are certainly immediately upon us.

One is an extremely rapid onset of traffic congestion—significant to major traffic congestion along major arteries. For example, the road that you may have ridden on, Interstate 40 that runs from Research Triangle Park to Raleigh, last year, was widened from four lanes to six lanes to better accommodate additional traffic. The studies that were done as that road was being built, however, indicated that within 5 years, the transportation on that road would be worse than it was before they started the improvement and additional lanes would have to be added within that short period of time.

We also have seen an extremely rapid deterioration of our air quality in this region. From a time 6 or 7 years ago when if you flew or if you lived here, it was not something anyone talked about. It was not a factor. To today, we are the—we are told, the 18th worst area in the United States, air pollution that is visible as you fly in this area in the terms of a brown cloud. I think that is compounded to some extent by our geographic region, which is not likely to dispel that pollution as well as some other parts of the country.

There is also the rapid appearance of a need to coordinate land use policies with a regional approach to transit. And, I am sure that—that this has been a part of your committee's thinking for a long time, Mr. Chairman and Congressman Valentine. But, we are just beginning to realize in this area that if you are going off in one direction at local government with your transportation policies, and you are going off in another direction with your land use policies, then you are setting yourself up for major problems—that those two have to go hand in hand and be tightly coordinated. The reason I think this has importance to your work, obviously, is that local governments continue to be the body of government that deals with land use. Basically, it is a local government issue, and that is where those decisions are made. And so, Federal transportation policy, I think, has to encourage local governments to tie their land use and transportation decisions together, and the Federal transportation policy has to then tie into the land use decisions that are being made locally.

In light of this, we ask your help and consideration for several factors in designing the Surface Transportation Act. I would note that UMTA does have a Suburban Mobility Initiatives program. But, in our judgment, it is a relatively minor program and must compete with other discretionary funding programs. And, there is no section in the Urban Mass Transportation Act that addresses the funding need of regional transportation programs such as ours.

We would recommend that your subcommittee give consideration to these points in the reauthorization process:

One, that regional, low-density urban areas are emerging across the Sunbelt from San Jose to Durham, if you will, to eastern North Carolina, indeed. That new Federal programs should anticipate and respond to that trend. That the regional transportation authority should specifically be encouraged and supported simply because a city-based or county-based transportation approaches will not work, we think. It is going to have to be regional because the problem is regional in nature.

Two, both the needs and solutions will vary. It—I think it is self-evident—and you have heard that before, but I want to stress that we think there needs to be a flexibility in the funding that is provided and opportunity for local decisions about how it is used. A block grant approach, we think, makes great sense with few categorical restrictions. Simply because the mix of transportation alternatives is going to vary. Some communities will find that ride sharing works better or HOV lanes is an important part of their mix. Other communities may decide that fixed guideway systems are an important part of their solution.

Third, the creative alternatives to reducing dependency on the single-occupant automobile must be encouraged. I do not want to repeat the remarks of Mr. Godding before me, but we concur on that. Transportation block grants, we feel, should both permit and encourage trade-offs between transit and traditional road building solutions. I recently had the opportunity to visit in Portland, Oregon. I think that the Portland, Oregon experience in just such a trade-off—just such a taking money that was originally committed toward the highway in doing some highway improvements, but also doing some rail improvements—is an example of that kind of flexibility and trade-offs that we have to have the ability to do here locally.

Fourth, I will just touch on this briefly, but the—and you have heard the point—but, the—it is incredible to us as we are dealing with this that we continue to provide a tax-based parking subsidy in the Internal Revenue Code for employers who give their employees free transportation. At the same time, for those employers who are far sighted enough to try and provide transit, public transit assistance to employees, there is a tax on it about $15 a month. It just does not make sense.

Fifth, we would ask you to look at providing incentives or rewards for joint public/private ventures in the area of transit. We think that makes sense in the kind of new urban environment that we have. Dense multiple-use environments require that kind of approach, and these things are being done, for example, in the metropolitan Washington, DC area and other parts of the country, and we would like to see that encouraged. We think it encourages efficient land use as well.

Sixth, we would ask that you review some of the Federal policies for their practical effect. We are struggling now with the section 13(c) requirements of the act as our authority tries to begin doing business. And, we certainly have no problem with the intent—the policy direction of that section. But, as it is practically put into

effect, it seems to provide difficulties beyond what perhaps was envisioned.

I want to mention that—beyond the scope of my immediate authority—that there is a concern that I have from my work with city government and from our community with the consideration for larger trailers on the highways—triple trailers is how I have heard them referred to, or I think what is conceived of as well as larger double trailers. Frankly, I believe that we can already run triple trailers and we can already run big doubles. But, we should be running them on the iron rail tracks that are provided to improving that system and not—for a variety of reasons—going towards a rubber tired approach there.

Finally, as I think is obvious, we—we know that we cannot get the job done at the local level without you. We have to have a strong Federal presence and a strong economic support to try and meet the challenge at the local level. We are willing to take on additional responsibility at the local level, I think it is fair to say, we are willing to do the best we can. But, we need you all there, particularly with your economic support, and I want to add our support to the consideration for a significant increase in the Federal gas tax on the order of 7 percent to get the Federal spending level up to an $11 to 12 billion year level.

It is funny, and I am sure, Mr. Chairman and Congressman, you all have noted this—in a time where, as we looked at public transportation and there is worry about raising the Federal tax on gasoline a penny—what kind of reaction would you get—or 2 cents. It could cause a ferocious backlash. And we have lived in the last month and 6 weeks in a time when we have seen the price of gasoline go up 20 and 30 cents a gallon. And, our people have, I think, by and large, accepted that, understanding the situation that required it.

I certainly think we could turn around and talk to our people about the need for a much smaller increase that is going to help us both be energy efficient in a way that we have not before, dealing with some of the implications in the Mideast situation. But, that is also going to allow us to have a lot better quality of life in this country. I think if we tie the specific government activities and improvements and the benefits to that, that the public, at least in this region, is ready to support that kind of initiative at the federal level.

Mr. Chairman, Congressman Valentine, thank you all so much for letting me be with you this afternoon.

Mr. MINETA. Thank you very much, Mr. Gulley.

Now, I would like to call on Chet Mottershead, president of Tri-County Industries.

[The prepared statement of Mr. Gulley appears on p. 3266.]

Mr. MOTTERSHEAD. Thank you very much for the opportunity to speak before this committee about my interests in rural transportation. What I would like to do is just reinforce primarily what Ms. Sparrow and Mr. Godding have talked about in terms of our rural need for transportation.

I am president of Tri-County Industries, which is a work-oriented rehabilitation center for disabled people in a five-county area. We

provide comprehensive rehabilitation, training, job placement for people with physical, mental, and emotional disabilities.

I am also chair of the local rural transportation system in a two-county area. I would like to paint a picture of what those characteristics are. Nash and Edgecombe Counties covers about 1,000 square miles; population of about 113,000; and it surrounds a town—a city of Rocky Mount, which is about 50,000. This past year, our rehabilitation center rehabilitated and helped over 500 people secure employment. Characteristic of those people are 70 percent are at the poverty level; 50 percent live with one parent or guardian; 25 percent have been institutionalized; and 40 percent have multiple disabilities. And, it is these kinds of people that really take advantage of and really need a strong urban transportation system.

In 1987, four human service agencies formed the private, nonprofit Nash Edgecombe Transportation Service, or NETS. And, we became the lead transportation agency. And the department of social services and local community college and Tri-County Industries are basically the dominating forces on that Board. But, there are also other users of that transportation system—a childcare center, a vocational rehabilitation, mental health, and local community action agency. Last year, our system operated 252 days. We traveled over 80,000 passenger trips covering over half a million miles at the cost of about $400,000.

Some benefits of this system have been the 16(B)(2) funds. Tri-County Industries, some 10 years ago, served 50 disabled people in the immediate area of Rocky Mount. Today, we serve over 200 people. We travel 50 miles to bring disabled people into our rehabilitation center and provide rehabilitation and, ultimately, employment opportunities. In the past, disabled and elderly people would sit on the front porch and have a family member there attending them, and their activity was little or nothing. Today, they have the opportunity of health care, education and rehabilitation services in our two-county area, and it is because of our transportation service that makes this available.

Some of the problems of the transportation system, which has been well documented here, is the fact that it just costs too much money to operate the transportation system. We are not receiving enough subsidy for the system. Constantly, our human service agencies complain. We have little or no money to foot the bill for the transportation system or to add new trainees or clients into our system. And, it is a classic example, I think, of the poor in the United States becoming poorer because of the lack of adequate transportation.

There has been some—there can be some solutions. There are some in the making. I think the passage of the Americans with Disability Act is a short-term problem, but a long-term solution. We appreciate very much the strong support that you gave to that act, Congressman Mineta, and the support that Congressman Valentine gave to that act. It is going to open up tremendous education and rehabilitation opportunities for disabled people, as well as employment opportunities for disabled people. There are many labor market studies that show that the traditional labor market is going to be filled by minorities, elderly people and disabled people.

And, these are the very people that need transportation so badly. If these people do not get the health and education and rehabilitation services, they will continue to be a tax drain. We now have the opportunity to provide these rehab services and employment opportunities, and will have tax users now becoming taxpayers.

Local systems like NETS in our two-county area need to be cognizant of maintenance problems. We need to put more effort on maintaining our vehicles. We need to put more emphasis on training our drivers so that they adequately use the vehicles. We need to have more transportation—more coordination between rural and urban TDPs. And we also need—as human service agencies—we need to expect disabled people and elderly people to maybe come to bus stops. We should not expect door-to-door kinds of transportation. We need to be part of the mainstream of society in that regard.

But, I think the Federal Government needs to recognize the need of funding the rural area. Section 18 subsidies are very, very small, and it is impossible for many local governments to be able to generate their share of section 18 funds—just an unreasonable share for local counties to be able to match. We also need an increase in 16(B)(2) funds. The price of equipment and vans are just soaring, and the amount of money that we are getting is staying stagnant.

We try very hard, and I think we have a good staff in our local human service agencies to provide quality service for disabled people and elderly people.

As an officer in the Marine Corps, I had the job of helping young men—young Marines—to do their job. I had the job of advocating for them and to give them a sense of purpose and fulfillment. As I look at my two experiences as a platoon commander and as a rehabilitation facility manager and we talk about the Middle East and we talk about transportation problems here today, I just am struck by the incongruity of this whole matter. Each day, our Federal Government spends, I am told, $41 billion to protect the oil fields in Operation Desert Shield. Transportation costs in our two-county area is something like $400,000.

The reason we are spending this money protecting oil fields is because we have no strong energy policy. We have forgotten or we have frittered away the possible solutions that were available in the 1970's. Just imagine the strong energy policy implemented 20 years ago and enhanced every year since then we could have had to eliminate or reduce transportation costs today. Think of the energy-efficient vehicles we could have today. Think of the alternative energy sources we could have today. That is the big solution to our transportation needs. And, I think we need to begin grappling with that today.

I thank you for the opportunity to briefly explain how we need Federal funds and a comprehensive policy to help not only rural, but all of our transportation needs. Thank you.

[The prepared statement of Mr. Mottershead appears on p. 3322.]

Mr. MINETA. Well, thank you very much, Mr. Mottershead.

Ms. Sparrow, I would like to ask relative to your testimony. As you referred to the cost of implementing the ADA bill as something—40 percent of the cost of each vehicle in your fleet. This seems very high to me, since I would assume that you are using

demand responsive service to provide most of your rural service, and this service does not require that each vehicle be accessible. Also, this high figure probably represents the purchase price of a wheelchair lift when a ramp is all that is required to meet the minimum requirements of the ADA, and I am wondering if you could clarify this for us.

Ms. SPARROW. Most of our service, sir, is door to door, and providing ramps in these very poor, poverty-stricken areas is almost impossible. I was referring strictly to equipping each vehicle in our fleet, the cost would entail to make them wheelchair accessible when—we are able to meet the requirements or the requests now to serve the handicapped population in our five-county area with the vehicles we have presently equipped with prior planning and scheduling.

Mr. MINETA. And roughly, how large a fleet would this amount to?

Ms. SPARROW. My fleet is 40 vehicles, sir. And out of the 40, I have seven that are wheelchair equipped.

Mr. MINETA. Now, in terms of ADA, though, it would not require any more than that, right? In terms of the additional cost, I am just wondering, again, where that implement—or what triggers that additional cost.

Ms. SPARROW. It was my understanding that the requirements that we have adhered to since the origination of KARTS in 1983 of 7 out of 25 or so vehicles be lift equipped that each vehicle would have to be lift equipped, and that was, perhaps, a misunderstanding on my part.

Mr. MINETA. And door to door—door-to-door service, that is not a requirement.

Mr. Godding, you support, as I do, the continuation of a Federal operating assistance program for transit systems. As you know, the President's fiscal year 1991 program has eliminated the roughly $870 million that is in there for the operating assistance to transit systems. And of course, he really was precise. He said that to do away with the transit operating assistance programs to those metropolitan areas in excess of 1 million in population. But in your testimony, you refer to "ensuring that the program encourages the productive use of public resources." I am wondering if you could elaborate for us on how you would structure an operating assistance program which would meet this test of ensuring that the program encourages the productive use of public resources.

Mr. GODDING. That is a tough question to answer, and I think the Federal Government has made some attempt at doing that by using the statistics from their annual Section 15 report and calculating passenger miles traveled as a basis for allocating some assistance for the larger urban areas. In smaller areas, we do not have that requirement. I guess, what I am—what I was getting at when I made that comment is that there is nothing worse, as far as what irks the general public, as to see buses that are operating on routes without anyone in them. I think that what needs to be done—and I do not have a specific formula to suggest to you—I think what needs to be done is a very careful audit of the services that are being provided to make sure that they are being provided efficiently. In situations where the demand is not there to support

bus routes in specific areas or bus routes at certain times, there are other para-transit alternatives that should be considered.

In Chapel Hill, for example, we use a share-ride taxi service under contract with a local carrier to serve neighborhoods that do not support fixed route transit service. We also use this same approach in evenings and weekends at times when we do not—we cannot support fixed route services. I think that needs to be done in many areas across the country because I think that even though most systems will tell you that there is high demand and they cannot keep up with it, there may be some components of their services that are not being used as efficiently as they could be, or that they are not using a more efficient approach to deliver that service.

Mr. MINETA. There has been, again, some testimony about whether or not flexibility means shifting of resources away from public transit programs to provide the funding resource for badly needed highway programs. I am wondering if any of you might comment on whether or not you fear that as an end result of what we keep calling flexibility. Any thought on that? And how do we—if that is a fear, how do we protect ourselves away from that fear?

Mr. GODDING. I have mixed feelings about the concept of flexibility, quite frankly. It is obvious in this country that the highway lobby—the interest behind putting asphalt and concrete down and continuing to use our automobiles is much, much larger than the public transportation interest, and I think it is going to be a difficult task for elected officials to sort out those pressures and decide how best to allocate block grant funds if that is the way that the program takes shape.

But, I realize that in many areas, some officials feel frustrated by the fact that they have reached the limit on the amount of money they have available for public transportation programs; yet, may have available highway programs, but do not really want, for some reason, these highways to be built. There are areas like that. And, they do not feel they have the flexibility to shift these resources to where they would like to spend them. So, it is a tough question; but I guess we will have to trust in the judgment of our elected officials in being able to make that decision.

Mr. MINETA. What about that.

Mr. GULLEY. Thank you. I wanted to first note, Mr. Chairman, that normally, I conclude my remarks in a situation like this by saying, "I look forward to your questions," but having heard some of the questions that have been given before this panel and then to this panel, the intelligence, the difficulty of responding to some of those questions, I did not conclude my remarks with wanting to look forward to that. I just wanted to make note of that.

However, let me say, I think from a North Carolina perspective, to move away from the trust fund fixed 90 percent/10 percent concept to a block grant program is something that I would welcome and we would welcome for two reasons. One is that—I say this, that I would want the advice of our leaders in Congress from this State and area to advise us on that. The needs for public alternatives are much stronger than the 10 percent funds would allow us, I think, in general. And then, from this State, as you know and as you have had heard, we receive such a tiny percentage of that

back. We have very little to lose on the public transit side here in this State from moving away from that system. I think that we have a great deal to gain.

And frankly, I would welcome the opportunity to have at the State level the dialog and discussion we would need to have about what our needs are and what is the best way to meet them so that we could try some innovative answers. Roads would have to be a part of that answer. But, I think it would allow us a chance to do some exciting mixed-use proposals. So frankly, I would look forward to that and welcome that as a healthy development.

Mr. MINETA. Let me ask whether or not all of you have programs to involve the private sector, either to encourage employees to use public transit, or maybe even to get the business community to help fund some of these local programs. Is anyone enlisting the——

Mr. MOTTERSHEAD. We have a lot of involvement of the private sector in our rehabilitation program and some of our local education programs. And it seems like we would be using those resources and those contacts to cut off our arms—cut off our noses to spite our face—to then go back to them and have them put it toward transportation. I think many—many local businesses see——

Mr. MINETA. Do you think, Chet, we are going to say, Yes, I am willing to help fund some of your programs on the rehab side and maybe even do some of the—what do you call that, job sharing or the job where you do work for companies? Do you do——

Mr. MOTTERSHEAD. That is part of our mission, right.

Mr. MINETA. Your rehab program.

Mr. MOTTERSHEAD. Is to do subcontract work for industries.

Mr. MINETA. Right.

Mr. MOTTERSHEAD. We have United Way and local government paying part of the cost of transportation. And businesses and individuals will write out a check for "x" number of dollars, and that transports one trainee for a month or a year. But, it is such nickel and dime stuff. It just seems that there—there needs to be a commitment on the part of government to make this work. Where we spend so much time going to the private sector in trying to keep our head above water in so many other areas that it would just—I would be very reluctant to do it in this situation.

Mr. MINETA. So, you think our job really, to be supportive of what you are trying to do of the training, et cetera, and job placement, is to keep the support on the transportation side?

Mr. MOTTERSHEAD. Yes, sir. Yes, sir. As was mentioned, JOBS is coming in. There is just—there is more and more opportunities for people to get jobs if they get the proper training and education. And we have got to get people to these human service centers—to these education centers to make it work so that they can become independent.

Mr. MINETA. Do you work with JTPC, who——

Ms. SPARROW. JTPA.

Mr. MINETA. JTPA——

Ms. SPARROW. We have contracted services for the JTPA program at least once or twice a year for the college quarters. Some of the agencies that we transport do rely on the private sector for assistance to buy transportation; however, we do not work directly with the private sector to aid in the transportation services. We

have offered subcontracting arrangements, and that has not been taken advantage of in our area. But, there is a great need out there, and there is a lot of people trying to direct our attention toward transportation, and we are getting there. We just need the continuity of financial assistance to maintain and to continue.

Mr. MINETA. Mr. Valentine.

Mr. VALENTINE. Thank you, Mr. Chairman.

I will be brief. I want to first of all make a comment. We, of course, are in a different part of the transportation and mobility problem in this Nation, and we are in a very, very difficult area. All of us want to be sure—or at least, most of us—want to be sure that everybody's needs are addressed insofar as we are humanly able to do that as humans, I suggest that we are considering improving situations now where we made no attempt to do anything about it just a few years ago. There are certain inherent problems that we have talked all around, but have not come face to face with.

First of all, the reason we build all these extra highways and we spend all the money for asphalt and that sort of thing is not, in my opinion, because of any sinister vested interest groups that are prevailing on Congress to do it. It is because the country is so large and we have a love affair with the automobile. And where public transportation is available to us, we do not use it. We cranked up the railroad business—Mayor Wib Gulley, from—you and I took the inaugural run from Raleigh to Durham to Charlotte. And even on the first run when it was free, the train was about half full. With the bus transportation in the country on the decline, is there a nationwide bus company now in operation?

My point is that almost every form of public transportation that I know of has to be subsidized by the taxpayers. Even the trains that run in the Northeast corridor where the concentration of population in the United States has to be subsidized by the Federal Government. And when it comes to providing mass transportation to people in Brooklyn or Philadelphia is one thing; but when it comes to providing—meeting the mass transportation needs of people who live in the density of two people every ten square miles, then, you know, you get into a real problem. And we try to address it and hope to be able to address it in a better way, but there are certain inherent things about it that just almost boggle the—stagger the imagination.

For example, in discharging the responsibility that you have, Chet, and that Mrs. Sparrow, do you make any distinction—I suppose not—whether a person voluntarily lives in isolation or cannot help himself? You know, if some old cat goes out here and decides he wants to live way off on a farm out in the boondocks, that is the way he wants to live and he can afford to do otherwise, is he entitled to have the Federal Government or State government provide transportation so he can come in town to a doctor, just—you know—is there a difference? Is there a legitimate difference between a person who cannot do any better and a person who is in a situation like that voluntarily?

Ms. SPARROW. I can speak for our system at KARTS. The agencies that we contract with has the eligibility criteria, and they do have to be needy, socio-economically, financially, medically. They

have to be disadvantaged to be able to be sponsored by their program. And on their eligibility, we transport them.

Mr. VALENTINE. And of course, wherever one or two are joined together, there is disagreement. Even you all do not agree that is what the Americans for Disabilities Act is a good indication right there of the trouble we had in Congress—the soul searching for that. The vast expenditure of public money upsetting a lot of routines to equip public transportation so that everybody, regardless of their situation, can travel.

When do you think, Chet, that that bill—that we will begin to—when that—time for that to be able to put back into the mainstream, so to speak, and make taxpaying citizens out of people that—before we adopted that legislation, would not have had that opportunity?

Mr. MOTTERSHEAD. Well, we are doing it already. I mean, our vehicles are equipped.

Mr. VALENTINE. No, I mean in the country—in the Nation. It is going to cost billions of dollars to accomplish it.

Mr. MOTTERSHEAD. Well, it is a—I do not have a time table.

Mr. VALENTINE. I know you do not.

Mr. MOTTERSHEAD. But, we are working with Hardee's Food System right now to help them be able to hire mentally retarded people and to change attitudes of employers to hire people with mobility impairments. So here, you have one of the largest fast food companies that—whose attitude has been changed—well, before ADA, but it certainly has been helped with the passage of ADA. When you see things like that, there are jobs that are going to be available for a lot of people. And, they are working very positively to implement what they see as their responsibility. And, it is not altruism; it is because the labor force was not there and they needed to look at alternative labor.

Mr. VALENTINE. Mayor Gulley, among your recommendations for issues for consideration are incentives for joint public/private ventures. Can you give us an example or two of what kind of incentives the Triangle Transit Authority would like to see incorporated into the new highway bill?

Mr. GULLEY. Thank you, Congressman, I will try. What I had in mind is that there might be available a higher Federal matching share or special set of funds that could be used when a public transportation authority put together a particular transit option that involved a significant private contribution private involvement.

I had the opportunity of visiting Vancouver, British Columbia this summer for the APTA conference there to see their system, which is a fixed guideway system with stations. And, the commercial development has gone right around those stations, and they were able to leverage private investment on the order of three to one or four to one, which helps them in terms of building a system and paying for it by working jointly with the business community there and the development community. And, I think those kinds of options are available to us here. And specifically, as we looked at the guideway systems could we invite private participation in paying for some of the costs of putting a system in place if the benefit—the development benefits around our stations, for example,

they would have been able to take advantage of—I think that kind of partnership opportunity is before us.

Congressman, if you will allow me, I think that you expressed well one of the real problems you all grappled with in terms of this Surface Transportation Act and the pushes and pulls. It seems to me that we built a large—made a massive commitment to highways in this country through the interstate system for several decades. And because the country is so large or for perhaps a large number of reasons—and I do not know which ones were most important--but, one of the interesting things to me is we are at a period where that system has largely been at least built and put in place. It needs to be maintained; but it has been built.

And it is not a post cold world war; but it is similar to that in that there is a more fluid situation now for our transportation needs and priorities in the country. And the question of how we would approach it—and my hope—my thought is that it would seem that our public policies should be driven by what makes the most sense for the country. Now, the limitations on that are, what will people put up with and how—is the American love of the automobile single passenger—I can go wherever I want whenever I want. There are certain parameters and factors we have to deal with. But, I think that public officials should lead the charge on our transportation priorities based upon what seems to make sense. And if you ask me, if you look at energy conservation what makes sense. It is a clear answer on that. If you look at the point of view of reducing our air and water pollution problems in the country, there is a clear answer as to what makes sense among our options and where we should put more priority and more funds. If you look at the—just at the perspective of all this, some areas—perhaps a number of areas where roads cannot continue to be the answer because we have about built out where we can.

I have friends that live in the central part of California, and I get information from them that leads me to believe that there is not much more—there are severe problems in transportation mobility, but roads—it is just not much of an answer——

Mr. VALENTINE. Excuse me, Wib, but let me——

Mr. GULLEY. Please.

Mr. VALENTINE. How do you get people to not drive cars? I mean, how do you get—how do you get people out of those automobiles that go anywhere they want to any time they want to? How do you go about doing that?

Mr. GULLEY. That is the tough question—the one that you always hope someone does not put to you. Let me see if I can wind answering that, if you will—my thought is this. If you first say to folks, "It is not that the public transportation alternatives have been subsidized and the other ones have not."

Let us look realistically at it. The single passenger automobile has been massively subsidized through public building of roads and all the other things that along with capital and maintenance both—capital and operating both. And let us compare those costs. And so first, we have got an apples and apples comparison. Both of them are heavily subsidized—publicly subsidized. In fact, I think, now, it has gotten so expensive to build roads and acquire right-of-

way, that it might be that roads, in many cases, are the more expensive alternative from a public subsidizing point of view.

The same thing that we do is we say—and I am thinking about our Amtrak experience, and I am not real wise about that—and folks here with us today and with your staff know more. But, I know that one of the problems with Amtrak in Durham after we rode that first day is—it is slow coming through. And the reason it is slow coming through and not on schedule and folks cannot depend upon it and use it is because it is waiting for the train to come down the east coast. It is also slow coming back because in North Carolina, there are a lot of local laws and local parameters when it comes through cities, that slow them down. Those kinds of things can be dealt with. But, it is going to take some focus on that.

And, if we do some of those things—if we get rid of the tax subsidy free parking and we—and we encourage through our tax program, if anything, transit alternatives and some small things, I think we are going to begin to allow people a chance to say, "Well, that is part of it—let me see—that is part of the answer."

The other part of the answer is in our bailiwick. If we can provide attractive coach buses that take you rapidly where you want to go in Research Triangle Park and back or can get you to the airport—and the airport right here is becoming a problem. Folks do not like to drive out there and you have got to figure some place to park. A lot of times, the parking place is filled and it costs money. If I can ride me a bus out there and ride it back—if we can put you a fixed guide rail—guideway rail system on there that is attractive and so forth and cost effective, then I think we stand at least a chance to get folks out of the automobiles.

Mr. VALENTINE. But, we do not even have a bus out there yet.

Mr. GULLEY. I know, and that is part of what we are committed to try and do.

Mr. VALENTINE. We do not even have a bus to Research Triangle Park.

Mr. GULLEY. That is exactly right, and that is part of why we felt it would be wise to create this authority and begin to plug some of those holes. And believe me, that is a part of the immediate agenda.

Congressman, I remember about 10 or 15 years ago before I was ever mixed up with any of this. It was a gentler, quieter time.

Mr. VALENTINE. "Mixed up" is a good way to put it.

Mr. GULLEY. That is right. You do not know what gets hold of you. But, somebody said, "The only thing that moves this country really to make major changes is a great crisis or a great disaster." I have a feeling in transportation, we are going to move towards more cost-effective, energy-effective public transportation ways of moving our people. But, I would like us to try and do as much of that as we can through sort of—before the great crisis or disaster hits us. And I am looking for ways to do that that do not require people to get out—I would not order people out of their automobiles and do not make them give them up, but, I think with some of the things we have talked about, we can move in that direction.

Sorry I have gone on so long.

Mr. VALENTINE. Well, I want to add my personal thanks for all that you all do and for the preparation and for coming here to share this information with us. Thank you.

Mr. MINETA. Well, let me join in thanking all of you for being here with us today. There is no question that the transportation aspect of it and trying to get this balance between the highway and transit needs—trying to get a balance between the differing parts of the country and trying to get a balance between rural and urban—and that is—that is what Tim is here to try and figure out.

Mr. VALENTINE. Yeah, we are going to work all that out next week.

Mr. MINETA. I was just asking Roger about this whole issue of the $15 on the transit passes. If we were to increase that to $60 and get rid of that cliff, it would cost the Treasury between $400 to 500 million a year. So, in our trying to explore with the Ways and Means Committee, is there any chance of moving a bill that is already there, which a number of us cosponsored, to see if we could get rid of that built-in incentive right now that is in our tax system that says, "Stay in your car." We do not see any interest in moving that. But right now, the name of the game is, "We do not want to lose a dollar of any revenues that are going to be coming into the Federal Government.

Mr. GULLEY. Congressman, if you taxed as an employee benefit the parking—you assign some fair market value to it and taxed it, is there a sense of what that would bring into the Treasury, and does that——

Mr. MINETA. Well, the Senator D'Amato, in terms of financing this transit piece, was saying, "Okay, let us put a surtax on luxury cars." This other one about saying, "Well, let us reverse it and bring money into the Treasury by taxing the equivalency value of that parking out there" probably would raise even much more of a hail storm.

Mr. GULLEY. Hue and cry.

Mr. MINETA. Sure. Well again, let me thank all of you for being here today and helping us. So again, I especially would like to thank Chet for all his work in helping us getting ADA passed. Thank you. I appreciate it very much.

I would like to now call on Paul Jones, the director of the Governor's Highway Safety Program, North Carolina Department of Transportation; Forrest M. Council, deputy director, Highway Safety Research Center, University of North Carolina at Chapel Hill.

Your statement is going to be made a part of the record, so if you would go ahead and proceed in your own fashion.

TESTIMONY OF PAUL JONES, DIRECTOR, GOVERNOR'S HIGHWAY SAFETY PROGRAM, NORTH CAROLINA DEPARTMENT OF TRANSPORTATION, RALEIGH, NC, AND FORREST M. COUNCIL, DEPUTY DIRECTOR, HIGHWAY SAFETY RESEARCH CENTER, UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL

Mr. JONES. Mr. Chairman and Mr. Valentine, my name is Paul Jones. I am director of Governor's highway safety program. I am also the Governor's highway safety representative for North Caroli-

na. My role in life is to plan and administer the State highway safety plan, which is the agency that handles the 402 program in North Carolina.

Mr. Valentine, I think it is appropriate that this hearing be held here in this area because in your district nearby in Chapel Hill at the University of North Carolina is the premier highway safety research organization, one of the premier organizations in the world. Dr. B.J. Campbell and his staff, represented here by Forrest Council today, are recognized as some of the leading experts in not only the country, but in the world in highway safety. Also, in your district is one of our showcase police departments over in Tarborough. The department over there has been extremely innovative in its development of programs and its use of funds that have been made available. And also in your district over in Wilson County, currently, the only sheriff department—we have a program with the Sheriff's Department in Wilson County. It is the only sheriff's department right now currently working on any kind of highway safety program with our office, and we are grateful for their interest and their efforts over there, and I thought you ought to know that.

Mr. Chairman, Mr. Valentine, despite—well, first of all, you have copies of my prepared remarks, and I will just try to touch on a couple of key points—work off of notes, if you will. Despite measurable progress in highway safety not only in this State and in the country, highway death, and injuries continue to be a major problem. In North Carolina, every day, we kill four people, we seriously injure 33 and we have roughly 500 crashes or traffic mishaps every day. If you run a score card, that is nearly 1,500 people killed in our state every year. Of 120,000 people who were injured, 13,000 of those suffer some kind of—type of disabling short-term or long-term disabling injury. And, we have recorded in the past year 189,000 crashes or mishaps.

Highway safety in our State, as it is in most states, has been losing ground every year. Even though the crashes are up and injuries are up, the program has shown to be cost effective. The system is working. In this State, most of us in Highway Safety talk about the three E's—enforcement, education and engineering. But, we have added a fourth to that. The fourth "E," we would call EMS because part of this highway safety effort has to recognize the importance of EMS. If we do not have a good EMS system, those folks who will continue to figure out a way to kill themselves or injure themselves on our roadways are going to need some kind of care. And in too many cases, it is critical care, and we are trying to recognize the need and work with EMS. We think we have an extremely good working relationship to recognize their needs and continue to support their efforts to build a good statewide trauma system.

The seed concept—the 402 program—was designed to be a seed money concept program where people are allowed to try new ideas to try to address the crash rate or the fatality rate or the injury rate in their particular communities. We have—if you will—I will refer you to page 3, line 40 in my prepared remarks. We are finding case after case where programs are being institutionalized. There may be variations of the ways those programs were institutionalized in a State or local entity; but the seed concept is work-

ing, and not only in North Carolina, but other parts of the country. And, I will refer you to the testimony.

This morning, the Governor talked about flexibility and others have talked about flexibility in transportation programs. I would make the same appeal to you. Highway Safety offices need to be given flexibility to conduct problem I.D. and manage their programs in a cost-effective manner. We have money that has been earmarked over the years. Most of that earmarking has been released. We continue to have a portion of the 402 program that is set aside strictly for speed enforcement on the 55/65 mile an hour roadways. We believe that some flexibility in that program allows Highway Safety offices to work with local communities—and this is where we seem to be having more of a problem. We have Interstate highways or primary/secondary roadways that have 45 mile an hour or 55 mile an hour limits that are from a statistical standpoint, and from a problem I.D. standpoint, are very serious problems. Because of the regulations that are placed on that $20 million pot of money at the Nation level, our hands are, for the most part, tied from being able to help, again, local communities to address the problem.

Giving flexibility does not mean that we would take any less—give any less attention to the priority areas in Highway Safety, specifically the alcohol problem, the drug of choice, the gateway drug, if you will. This is a priority in our Highway Safety Program, as it is in most, if not all, Highway Safety Programs in the country. And certainly, speed would continue to be a priority with us simply because the police reports that we review and the—through the DMV reports that we see—speed continues to be the—listed as the key to many crashes and fatalities and injuries that occur as a result of that.

I would encourage you, Mr. Chairman, and Mr. Valentine and other members of the committee to support and encourage states to pursue comprehensive programs and to work beyond the traditional boundaries of highway safety in the 402 program as we know it. To plan programs—I can give you a couple of specifics that are also referred to in the prepared remarks. We are currently working with a couple of medical centers in the state that are organizing in their communities—one in Charlotte and one at Pitt in Greenville—to organize community traffic safety programs, bringing in all elements of highway safety, but with the medical community taking the lead. The police are very much a part of those programs. We have not minimized our involvement with police departments. We have community traffic safety programs that we are working within Greensboro, in Kanapolis and Salisbury—a couple of other cities around the state.

My bottom line as far as highway safety is concerned, in this state and others, is—and I know it sounds a little bit unusual to come from someone working in a department of transportation—but highway safety is really a health problem. This has been referred to by Secretary Skinner and General Curry at NHTSA. It is a risk management problem. But the real bottom line, it is an economic problem for all of us. It is an economic problem from the standpoint of what we pay as ratepayers for insurance services, where insurance services do not kick in and pay the health benefits

of people who are killed or injured, the taxpayers have to kick in. And I think most of us know that a third of the taxpayer—a third of the population does not carry any type of health insurance. And in too many cases, where health insurance is available, people are seriously injured and the health insurance does not cover it. Again, back into the taxpayer's pocket.

If we look at the—look at this program as a health prevention program, if we can reduce the cost of three long—life-time head injury cases in our State—in our State alone—that is out of those 33 people that are injured each week—seriously injured each day in our state—on an average of about one of those is going to wind with some kind of lifetime, long-term health care as the result of a serious head injury. The National Head Injury Foundation tells us that the average lifetime care cost of one of those patients is $1.2 million per case. I can show you cases that are—after a series of years—are in the $4 to $8 million range. But, using the $1.2 million figure as a benchmark in this state, if we can reduce the number of serious lifetime care head injuries by three—by three—that same amount of money will build—that is, buy the right-of-way and build—1 mile of rural Interstate in our—in North Carolina. These three head injured patients, the same cost would maintain 66 miles of rural Interstate highways in North Carolina. So, this health problem is a serious drain on our economy. It is over—nationwide, it is over 1 billion a week, and we are all concerned about the billion or so that is being spent each month in Saudi Arabia. In relative terms, this is—this really is a very serious problem.

This is a case where prevention is much cheaper than the treatment, that is, highway safety. It is a prevention program. It is a program that is working, and I hope it has earned your support to at least maintain the current level of funding, recognizing that you have some very serious decisions to make within the next week or so.

Thank you very much for your time, and I will be happy to answer any questions after Mr. Council.

Mr. MINETA. Thank you, Mr. Jones.

Mr. Council.

[The prepared statement of Mr. Jones appears on p. 3280.]

Mr. COUNCIL. Thank you, Mr. Chairman, Congressman Valentine. I am the deputy director of the University of North Carolina Highway Safety Research Center. Our center was established by the Governor of North Carolina 20 years ago to evaluate State programs, conduct national research. We have also—we have conducted research for FHWA, National Highway Traffic Safety Administration and conducted a wide range of program implementation and evaluation efforts for our own Governor's Highway Safety Program.

First, I want to thank this subcommittee for your past support of safety and safety research. In my written remarks, I have tried to provide examples of what I see as a clear link between safety research and successful programs that reduce motor vehicle injury. I hope this information will encourage you to continue or even increase research funding in the face of the pressures to cut the budget, to maintain the roads, to increase capacity—basically, to do all those things that are more politically acceptable than safety.

However, it is only through safety research and program implementation that we can reduce what Mr. Jones referred to—the overwhelming health care costs and emotional costs related to motor vehicle injury. I note that at the current death rate, we estimate that by the year 2020, 80,000 people per year will be losing their lives on our highways.

I emphasize that highway safety is a health concern. Motor vehicle crashes currently result in 50,000 deaths a year, and in addition, another 1.8 million people are seriously injured on our highways.

Because the young are the ones that die most often in motor vehicle crashes, the societal economic loss per motor vehicle death is something like three times the loss from a cancer death and six times the loss from a cardiac—from cardiovascular diseases. Yet, the research budget for all injuries—not just motor vehicle injuries—but all injuries is only about 16 percent of the cancer research budget and 36 percent of the budget for cardiovascular disease. My point here is not that those should be cut, but that injury—the most significant contributor to economic loss—is receiving a disproportionately small part of the research funding pie, compared to these other health problems.

With respect to the overall safety research program, I feel that we have to have an integrated program with research on the driver of the vehicle, the roadway and, I add, local community-based programs. In my written remarks, I have outlined what I consider to be specific research needs in each of these areas, and I would be glad to answer any questions you have on those. These needs range from research concerning how to offset the influences of alcohol advertising when we are trying to reduce drunk driving to roadway research programs related to, say, low-cost guard rails on low-volume roads and to the effects of longer and larger trucks that has been raised today, to increased safety emphasis and a new area involving the intelligent vehicle highway system program.

With respect to local programs, I submit that 402 has been a success in North Carolina. This funding has made it possible for us to design trial programs based on research knowledge to implement these programs and to evaluate them for effectiveness. It has also allowed us to evaluate ongoing State efforts and to recommend modifications where those needed to be made. I have provided in my written remarks an example success story in North Carolina, which was a direct result, I feel, of such 402 process—the protection of our children in car safety seats. The bottom line of that success story is an increase in children protected from about 10 percent in 1980 to a current level of 85 to 90 percent. Approximately—as a result of this, approximately 300 children have been saved from serious injury or death, and over 100 community-based safety seat loaner programs are still operating, even though 402 matching funds to those programs was cut off—was ended in 1986. The point here being that the seed money continues to pay dividends to our citizens.

In my opinion, our 402 program works here because of good administrators who have either come in with safety knowledge or have been willing to learn quickly and the link between the Governor's Highway Safety Program and research and evaluation exper-

tise. We try to provide research-based information on possible successful programs and try to evaluate what is done. To me, such a linkage is a very—is very important to 402 success in any state.

In summary, I have mentioned in my written testimony a number of areas which I feel deserve safety research funds. I noted there—that there are also tremendous needs for roadway maintenance and construction and transit activities. I am certainly not trying to make this a battle between construction and maintenance needs and safety needs. I hope and trust that there will be enough money for all of these needs as all are essential to an integrated program. However, I must say that given my years of experience in safety research and in safety program implementation, I do feel that in times of short budgets, increased inflation and increasing pressure from the public to make these—to make their driving lives better immediately—there is the tendency to meet these immediate needs and demands, rather than the more nebulous long-term cost or future health care and emotional trauma. However, I submit that these long-term costs are the ones that will be most important to not only our current generation, but also to the generation that my child and yours belongs to. I realize I may be preaching to the choir in my remarks to you, but I hope that some of this information will help you carry this message to your fellow committee members and to the rest of Congress in the STAA budget deliberations.

I thank you for this opportunity.

[The prepared statement of Mr. Council appears on p. 3252.]

Mr. MINETA. Thank you very much, Mr. Council. That—in the current authorization, we are authorized to spend up to $126 million a year for safety programs. The problem is that we have been subjected to an obligational ceiling by the Appropriations Committee of roughly $115 million. And so, there is roughly—I suppose by the end of this fiscal year, we could say that roughly about fifty some million dollars have been withheld from safety programs over the last 5 years of this present authorization program.

First of all, Mr. Jones, on page 3, line 41, you refer to D&E enforcement teams. What is D&E?

Mr. JONES. Drug, alcohol and—DRE?

Mr. MINETA. I am sorry. D&E.

Mr. JONES. I do not have a copy in front of me. I am sorry.

Mr. MINETA. It says, "The North Carolina 402 funds were used from 1983 to 1986 to create a D&E enforcement team."

Mr. JONES. Drug and education.

Mr. MINETA. Drug and education.

In your testimony, you indicate the need for a national data center for the collection, analysis and dissemination of uniform accident, injury and fatality data. However, the subcommittee has received testimony from other Highway Safety organizations that indicates that State reporting, on which national data collection would be dependent, is incomplete and uneven. I am wondering if you could suggest ways in which States could improve their reporting procedures and how might they be encouraged to do so.

Mr. JONES. First of all, I think a standardization—some rule of standardization needs to be imposed. I think before many States can get into upgrading their data collecting systems, money is

going be very much—thank you—is going to be very much a factor. It is an expensive proposition if you are going to get into any kind of data collecting system.

As an example, we were instrumental in helping the State of North Carolina start a trauma registry program. One of the objectives there was to be able to identify the motor vehicle traumas that are going into our trauma centers and use that data to work up counter measure programs to be able to link with our traffic accident reports, to be able to link with our EMS run reports, to be able to eventually link with the medical database commission—four very large and cumbersome systems, but—in which a lot of money has been sunk over the years. I think that if States are given the resources and know that they are going to have more usable information at their disposable, I think that is going to be quite an incentive for them to participate and actively develop systems, work to link systems in their respective States.

I know that Mr. Council and the Highway Safety Research Center work with data all the time and have helped develop North Carolina's data collection system, and I would—I would defer to Mr. Council for his expertise on those kinds of things.

Mr. MINETA. Mr. Council.

Mr. COUNCIL. The comment Paul just made about standardization is a good one. I think any time you go in asking police to do something different, you had better have a good idea of how you are going to use the information. Many of the police records are captured for legal reasons, rather than highway safety reasons because that is why the systems were set up originally. And so, if you change things, you need—you do need to have some good idea of what variables you need to collect and so forth. I think this is difficult.

I have—there is—as you know, there is a move in NHTSA right now to try to have the States collect a limited number of standard variables. But, there is an upside to that in that they will all be standardized if every State collects. Then, the downside to that is, if States under increasing budget pressure decide this is all the variables they are going to collect because this is all the Federal Government requires, my fear is, we are going to lose some of the information that we have now. We have tried to—we have put together for FHWA's use some data systems from five different states, and we have probably worked with data systems from 20 different States. It is hard to get the same variables, but you can still get information out of the systems when they are different.

I am not as down on the quality of police reporting as some people are. I think in some States, it is not good. I know in—I think in North Carolina, we have some of the best. We have worked on it for years through the Governor's Highway Safety Program through police agencies, and we have checked it out versus hospital data, and our police officers seem to do a pretty good job. So, I am not as concerned as some of the people in other States are about the quality of the data.

Mr. MINETA. What about this question of flexibility? We have heard a lot about it. Are there categories within the safety program that we ought to collapse in terms of—into some kind of block grant funding, so to speak, rather than the categorical pro-

grams? And I ask that because we have gotten resistance when I suggested this, especially from Mothers Against Drunk Driving, who are afraid that they will lose specific programs that are being directed to alcohol and drugs, substance abuse.

Mr. COUNCIL. I, quite frankly, do not understand the resistance by Mothers Against Drunk Driving toward the proposal. Highway—alcohol programs—alcohol intervention programs, counter measures—will always be a priority. Highway safety offices are going to pick that as one of their top one or two—it is going to fall in that category of objectives. The fact of the matter, as it is right now, I cannot see how a highway safety office is going to change anything about the way it operates in enforcement, in education, with the alcohol programs.

Where—I think the concern is that alcohol—if we move more toward comprehensive programs—might get lost in the shuffle. But, if we are going to manage effective programs, alcohol has to be considered an integral component. Substance abuse has to be considered an integral component of a comprehensive highway safety or traffic safety or traffic injury prevention program in a community. To put all the eggs in one or two or maybe three baskets is to ignore the seriousness of some other areas in highway safety.

You can make the same case for EMS. I know that discussion has occurred, that we need to earmark money to go into EMS. We had that at one time. I think that you need to put some trust in the highway safety offices to be able to identify their problems and manage—this sounds like State's rights, and I do not apologize for that. But, you have got to give them the flexibility to identify their problems and manage the resources in the best way they can, considering that the resources have continued to decline over the years.

Mr. MINETA. Mr. Council, let me ask about the—going back to the standardization. What kind of performance and maintenance standards exist with regard to roadway safety features, such as pavement markings, guard rails and signs? There seem to be disparities among States with regard to highway safety performance standards, and I am wondering, in your opinion, should the Federal Government require the establishment of uniform national performance standards, as you were indicating a little earlier, as opposed to guidelines to overcome some of the disparities. You were talking about the reluctance of—whether these become variables or optional programs.

Mr. COUNCIL. My first reaction—it is a good question—and my first reaction to it is that I am not in favor of standards until we have some basis for setting the standards, so I am——

Mr. MINETA. Excuse me. You are saying standards only when we find out first what we are going to be using this for.

Mr. COUNCIL. And also how effective it is to do a certain thing. For example, a pavement marking program. You could have a standard that simply said we will remark pavements on certain level roads every "x" number of years. You know, you could have a standard that says that. On the other hand, until we find out that there is some deterioration in—a significant deterioration in the performance of that pavement edge marking in terms of crashes, I

am not sure I would set a standard. So, I am looking for the research to get there.

Mr. MINETA. Let me, at that point say, my concern is there is an aging population in this country.

Mr. COUNCIL. Yes.

Mr. MINETA. With an aging population, should be widening—should we be widening the painted stripe on the road? Should we be moving the signs on the highway that says exit 28 is a mile and a quarter—should we be—instead of having that 400 feet from the exit, should we have those things maybe a mile back so that the older folks are now going to be saying uh-oh, here comes exit 28+ or yes, there are wider lines here that delineate the lanes. I am wondering whether or not we should not be going to some kind of standard because of some other factors that may be driving us to do these things.

Mr. COUNCIL. Clearly, the movement—the aging population becoming a bigger part of the highway driving population is going to mean we have to look for things to change. I do not particularly want to make the 3M people or the road marking people mad. I have not yet—I also hate to be a researcher who is coming here and say we always need more research, but I must say that the edgeline studies, for example, that I have seen on wider edgelines versus nonedgelines—we do not have the data right now on how those affect the elderly population. At least, in my mind, that says we should go ahead and require 8-inch edgelines on every road or require certain changes in all of the signing that we have out there. I do think we need to find out, and I know there is some work going on within FHWA right now—at least some simulator-based work—to try to determine that.

I am not—I do not know every study that has been done. The edgeline area, I have read some of the studies in, and there are—it is a very mixed bag. In fact, I guess some of the best studies say that the wider edgelines do not have that much of an effect on the normal driving population. So, I am not sure we have the data yet that I would have to say go to a standard now. Now, it is clear that we do have to look. I mean, we are getting to older drivers, and they—those older drivers, I might mention, are at high risk, clearly, of dying when they are in a crash.

There is some research now that is fairly interesting that is beginning to show that maybe they are not at quite as heightened a risk of getting into a crash. You know, if you just look at fatal crashes, elderly drivers look bad. But, part of the reason they look very bad with respect to fatal crashes is they die more often than the younger population does, given they are in a crash. So, the question is to separate their frailty—their propensity to die, given they are in a crash, from their actual driving behaviors that get them in the crash. I think that is where we are headed—I think that is what we are doing now.

But, there is some interesting—I saw some Canadian research the other day, actually, when I was reading some things for this testimony, that indicated that at least at intersections, there is some evidence that their crash rate, if you take out their frailty, their crash rate is not elevated. So, we need to fix intersections, but not just for the elderly. We need to fix intersections for everyone.

So, I think we are just beginning to get a point of knowing how it is this elderly population is going to affect future accidents at certain locations.

Mr. MINETA. Are there a lot of these programs that we have in 402—as you indicated, the engineering that has to be more—where the emphasis has to be more on the engineering piece of it, rather than the education or the—or this new element you suggested, the EMS piece of it?

Mr. COUNCIL. We already have the ability to—if I am understanding you correct—your question correctly—we already have the ability to address the elderly driver issue. Certainly, with the little pot of money that is available on the FHWA side in our State, it is not even going to scratch the surface of the problem of signs, pavement markers. It is not going to touch the issue of inventory or maintenance standards or anything like that. The money does give us some—I am looking for the word—gives us a little bit of room to address, from a program and valuation standpoint, what might occur with these.

As an example, Secretary Harrelson ordered some select roadways in the state be marked with bigger and brighter signs because of his concern with the elderly driver, but also, the general population being able to see where they are going at night and with—what is it?—53 percent of the crashes occurring at night. It is certainly important for everybody to be able to get where they are going with a minimum of confusion, especially if you are a stranger in an area. And, that is something that is being addressed in this state.

Mr. MINETA. Mr. Valentine.

Mr. VALENTINE. Thank you, Mr. Chairman.

I want to begin by mentioning something one more time that I thought I would never bring up again because it is—I have talked about it so many times that to discuss it is rather demeaning, but it has to do with safety. I have talked to people in the highway department about it, and I had thought one time that I would see if I could not get myself elected Governor of North Carolina, go through all that trouble so that I could do something about this. But I decided that might be too much trouble and, indeed, might be impossible. You traveled—and this—I am going to mention some other things about safety, and some things, we cannot do much about; some things, I can—we can quarrel about when it is really the responsibility of politicians, not you gentlemen.

But you, along many sections of public highway in the state of North Carolina, beyond—I am talking about now four-lane, two-lanes in that direction and two lanes in this direction—there is the center line. There is—or the edgelines, whatever you call them over on this shoulder. There are these metal stakes. We used to call them angle irons. And they are there. I do not know who the state buys them from. Somebody must have a damn fine contract because on U.S. 64 going east toward Nash County, there is one of those stakes about every 100 feet, apparently, sticking up like that. It has a little reflector on it, some of them do. They make it difficult when the mowing machine comes along, he has got to raise up his—there is no need to have them there really because you got the line. Anybody can see where the road stops—should be able to.

They come along and mow the grass, and they bend them down. And this State is filled—the highways in this state are lined with tank traps. When they are cut back like this, they are in the ground. Some of them are down so low that they are obscured by the high grass. They will penetrate an automobile or a motorcycle, knock a guy off of it and go right through the front of a car, up under the hood and into the belly of a passenger.

Now that is a—is something that can be corrected. And I am going to watch and see if anything happens about it, and I do not know whether—probably, somebody will come back and say we put them there because the Federal Government made us do it. If so, tell us about that. But, I mean, that is just one of those little things. But, it is there. Look at it next time.

Mr. JONES. I think the appropriate people to address that concern are here somewhere in the audience today.

Mr. VALENTINE. Well, that one—that is one we can fix. Let me tell you some other ones. We talk about safety, and you guys do a great job. We talk about safety; yet, we suffer fuzz busters. We were talking about them—I am not going to get into that any more. You will all think I am a crusader, which I am not. But, I do—these things do worry me, and the frustrations build with the years. I mean, there is no sense—there is no reason why they—by executive order or some way that we cannot address—we are law abiding folks. We ought to know which side we are on. What the hell do we want to do, encourage people—help people find out where that cop is and slow down? Hog wash. Speed kills.

Triple trailers. There are probably folks here from the trucking industry. My God, those things ruin the edges of the highways. If you try to pass them, it is, per se, a safety disaster.

DUI's. This has something to do with my colleagues. Go into the courts in this state and see how many DUI cases have been continued from time to time to time to time—some over 2 years. That is where we ought to—the press ought to be raising hell and the executive branch and the courts about the failure to bring to justice people charged with driving under the influence.

You mentioned the drug of choice. I am not a teetotaler. I hope my mother is not here. But we talk about the drug of choice; yet, nobody seems to be—we launch drug programs and television, radio. Those are gifts that all of us gave to private enterprise. When we told WRAL that they could go on the air, channel 11, all of us gave them that franchise. So they are different from the newspaper. If you guys got enough money, you can open up a newspaper and start that next week. If you got enough money, you cannot go get you a television station. You got to go to the government, and they got to—all of us got to do that. Yet, they continue to pump into the parlors and homes of America people pouring out that frothy golden mead and advertising beer and wine. I do not have anything against that. Come 5:00—I should not say that.

But we do not need to teach people to use that stuff, and we ought to—there ought to be at least a crawler along there sometime that says, "The commodity which is advertised is an adult refreshment. It is an intoxicant. It is for use of those people who are over 21 years of age." But they do not want to do that. You never see anybody drinking the beer. You never see that guy—you see it

looks like it is associated with success, peace and all that is good in life and athletic prowess and virility. They never show that guy out the door when he drives home after he has three or four beers. I have three or four beers myself on occasion. And we talk about—we beat our chests and talk about highway safety and drugs of choice and what do we do? We could cut that out if we had the will—the political will to do it. The same thing on radio. We try to do it in Congress. You get screamed at from the advertising industry, all up and down the line.

And so, I think it is rather a shame. Some of these things, we can—you all do not have anything to do with. And, I appreciate you giving me a chance to get that off my chest, and I—you know, we talk about all the good things, and here are some things we can do and ought to do, but we have been unable to do.

But, fix those tank traps. Thank you.

Mr. MINETA. Well, Mr.—go ahead, Mr. Jones.

Mr. JONES. In conjunction with your remarks about fuzz busters, I share your passion against fuzz busters. But in one area—one area where you could help the States. A few years ago, Congress approved a pilot project in Kentucky allowing drone radars. A number of other states have petitioned to be able to conduct the same program. The problem seems to be hung up with the Federal Communications Commission, which is not ready to grant state authority to put drone radar units around their State. I think an appropriate call or comment in the right place might help shake that loose and be of some benefit to States who are trying to combat the fuzz busters.

Mr. VALENTINE. You know A.B. Swindell, would you mention that to him? We will write something.

Mr. JONES. Sure.

Mr. MINETA. Well, Mr. Jones and Mr. Council, thank you very, very much for your testimony today. And again, thanks a million for all of your work on the Governor's Safety Association programs.

Mr. JONES. Thank you, Mr. Chairman.

Mr. MINETA. Thank you very much.

At this time, I would like to call forward a panel made up of Frank E. Willis, highway division chairman, Associated General Contractors, chairman of the board, Willis Construction Company; Frederick R. Allen, executive director, North Carolina Aggregates Association; Clint M. Reese, executive vice president, North Carolina Cattlemen's Association and member of the executive committee of the North Carolina Highway Users Conference; and Jack Lanford, senior vice chairman, American Road and Transportation Builders Association and president of the Adams Construction Company.

Mr. Willis, why do you not go ahead and proceed first.

TESTIMONY OF FRANK E. WILLIS, HIGHWAY DIVISION CHAIRMAN, ASSOCIATED GENERAL CONTRACTORS, WILLIS CONSTRUCTION CO., CHAIRMAN OF THE BOARD, FLORENCE, SC; FREDERICK R. ALLEN, EXECUTIVE DIRECTOR, NORTH CAROLINA AGGREGATES ASSOCIATION, RALEIGH, NC; CLINT M. REESE, EXECUTIVE VICE PRESIDENT, NORTH CAROLINA CATTLEMEN'S ASSOCIATION, MEMBER, EXECUTIVE COMMITTEE, NORTH CAROLINA HIGHWAY USERS CONFERENCE, RALEIGH, NC; AND JACK LANFORD, SENIOR VICE CHAIRMAN, AMERICAN ROAD AND TRANSPORTATION BUILDERS ASSOCIATION, PRESIDENT, ADAMS CONSTRUCTION CO., ROANOKE, VA

Mr. WILLIS. Thank you, Chairman Mineta, Congressman Valentine. My name is Frank Willis of Willis Construction Company in Florence, South Carolina. Willis Construction Company is a small family held business engaged in highway construction. I am the past president of the Carolinas Associated General Contractors and current highway division chairman of the Associated General Contractors of America. Carolinas AGC represents more than 3,600 firms that perform more than 80 percent of the Carolinas construction of highways, bridges, commercial buildings, industrial, and municipal utility facilities. I am also serving as chairman of the board of the Road Information Program.

Carolinas AGC appreciates the opportunity to express our views on the major transportation issues facing this Nation. As the Nation's leading construction industry association, we are vitally concerned that we have an adequate investment in our Nation's surface transportation infrastructure to provide the continued foundation for economic prosperity and our international competitiveness. AGC applauds this Subcommittee for scheduling this regional hearing in the Carolinas and getting on with the important task of reauthorizing the Nation's highway and mass transit programs.

Recognizing that construction of the Interstate Highway System will be essentially complete in the early 1990's, America is at a crossroads with regard to our future transportation policy. In March 1989, the AGC adopted a series of policy recommendations relating to future surface transportation legislation.

AGC believes that transportation infrastructure is at the very heart of what makes this country thrive and prosper. Over the past 30 years, the gross national product of this country has grown over 1,000 percent—nearly double the increase of the previous 30-year period of our history. Several factors account for this growth. But one factor, highway development, stands head and shoulders above all the others. America has grown and prospered from the mobility provided by this Nation's highway transportation system in general and, specifically, the Interstate Highway System. A look at the role of our highway system in the economy of this country shows the magnitude of its effect on our current and our future economic development. Eighty-nine and one-half percent of all personal travel is on highways. Eighty-two percent of all freight revenues are carried on highways. Nearly every product manufactured or consumed in this country is—at least for a portion of its journey—from production to market, carried by truck. And 85 percent of America's workers commute to work by private vehicle.

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Increasingly, communities around this country are recognizing the critical link between highways and economic development. Recently, North Carolina voted a multibillion-dollar road development program designed to support North Carolina's rapid economic development.

A central question facing Congress as it begins to develop its future surface transportation legislation is how to ensure adequate investment in the Nation's transportation infrastructure to meet both our current needs and our future demands for economic growth. We in AGC believe that this nation is seriously underinvesting in its transportation infrastructure at a tremendous cost to this Nation in lost productivity, jobs and international competitiveness. This Nation's transportation system is the arterial system by which the country's economic development is nurtured and supported. If the people of this country—both public officials and private citizens alike—continue to ignore the construction and rehabilitation of this Nation's highways, the congestion in the Nation's airports and airways, then our nation will pay many times over in lost economic opportunity now and in the future.

The most in-depth analysis of highway needs was performed in 1988 by the American Association of State Highway and Transportation Officials. In their report, "The Bottom Line—A Summary of Surface Transportation Investment Requirements," AASHTO identified annual capital investment needs by all levels of government of up to $58.5 billion between now and the year 2020. This compares with the current highway capital spending in 1987 of only $31 billion.

AGC applauds the work of AASHTO as part of the Transportation 2020 program, and we encourage the Congress to consider AASHTO's policy recommendations on future funding as a sound basis on which to begin to debate and build future legislation.

As the subcommittee considers the future surface transportation legislation, we believe there are a number of important concepts which are critical to the success of the surface transportation program in the future. The most critical is the user fee trust fund concept. The trust fund concept has long been recognized as a reliable and stable financial mechanism for infrastructure investment. Several key features are largely responsible for its success. First, it is user-fee financed. The Nation's highway transportation system is paid for only by the user. The more you use the system, the more you pay. Public support has remained strong for the highway program primarily because the public perceives that it receives a direct benefit from the money it pays in user fees. Another key aspect of the trust fund is that it provides a stable and reliable financing mechanism on which a successful major capital investment program must depend. AGC strongly recommends that Congress continue and strengthen the highway user fee finance trust fund.

We recommend that Congress reject proposals to increase motor fuel taxes for deficit reduction or any other nontransportation spending. We support congressional efforts to increase funding for the Nation's highway system by spending down the trust fund balance, and we support elimination of the highway use tax exemption for gasohol and any other alternate fuel.

Both North Carolina and South Carolina continue to send more transportation dollars to Washington than is returned to our respective States. North Carolina ranks near dead last in the donor category. The current national highway program, through its maze of funding categories and antiquated distribution formulas, denies some of the most populous and fastest-growing States of a sufficient share of Federal funds to address highway needs. Carolinas AGC supports the minimum allocation to donor states and recommends that a more equitable variable be included in apportionment formulas that would address vehicle miles of travel, fuel consumption and miles of State system routes.

The budget problems which have faced this country since the late 1960s, however, have had a detrimental effect on the ability of the Federal Government to let the trust fund work in the manner in which it was intended. Since 1969, artificial spending restraints have caused the highway trust fund balance to grow dramatically to a current balance of over $15 billion, when you include the mass transit account.

A first step in addressing this issue would be to expend the trust fund balances for their intended purposes. Since the trust fund receipts can be used for no other purpose than transportation, bankrolling these trust funds is not only a breach of faith with the transportation users, but is merely postponing work that should be done now in order to prevent more costly repairs later.

A longer term solution to this same issue is, let us take the trust funds out of the unified budget. These programs have not contributed to the deficit. The cash balances are proof of that. The user fee financed transportation programs—the user fee has financed transportation programs of support. The receipts should not be loaned to other programs while our vital transportation needs are neglected.

AGC continues to endorse the House Public Works and Transportation Committee's initiatives to take the transportation trust funds out of the unified budget process.

In closing, AGC acknowledges that Congress faces a tremendous challenge in balancing priorities in the reauthorization of the post-interstate surface transportation legislation. Only when transportation is given top priority can we as a nation begin to address our transportation needs.

Thank you again for the opportunity to appear before you today.

Mr. MINETA. Thank you very much, Mr. Willis.

At this time, I would like to call Frederick R. Allen, executive director of Northern—I started to say Northern California, but—North Carolina Aggregates Association.

[The prepared statement of Mr. Willis appears on p. 3373.]

Mr. ALLEN. Chairman Mineta, Representative Valentine, and when he returns—Subcommittee staff—and other distinguished guests and attendees. Good afternoon and thank you for the opportunity to appear with you this afternoon to discuss our mutual concerns in transportation. My name is Fred Allen. I am executive director of the North Carolina Aggregates Association, the statewide industry trade association representing producers of crushed stone, sand and gravel.

Today, I speak to you as chairman of the Transportation Committee of the North Carolina Citizens for Business and Industry, a statewide trade association formed in 1942, and now pleased to count a membership of over 1,300 North Carolina employers from one-man professional firms to multimillion-dollar corporations, including financial and educational institutions, wholesale and retail establishments, manufacturers, construction and natural resource companies and many others. NCCBI is recognized as the U.S. Chamber of Commerce representative in North Carolina.

NCCBI's membership is acutely aware of the critical importance of transportation to the growth and economic strength of our State. The productivity and profitability of business and industry is dependent upon access to highways, railroads and, of course, to airports and deep water ports—all of which must be effectively connected to one another by an efficient surface transportation system.

The original program, of course, showed Mr. Tom Bradshaw as speaking to you, and I would like to acknowledge at this point that Tom is former Secretary of the North Carolina Department of Transportation and a member of the NCCBI Transportation Committee, was one of the principal authors of the just referenced 2020 report. Chairman Mineta, I am sure you are well acquainted with Tom Bradshaw. He was unable to be with us this afternoon.

I would like to focus this afternoon on the role which highways have played and must continue to play in regional business development. Primarily today, previous speakers have emphasized the movement of people. I would emphasize to us, let us not forget goods and services.

For some years, North Carolina has maintained a goal of encouraging regionally diverse industrial development. Jobs and improvements in our standard of living must be available to all citizens of North Carolina's 100 counties.

In 1988, NCCBI participated with the North Carolina Highways for Progress group in commissioning a study of the impact of highways on regional development. A copy of the study by the University of North Carolina at Charlotte and the Institute for Transportation Research and Education, entitled "Jobs, Highways and Regional Development in North Carolina" will be provided in follow-up testimony to you, Mr. Chairman and to the committee.

Let me quote three points contained in the Executive Summary of that report:

Number one, and I quote,

> The dispersion of jobs and industry that is characteristic of North Carolina, creates a strong pattern of commuting between counties. This flow is getting stronger, especially where workers are driving in greater numbers to jobs in the metropolitan centers. These commuters add to local traffic and create overloads that are clogging roads in the state's larger cities.

Quote number two,

> About 87 percent of the state's population and 90 percent of all jobs are found in nine broad economic regions. These functional regions represent a rural/urban partnership in which people can choose urban or rural lifestyles without foregoing access to jobs that are located in or near cities. An efficient highway network binds the various parts of our state together to the benefit of both urban and rural residents and businesses.

And number three,

With continued sound highway development, North Carolina is in a good position to take advantage of further growth opportunities around its metropolitan areas, while also doing this in such a way as to extend the benefits of economic growth to many of the rural parts of the state. Through this rural/urban partnership, a cherished rural/small town lifestyle can be protected without diminishing North Carolina's competitive position within the region and the nation.

I am advised by the North Carolina Department of Economic and Community Development—if you will, the State's department of commerce—that today and, in fact, since 1986, North Carolina has led the Nation in new manufacturing plants. And this could have only happened with a strong infrastructure program.

I would like to digress for just a moment, if I might, away from my prepared remarks to share with you a little bit of new information which I just received from the department of economic and community development. In speaking with them, they emphasized to me that virtually every industrial site selection team that visits North Carolina looking to locate a plant or manufacturing operation here asks among the top questions, what is our transportation system like? We, of course, are blessed with basically four Interstate highways. We have two deep water ports and two regional airports. Of course, as I mentioned, all connected by a strong highway program. This is critical, I think, to the selection of North Carolina for economic expansion and critical to the continued growth of our State.

Since 1986—I would emphasize again—North Carolina has led the Nation in major new plants—a major plant being defined as one with $1 million capital investment, 20,000 square feet of space and 50 jobs. In fact, in 1989, 105 such plants located in North Carolina. And by and large, these plants are asking to be 10 to 20 miles within an Interstate System. Again, the emphasis here is they must have adequate transportation.

Also, let me point out that an organization in Chicago that does annual surveys of economic development, called Grant, Thornton—they are accountants—and ranks manufacturing climates in the States every year. And just last month, in August—mid-August, they released a report which ranks the 50 States according to attractiveness of their manufacturing business climates. And I would quote from their findings. We are classed, by the way, as a high manufacturing intensity State. "This year, 29 States are classified as having a high intensity of manufacturing. The state with the most favorable manufacturing climate in this group is North Carolina, followed respectively by Vermont, Wisconsin, Mississippi, and Alabama." Mr. Chairman, I have got to believe that the climate—the very healthy climate in North Carolina for economic growth and expansion—is greatly due to a strong highway system.

While North Carolina, as you have heard several times today, has indeed, taken steps to provide what I would call these corridors to economic growth, we cannot do it alone. Continued federal appropriations from federal fuel tax revenues are essential.

The North Carolina Citizens for Business and Industry Transportation Committee recently adopted two positions relating to the Federal highway program:

Number 1, "To support timely reauthorization of the Federal Surface Transportation Assistance Act to include (a) a program to address the need for equity in the apportionment of federal funds and (b) to include provisions to provide greater flexibility in the categories and uses to which a state can apply the funds."

On the matter of equity, North Carolina has been the number one donor State, as you have already heard, for the past 20 years. It is time to correct this inequity and provide North Carolina its fair share of gas tax revenues.

NCCBI's Transportation Committee's second position was to oppose any program to use Federal motor fuel tax revenues for deficit reduction.

NCCBI supports the user concept fee of highway funding, whereby motor fuel taxes are dedicated for highway purposes. Further, on this point, we believe that the current $11 to 12 billion in the highway trust fund should be spent down over time for the purposes for which the funds were collected, that is, highway improvements.

NCCBI joins with the North Carolina Department of Transportation in opposing any Federal gas tax increase, unless it is combined with a spend down and with a program to bring equity to the appropriations process.

Also somewhat related and certainly discussed earlier today, the NCCBI Transportation Committee adopted a resolution in support of the planning of intermodal public transportation systems through the use of regional transportation authorities and encouraging public/private ventures and considering environmental concerns.

Mr. Chairman, members of the Committee, I am honored to have this chance to present these thoughts to you. We welcome further opportunities to work with you and the Subcommittee members as you prepare this vital legislation forming the future of our highway programs. Thank you very much.

Mr. MINETA. Mr. Allen, thank you very much.

Mr. Reese.

[The prepared statement of Mr. Allen appears on p. 3243.]

Mr. REESE. Thank you, Mr. Chairman, Congressman Valentine. My name is Clint Reese, and I am the executive vice president of the North Carolina Cattleman's Association, and I also serve as a member of the executive committee of the North Carolina Highway Users' Conference, which I am representing here today.

The Highway Users' organization is composed of some 49 State associations and companies operating in the private sector with a wide range of interest in matters which affect or influence the cost and quality of highway transportation. A current list of this membership is attached to your copy of this testimony.

Due to the understandable time constraints, I will only highlight the main points of my written testimony, which has already been submitted.

The Federal highway trust fund is a source of finances for the Federal Government's contribution to the national highway systems. The revenue for this fund comes from certain special and selective taxes which are levied on taxpayers solely because of their use and ownership of motor vehicles that operate on the public

highways. Their payment of these taxes are in addition to all the other taxes as any citizen would pay.

Because these are special and selective taxes, we strongly believe that they should be used only for improvement to the State and Federal highway programs. They are not the proper revenue for sources for general tax needs.

It is obvious that the Federal Government has an important role to play in helping assure that our national highway transportation needs are met.

We further recommend that the post 1991 Federal highway program be restructured to reflect the sound fiscal system and fair tax structure upon which the 1956 act was originally based. In order to accomplish this, we recommend the following changes:

First, the Federal highway program should be removed from the unified budget. This would help prevent the use of the highway trust fund revenues to help balance the Federal budget.

Second, the current provision which takes 1 cent of the Federal motor fuel tax for mass transit should be eliminated.

Third, the current balance on the highway trust fund, estimated to be about $17 billion, should be drawn down to levels which are within the boundaries of accepted accounting principles.

The Governor and the General Assembly of North Carolina recently recognized the importance of highway transportation by passing one of the most comprehensive highway programs in the State's history. They recognized that the State's economy and its quality of life are directly related to the quality of our highway system. The better the roads, the more quickly and economically we can move goods and services on which our citizens and business depend and which affects our competitiveness in the world marketplace. To keep this vision from fading, we are looking to the U.S. Congress to put forth a Federal highway program for the 21st century which will assure us a continuation of an affordable, efficient highway transportation program which will meet our State's growing needs.

Thank you very much.

Mr. MINETA. Thank you very much, Mr. Reese.

Mr. Lanford.

[The prepared statement of Mr. Reese appears on p. 3343.]

Mr. LANFORD. Good afternoon, Mr. Chairman and Mr. Valentine. I am Jack Lanford, president of Adams Construction Company, which is based in Roanoke, Virginia. I am pleased to present testimony today before the Subcommittee on Surface Transportation on the transportation needs of this Nation.

I am here on behalf of the Virginia Road & Transportation Builders Association, where I am a past president. VRTBA has been providing representation for the transportation construction industry since 1943. VRTBA is affiliated nationally with the American Road & Transportation Builders Association, where I currently serve as senior vice chairman.

Mr. Chairman, on behalf of our membership, thank you for allowing VRTBA to provide our views on future transportation needs. Road and highway construction and improvements ranked as the third most important issue to State legislatures and their staff behind tourism and agricultural environment.

At the outset, I will say that we believe that the financial decisions that the U.S. Congress makes next year in the transportation area will have a direct impact on the Nation's economy and well-being long into the future. But first, we must ensure that the Federal highway user fees are not raised for nontransportation purposes, including to help balance the Federal budget. The highway trust fund, along with the Federal gasoline and diesel excise tax was established to solely fund the construction and repair of our highway and bridge system. Diverting these funds would severely impact the ability of Federal and State Governments to meet identified infrastructure needs.

America is built on mobility. Its vast size places a high value on the ability to move people and goods over both short and long distances in an economical and efficient manner. The American highway system, developed jointly by the Federal and State Governments, has had more to do with our quality of life and economic prosperity than any other single factor.

The efficiency of our highway system also has a direct effect on productivity. It is a documented fact that countries that sustain a high level of public investment relative to output experience highway productivity growth.

During the past two decades, Japan has invested about 5 percent of its output in public works and achieved an annual productivity growth of over 3 percent. The West German experience is similar.

The United States, meanwhile, has maintained a low public investment ratio of three-tenths of 1 percent and seen inferior productivity growth just six-tenths of 1 percent per year. The fact is, the United States ranks 55th in the world in general—excuse me—in public capital investment. To me, that is a national embarrassment. It is also a sure prescription for economic decline.

Today, America's Federal highway system—the backbone of our national economy—is in serious trouble.

While this network of highways and bridges comprises only 22 percent of the Nation's total road mileage, it carries 81 percent of all travel—more than 1.6 trillion miles per year.

According to the U.S. Department of Transportation's 1989 report to Congress, more than 28 percent of the bridges on the Federal-aid system are either structurally deficient or functionally obsolete. The same report States that more than 40 percent of the pavements on the Federal-aid system are in poor or fair condition.

This 1989 report and the Federal Highway Administration's 1988 publication, "America's Challenge for Highway Transportation in the 21st Century", both State that meeting existing capital needs on the Federal-aid system alone requires a $40 billion per year investment in transportation construction projects—a rate of spending substantially in excess of the current obligations for the Federal-Aid Highway Program.

Meeting these quantified needs on the Federal-aid system is one of the major financial challenges facing the Nation. Failure to provide an adequate and usable highway system will have a profound effect on the quality of American life, our economic growth and development and our ability to meet national defense requirements.

The Federal-aid Highway Program has been a driving force behind building a better America. The reauthorization of this Fed-

eral program should foster continued opportunities for growth and development.

If the program's reauthorization legislation does not address known needs in a meaningful way, the deterioration of the Federal-aid Highway System, which is becoming more apparent every day, will continue, placing the American economy in danger. Today, highway disrepair and congestion are contributing to increased economic costs, air pollution and wasted energy resources.

According to Federal statistics, the Nation now wastes 1.25 billion hours and 1.38 billion gallons of motor fuels due to congestion on limited access highways each year. By the year 2005, that waste could soar to 6.9 billion hours in lost productivity and 7.32 billion gallons of squandered fuel.

Economists at the U.S. Department of Transportation estimate that if our highways are allowed to continue to deteriorate, by 1995, the U.S. economy could potentially miss out on increases of 3.2 percent in gross national product, 5.9 percent in disposable income, 2.2 percent in employment and 2.7 percent in manufacturing productivity.

Disinvestment caused much of our current problem. Total public capital expenditures for highways and bridges has dropped from 1.4 percent of GNP in the early 1960s to about 0.5 percent today. During this same period, traffic on the Federal-aid highway system has increased five fold.

What should be done? The solution to our highway problem is obvious: we must begin investing in the future. Providing adequate resources is the key.

One alternative is to spend the current cash balance in the highway account of the highway trust fund to address the call for greater highway improvement expenditures. But, how far will that $10 billion balance go?

An examination of the language of the Highway Revenue Act authorizing the highway trust fund shows that deficit spending in this fund is prohibited. Since the entire balance cannot be spent, the portion that is available, between $5 to $8 billion, will not significantly increase the current program.

The Virginia Road and Transportation Builders Association believes the Federal reauthorization bill should provide $40 billion per year for highway and bridge improvements. This authorization level should commence in 1992 and continue for a minimum of 5 fiscal years thereafter. Such a program level is totally consistent with the needs identified by the U.S. Department of Transportation referred to earlier in our testimony.

To authorize and carry out a program of this magnitude, we are recommending that the U.S. Congress:

Ensure that all Federal highway user fee revenue contributed to the highway trust fund—plus interest earned on that money—is spent in a timely manner. A drawdown in the trust fund's current $10 billion-plus cash balance should begin during the next fiscal year.

Remove the Federal-aid Highway Program from the Unified Federal Budget in order to ensure that revenues are not impounded or withheld in the future.

Increase the Federal highway user fees—effective in fiscal year 1992—to raise the additional $25 billion per year that is necessary for a $40 billion per year Federal program of highway improvement assistance.

No longer impose artificial obligation ceilings on the expenditure of Federal highway funds.

Repeal the current 6 cents per gallon Federal tax exemption on gasohol sales for highway vehicle usage, which causes an estimated $500 million per year loss to the highway trust fund; and

Tighten Federal highway motor fuels collection procedures.

These actions would assure that future generations have a highway system on which they can build. The historic role of the Federal Government in the development and upkeep of a national highway network should be maintained.

Recently, David Alan Aschauer, a senior economist with the Federal Reserve Bank of Chicago, and Richard Mudge, the former head of the Congressional Budget Office's Public Investment Unit, quantified the long-term national economic impacts of such a proposed program. Their findings are dramatic:

By the year 2012, national productivity would be 7.7 percent higher, resulting in an additional $400 billion per year in gross national product; and the expected productivity gain would generate an additional $29 billion per year in corporate profits and a $35 billion annual increase in private investment. That is an excellent return on your investment.

There is no question that the Federal Government has a clear role to play in the development and upkeep of a national system of highways and bridges. The Federal responsibility is defined by the constitutional mandates to regulate commerce among the States and with other nations, provide for the national defense and safeguard the public health.

The user fee principle that has guided the financing of our national highway transportation program has contributed to its success. Highway users recognize the importance of well-maintained highways and bridges. They also realize that continued expenditures must be made in order to maintain system performance at an acceptable level. Over the years, motorists have shown a willingness to pay appropriate user fees—if they are used for their intended purpose.

Consistent with our recommendation for increased funding, VRTBA also believes that the working partnership between the Federal Government and the States, which is the basis of the existing Federal-aid program, must be continued.

Some have suggested that State and local governments should be responsible for raising revenue to meet future needs for rebuilding and expanding our highway system. In fact over the last 20 years, Federal support for improvements has declined over 20 percent in constant dollars.

While the Federal interest has continued, State governments have worked to increase State revenues for highways to keep the system from further deterioration.

Now is the time to reestablish the true meaning of the Federal-aid highway partnership and to live up to the Federal commitment

to adequately fund improvements on highways and bridges significant in meeting transportation responsibilities.

The unwillingness of the Federal Government to raise and spend sufficient funds to maintain system performance has resulted in a program that is not fully meeting identified needs. Now is the time for bipartisan leadership in this area if we are to meet our future transportation demand.

America is literally at a crossroad. We can continue to ignore our serious and growing highway and bridge problems. Or, we can choose to make the investment—about $40 billion per year—that is necessary to rebuild and expand our national highway network to meet future demands.

Good roads save lives. Improve productivity. Enhance competitiveness. And reduce pollution-causing, energy-wasting traffic congestion. In short, they are an investment in the future.

Together, let us build a better America through transportation. The time to act is now.

Thank you for the opportunity to present the views of the Virginia Road & Transportation Builders Association on our future highway needs. I stand ready to answer any questions.

[The prepared statement of Mr. Lanford appears on p. 3290.]

Mr. MINETA. Thank you very much, Mr. Lanford.

Mr. Willis, the committee has been presented testimony supporting the use of Federal-aid highway funds for the construction of toll road facilities. What other creative funding resources are available for investment in our nation's transportation infrastructure?

Mr. WILLIS. What other creative——

Mr. MINETA. Funding sources, creative financing.

Mr. WILLIS. Do you want me to say public privatization?

Mr. MINETA. That may be a way.

Mr. WILLIS. It may be. I do not know that we have fully explored the ramifications of privatization of our highway systems yet to the extent that I would want to endorse that. When private enterprise begins to own something that is as vital to this country as our transportation system is, I think we need considerable more understanding and explanation of what those ramifications might be before we go too far in that direction, even though that the select opportunities, like the toll road at Dulles Airport, may very well be one of the practical applications of privatization. As in toll roads, that may be an answer in select opportunities or in select locations.

Mr. MINETA. Let me ask Mr. Lanford on that Virginia project. Do you think that is going to move forward?

Mr. LANFORD. Yes, sir; I think it is. I think it is on the verge of getting started, from what I have heard.

Mr. MINETA. One of the problems, as I understand it, with that one is that without eminent domain capability, it makes it tough to acquire the property. And one of the things that—I do not know whether it is done by accident or on purpose or whether that is—V DOT withheld—or the state legislature withheld the possibility of eminent domain powers being given to that private toll road corporation and whether or not that is going to really impair the ability of the corporation to really move forward on that.

Mr. LANFORD. Well, I am not directly familiar with it, but what I read in the paper, apparently, they had made arrangements to buy the right-of-way.

Mr. MINETA. Have they done that now?

Mr. LANFORD. I think they have the right-of-way in hand now. I think they are about ready to start construction, from what I understand.

Mr. MINETA. Also, in the AASHTO report that you have referenced, Mr. Willis, it provides for the establishment of a flexible urban program. And I am wondering, would AGC support greater flexibility for the use of Federal aid highway funds to meet urban mass transit capital needs?

Mr. WILLIS. Chairman Mineta, yes, AGC believes that there should be more flexibility in the selection of the projects to be funded by the authorizing State or local agency. We believe that there should not be so much flexibility in the return of the funds to the individual States. We would like to go back to a higher level of totalfunding. But, when you fund back to the State, let the State then have the flexibility of deciding where and how and to what project to apply those funds.

Mr. MINETA. The flexibility of course, from a—there has been some concern mentioned by the contractors in terms of whether or not there should be that flexibility on the transit side—moving to the transit side.

Mr. WILLIS. Well, I think within the AGC and within other contract organizations, a personal opinion of my own, that there are some mass transit projects—when you start talking mass transit—mass transit in North Carolina or South Carolina is quite different from mass transit in Boston or New York City. So, that the term mass transit begins to be a little bit misleading. Again, I can understand, as a contractor, and I think most contract organizations, including AGC, think in terms of mass transit as rail transit, as in the Boston Transit Authority.

On the other hand, in North Carolina and in South Carolina—if I may be specific to South Carolina for a moment, public transportation, which is, in terms, called—at times—called mass transit—public transportation in South Carolina enables a lot of people in some of our very poor rural counties—Williamsburg County, Georgetown County, some others that are close to our coastal areas—to transport people to our coastal areas to work in motels, hotels and our tourist industry. Tourist industry is our second largest industry in South Carolina. Mass transit enables us to put those people to work and take them off of the tax rolls. And that opportunity, they are using our highway system. It is very difficult, then, to oppose and does not make sense to oppose public transportation—mass transit, if you will—in that sense.

But on the other hand, if we are looking at a situation that begins to get to be a magnetic levitation mass transit situation, then yes sir, spending highway dollars for that does cause us some grave concerns—because of the magnitude of the dollars involved.

Mr. MINETA. Mr. Allen, the—we have been talking about how to get the public/private sector cooperation going—how to get more private sector involvement. I am wondering if you might have any

suggestions as to how we might enhance that private sector involvement in building our transportation infrastructure.

Mr. ALLEN. You are talking about, Mr. Chairman, in terms of a funding level or ideas?

Mr. MINETA. Both.

Mr. ALLEN. Well, I think these hearings, obviously, are well directed toward involving local government, local officials, local industry to hopefully develop some ideas about how we might involve greater public and private participation. I do not know that NCCBI—speaking specifically for that organization—we have not taken a position on a funding mechanism for public/private participation either in highway. I presume your question was directed either highways or so-called mass transit.

Mr. MINETA. Sure.

Mr. ALLEN. I do not know that I have any magic solutions for you. I think the project on Dulles Airport will be an interesting one to watch to see how that evolves. I think there are, if I recall reading—there are several others in this country. I think Denver, if I remember correctly, is exploring something. I think we need to carefully look at that. We need to look at the economics of that—things like you mentioned, the right-of-way acquisition. There is a lot of—lot of issues that may differ from State to State on how that is put together.

Mr. MINETA. Right. It is interesting that you say that the North Carolina Department of Economic and Community Development said that North Carolina today leads the nation in new manufacturing plants. So, that means that you are going to have to be doing—and already referred to what the commitment of the State is.

Mr. ALLEN. Right.

Mr. MINETA. What do you think has brought a lot of these plants here?

Mr. ALLEN. Well, reading the report that I referenced, the major thrust, obviously, is on available labor. Some would like to say low-cost labor, and there is some downside to that. A lot of folks think our labor rates are too low. Everybody gravitates to North Carolina. We could pursue that a little bit, the thing that I think in referencing that to highways is, one, yes, the labor is available. But, I would emphasize quality and trained labor.

As you may know, I do not think it has been brought up today that I have heard. We have a strong community college system in North Carolina with some 58 counties having a community college available to local citizens. This, I think—and these are structured, by and large, to the 2-year technology types of programs, and as the labor needs increase, these community colleges are—have been responsive to those technology needs, have been able to supply the labor that is needed.

I would emphasize again in terms of transportation that these community colleges, because of our transportation system, are accessible to the broad mass of North Carolina citizens so that an education is available. Hence, an entry into the job market; hence a labor pool for support of the industries coming to the state. I think it is geared around available access, if you will, to education and to the jobs.

Mr. MINETA. Mr. Reese, you are representing North Carolina Highway Users Conference, a very fine organization. We see Les Lamb, of course, in Washington, DC all the time. We have heard a lot about greater flexibility during the testimony before this subcommittee—not only here today, but in other hearings that we have held—the kind of flexibility between highway and transit programs. I am wondering if fuel taxes were increased in order to support a larger Federal program, do you think the Highway Users Conference would support a two-way transferability between highways and transit investments?

Mr. REESE. Well, as I pointed out, in North Carolina, we represent about 49 different organizations. I think you can visualize the problem that we have when you try to get 49 different organizations to agree on supporting certain programs. In this testimony today, I believe we were fortunate to get an agreement so that we could come up with, you know, what we testified on today.

Now, in order to answer your question, I would say that we would probably have to discuss that within the realms of those organizations. And to this point, I do not see that much flexibility in that organization.

Mr. MINETA. Mr. Lanford, mixing Federal-aid funds with toll financing is an option that, of course, is being considered to meet future highway construction needs, and I am wondering whether your organization would support greater use of toll financing.

Mr. LANFORD. Well, I think they might support the use of more toll financing. I am not sure they would support the concept of mixing. I am not sure how that would work out. I do not know if it has ever been absolutely discussed. Personally, I have a concern with tolls of any kind. If I read my Virginia history correctly, about 150 years ago, they worked really hard to get rid of toll roads in Virginia because they decided at that time that it impeded agricultural economy by having to stop at a toll gate every 2 or 3 miles and pay to get the produce to town. In a larger way, that is a consideration today because you are already paying one time when you bought the gasoline, and then, you have to pay the toll, too. So, my personal thought is that I would think seriously about toll roads. There are certain places where they are fine. The Dulles road is probably a good one. The Denver Bypass may be okay. It really is a bypass of Denver on the Interstate Highway System, though. And now you are going to start paying to go around it.

Mr. MINETA. Now, you were talking about a $40 billion program, as I recall, annually for highways and bridges. What does that translate into in terms of what would be needed in terms of a gasoline tax?

Mr. LANFORD. I think around 15 cents a gallon.

Mr. MINETA. Fifteen cents.

Mr. Valentine.

Mr. VALENTINE. Thank you, Mr. Chairman. I do not have any questions. I want to just make a comment and thank this panel for your participation. It is very helpful your sharing these thoughts with us.

The comment is that—talking about this private entry—private enterprise into this sector in Virginia out at—toll road at the Dulles Airport. It is just not—it is not unheard of for governments

to vest the power of eminent domain in private corporations, do it all the time. The best example is public utilities. If they acquired all that property without the threat of eminent domain, I would think they paid a heck of a price for it. Maybe they did, but I do not see how they did. The people out there were well advised. You know, when you try to buy land for that kind of purpose, if they know that you cannot get it any other way, except to deal with me. It seems to me that would run the price of it through the sky. Thank you all very much.

Thank you, Mr. Chairman.

Mr. MINETA. Let me thank you very much for your presentation here today.

Now, I would like to call on Mr. Ed Harrison, Sierra Club, North Carolina Chapter and the Conservation Council of North Carolina. Mr. Harrison. Mr. Harrison, if you go ahead and proceed in your own fashion. Your statement will submitted—your full statement will be submitted for the record.

TESTIMONY OF ED HARRISON, SIERRA CLUB, NORTH CAROLINA CHAPTER, CONSERVATION COUNCIL OF NORTH CAROLINA, DURHAM, NC

Mr. HARRISON. Okay. Thank you. I wanted to thank Congressman Valentine and Congressman Mineta for giving citizens—particularly those in the environmental community in this part of America the chance to say our opinion on the future directions of surface transportation. I wanted, while I had the opportunity, to also thank the subcommittee staff and Congressman Valentine's staff for making it possible for me to get here.

I, myself, am a volunteer for the Sierra Club. Professionally, I am an environmental impact analyst, working on the effects of public sector development, such as roads on natural areas and surface waters and wetlands. Transportation planning is beginning to get on the edge of the envelope for me in terms of what I know about. But, I have put a great deal of thought into it and asked a lot of questions on my own in recent years.

And, more and more, we are finding that the 12,000 Sierra Club members in this State and several thousand other members of groups within the Conservation Council are learning about transportation as it is carried on in North Carolina, in the United States and raising more and more concerns. The Sierra Club, in particular, is getting known as the environmental group which is most active at the grassroots level of society, particularly at the cities and towns level. And a lot of our concerns have been developed locally and regionally. And, we can now bring local and regional concerns to you, our Nation's decisionmakers.

The Sierra Club has recognized the major role of transportation in determining environmental quality since the National Board of Directors adopted a policy on transportation in 1977. And, there have been some minor revisions since then. The facts have not changed since then. Our policy stands, and all that has changed in our end is that more and more members express more and more concerns daily.

The facts then and now are that transportation is a major environmental issue. Really, I am not coming here to bring you a lot of facts. I want to bring you that centralphilosophy. Now and then, it is the main consumer of our energy resources, especially petroleum. Transportation facilities dominate our patterns of land use. Motor vehicles are a major source of air pollution in urban and other areas, and we are told in North Carolina that they are the major source of air quality problems. And, motor vehicles are responsible for a significant amount of the run-off of oil and other toxic substances into the waters of the United States. And I use that term, "the waters of the United States" because under the Clean Water Act, all waters are public, and they are public resources.

Now, as in 1977, we see that our national transportation policies have major impact on our social environment, and we in the environmental community are concerned about that as well because we live in our communities. Past policies, we feel, have been a central factor in the decline of American cities. Inappropriate transportation technologies—the emphasis on cars above all—and discriminatory funding formulas have combined to create levels of pollution and congestion which have caused flight from our central cities. The resulting urban sprawl costs America heavily in the consumption of energy, and above all, land. And with land, as you know, they are not making any more of it, and oil is getting harder to come by all the time.

We contend now, as then, that Government policies have not yet paid sufficient attention to the need for energy conservation or the need to encourage transportation modes which pollute less and take less land. National policies continue to subsidize most the least efficient mode, highways for motor vehicles. According to the U.S. Conference of Mayors, Federal transportation funds have favored highways over transit by more than eight to one.

And I need to say, now, when I refer to transit, today, most speakers have been referring to rail and bus, for instance. The Sierra Club includes a number of other modes—bicycling, walking—however you can get around. When I lived in the middle of Durham, I got around, I would say everything, except a skateboard. In a central city, there are no ways that you can get around. As Congressman Valentine pointed out, North Carolina is so spread out that we generally do have to rely on cars. And, we do not feel that the—we feel that the urbanization in North Carolina—North Carolina, as you will see from the census, is now a majority of urban state. That this kind of thinking focused on the single-passenger automobile has got to change.

We see that, unfortunately, the economic advantage for asphalt and automobile is augmented at the State and local level. When local governments and the taxpayers provide free or abundant parking in business centers, the public loses the incentive to use transit instead of the single-occupant vehicle which are so common on our congested highways. And that—the matter of an incentive is really central. At the same time, over-abundant cars means that businesses and individuals pay the costs for health damage and lost work due to smog, for the damage to crops and buildings from smog and for the time lost in our lives to traffic jams. Now, the

solution has been offered in the last hour that the—the way that we solve this loss of time in our lives is to have more pavement to put cars on. Our solution is to address the disease, which is to have fewer cars on the road and to give the citizens of America a reason to have fewer cars on the road.

We believe in the Sierra Club and the Conservation Council that the State government in North Carolina has chosen the incorrect, short-sighted solution to congestion by foisting a $9-billion road building program on us without allowing a bond referendum vote. We see something on the order of a 13:1 ratio of highway funding to that for transit in this bond, and we see transit taking it on the chin. And, I think in the transit panel, you did hear something of that. For instance, this region's Triangle Transit Authority, as discussed by Mayor Gulley earlier, has not been yet worthy of State funding by our legislature.

Here in the rapidly growing Piedmont Crescent of North Carolina, which is pretty much from Raleigh to Charlotte and Winston-Salem, the environmental community is now seeing transportation priorities as a front-burner issue of public policy. And historically, we have arrived at this point because we grappled with issues of urban growth, land use and natural resource protection. Throughout the 1980s, the cities of the Piedmont put a great deal of effort, and that is the entire community—government, citizens, developers, all land users—into protecting surface water drinking supplies against damage from urban development. And, many of us came to realize that all our efforts in this regard were useless as long as our dominant patterns of surface transportation were unchanged. And my own examination of highway plans and programs shows that the five largest cities of central North Carolina each have interstate level highways or interstates crossing, planned to cross or proposed to cross the area closest to the city's water supply lakes. It appears that most of these highways yet to be constructed will be funded by the State's trust fund, but some could have had Federal funding as well if they are interstate. As we said earlier, motor vehicles put much toxic run-off into our waters. We also have air quality impacts, obviously, from automobiles. As Mayor Gulley mentioned, this Triangle region is now in the top 18 non-compliance regions of the country for certain air quality standards, carbon monoxide and ozone. And, we see also loss of our green breathing spaces around lakes and streams to road pavement as a threat to our public health. Overall, we cannot help to see transportation policies which subsidize highways over transit as a threat to the public health.

And, we have, as activists, moved from a local, regional concern with protecting drinking water and other natural resources to a statewide concern with disproportionate funding, and now have come to you, the Congress, for help in changing America's priorities. And I had to thank Congressman Valentine for telling us in our district newsletter this summer that the taxpayers of North Carolina receive a nickel in transit funding for every transportation dollar they put in. And every day, more of his constituents and other North Carolinians see the need for a change in that.

And every day, more of us here in North Carolina and America are speaking out about the connection that they see between the

crisis in the Middle East and the way we move ourselves at home. Our Nation's past transportation policies have resulted in patterns of vehicle and land use that consume two-thirds of our oil. And note, I include land use. Many of us hope that this is the last time that America needs to put lives on the line to protect oil supplies, to preserve an increasingly outmoded way of moving ourselves, the single-passenger automobile.

If the use of alternatives to the single-occupant vehicle is made easier and cheaper, then Americans will go with transit over cars. That is a key factor. As long as it is easier for governments to fund more and wider roads, instead of the transit alternative, Americans will not have the second option of transit. As long as highways come first, America will continue to generate the vicious cycle of sprawl, congestion, more roads, more cars and more sprawl, costing us energy, land and environmental quality. And on that vicious cycle, I would expect—I learned about it living on Long Island, and I think anyone—our Congressman from California will know it very well personally himself.

Our Sierra Club position here and nationally is that the major goal of transportation is to move people and goods, not cars and trucks. America's surface transportation program should focus on transit and other alternatives to the single-occupant vehicle, such as incentives to car pooling—high occupancy vehicle lanes. This transit focus should be combined with incentives for mixed use, infill land uses as a counter to urban sprawl. Our national goal should be to reduce the need for new roads and the need for further petroleum consumption.

To reform our transportation priorities, both decision makers and the public need a deeper understanding of the issues. And both here and in other hearings around the nation, we urge you to sponsor research to compare the relative impacts of highway to transit expansion, with transit expansion including infill developments on sprawl and traffic congestion; loss of forests, farms, et cetera; the consumption of energy and materials in construction; the consumption of energy and water in new developments; the production of air and water pollution; the condition of inner cities and their residents. If this were—if we were asking for an environmental impact statement on the entire state of transportation in North Carolina, this would be called secondary and cumulative impacts. And, we would ask that you sponsor research to evaluate all the present subsidies to motor vehicles. We have heard elected officials in this area say that we expect public transit to pay for itself. We find that we have to subsidize it, and why do not we ask the same of highways?

We ask you to adopt a surface transportation program that includes full pricing auto use—gas taxes, auto sales taxes, licensing and registration fees, smog fees, toll roads and elimination of subsidized parking—to recoup the full cost to American society of roads, cars and trucks. Now, toll roads are not something we have explored particularly in North Carolina yet, but I would have to say it is probably coming.

We also want a program that includes the use of these taxes and fees to build and operate adequate transit systems, with the remainder used to compensate State and local governments for their

auto-related costs to reduced sales and property taxes. We hope that incentives will be available to assure that transit funds are wisely used by requiring recipients to zone for compact, energy-efficient urban development.

As a spokesman for the environmental community on North Carolina's massive highway trust fund, I made some of these same requests last year to the North Carolina General Assembly. In particular, requiring that land use controls accompany highway construction. We are hoping for better from the U.S. Congress than another highway fund—just continuing the status quo. It is my hope that the Congress, which succeeded in an excellent reauthorization of the Clean Water Act, and which is approaching similar success on the Clean Air Act, will see that a reauthorized Surface Transportation Act can also have crucial environmental benefits for this Nation. To benefit all of us, it will have to move transportation in a new direction. And, the Sierra Club hopes that this statement and others you may hear in other places has told you how vitally important it is to change the way we move ourselves and the way we use energy and land.

I would like to add that through the environmental grapevine, certain national—what I would call transportation reform groups—have reached me in the last couple of days, including the American Railroad Association, concerning triple trailers. I believe Mayor Gulley also mentioned that. And, they have given me statistics which compare the relative pollution impact of the quantity of goods that we carry by triple trailers when they are carried on rails to when they are carried on highways. And those actual studies are actually done at Radian Environmental Corporation, which is 5 miles down the road here. And I also heard from Scenic America, your billboard control group, which I believe watches this committee. And they hope, as we do in North Carolina, that when new roads are built, and they will be, that there are requirements that have controls on billboard construction.

I am going to try to answer questions. As I said, I am more of an environmental impact analyst than transportation planner. But, I believe we can talk profitably.

[The prepared statement of Mr. Harrison appears on p. 3275.]

Mr. MINETA. Very well. Thank you very much, Mr. Harrison.

One of the things that we always want to do is talk about, for instance, alternative energy, and right now the law says that there is a gasohol exemption as far as the motor fuels tax is concerned. We have had some people say that we ought to be calling for the repeal of that because I think it costs about—that we get about $600 million less in revenues under the highway trust fund from that gasohol exemption.

But as we go towards trying to get to alternative energy sources—and I can understand from a transportation perspective the fact that an alternative fueled vehicle occupies the same space or weighs the same as a gasoline driven car, but we are losing revenue into the highway trust fund from that alternative energy vehicle.

I am wondering, is there some other incentive we could be using in order to get to alternative energy sources other than using the gasoline tax as the incentive to move from gasoline to whether it

be compressed natural gas or electric vehicles—is there some other incentive that you might have heard of?

Mr. HARRISON. I had not thought about it in terms of this piece of legislation. I had thought about it in terms of the Clean Air Act reauthorization, and not much at that. The main incentive I could see right now is regulatory. I hope the people have thought through this further, that noncompliant urban centers might have a different taxing situation, that maybe the exemption would be available for those areas but not for others. We have seen a situation, and I understand the situation is the same at the State level in California, that legislatures do not tend to be very good at changing regional tax structures, for instance having areas with different tax structures for gasoline or other fuels. And if there was a hand from above, say through the Clean Air Act reauthorization or even through this legislation as well, to make it that areas that demonstrate air quality problems would have an exemption but others not, that is what I would see.

Again, that is something that I have not—I am more a land planner and environmental analyst than a fuel analyst.

Mr. MINETA. Sure. This thing about full cost pricing of automobiles that you have brought up is a constant—is a subject that comes up quite a bit. The biggest problem I think we have with it is how to determine what is the full cost of the automobile to society. Do you know whether or not Sierra Club has done any studies on that subject?

Mr. HARRISON. I believe that the National Chairman of Transportation who lives in the Bay Area, is moving along on that. He has been cranking out a number of things, John Holtzclaw, and he spoke to I believe the Senate equivalent of this committee and gave some assistance to us out here. John would very likely be very happy to provide that information to you.

Mr. MINETA. I had forgotten that, I think he has testified.

Mr. HARRISON. I do not know if he has testified to this subcommittee or not, but I know that he has to a national committee.

Mr. MINETA. Mr. Valentine.

Mr. VALENTINE. Mr. Harrison, just a question or two. Do you not think you are a little bit tough on the automobile and highways? Let me put it to you this way, you are opposed—you and the Sierra Club oppose the expenditure, the raising gas tax in North Carolina to build more roads.

Mr. HARRISON. Actually, within the highway trust fund, since I wrote the statement on the highway trust fund, that was one thing we did support. Since we were lined up as opposition, it was considered that we opposed the entire fund. We did support the gas tax use for the trust fund because we thought it would encourage conservation and it turns out it apparently has.

Mr. VALENTINE. Well let me put the question to you this way, and I support almost every one, if not every single one of the goals of your organization. But I cannot, for the life of me, see how mass transportation, other than automotive, can function where population is spread out over a large area.

Mr. HARRISON. Well one thing we are asking for—and it is hard because local governments, particularly in North Carolina, control the land use, the State is just moving into that and the Federal

Government is actually a motivator behind the State doing that in some senses—as urban centers grow, we would like to see them grow based on transit lines with those lines receiving a fair and equitable portion of the funding, not a nickel for every dollar. And we are assuming that for one reason or another, highly productive farm land or watershed protection or whatever, there will continue to be large parts of North Carolina——

Mr. VALENTINE. I hope so too. I must have misunderstood something that you said. I am sorry, but I just got the impression that you did not think too much of the use of tax money for expanding the highways in the State, that you felt like that money could have been better spent in some other way.

Mr. HARRISON. No, I think you will be hearing more about that. I think we will be seeing a statement of the budget crunch, as a number of other States have right now, and the budget crunch does not seem to be quite so severe with the highway trust fund. But again, on the gas tax that was involved with that trust fund, we supported the gas tax, we saw it as a conservation measure. And it seems to have acted as one.

The goal, again, really is to find every incentive we can to have fewer cars on the road. And I think that is a lot of the reason that Mayor Gulley came out here today, someone that I have had the pleasure of working with in the past on these issues locally.

Mr. VALENTINE. Now that is a good point. How do we go about having fewer cars or trucks when the population is spread out like it is in North Carolina?

Mr. HARRISON. One thing that you look at is——

Mr. VALENTINE. Except for the fact that maybe every family does not need two cars and every child——

Mr. HARRISON. Something that we are seeing is that the number of cars in North Carolina is going up a lot faster than the number of people, and we are seeing that certainly in the Triangle area. Whether that is an economic factor or not, I am not sure, but that is apparently something we have noticed. And again, the easier it is for someone to get somewhere with two people in a car other than one, by having a high occupancy vehicle lane that allows them to move faster, then the more likely there are going to be two people in the car or three or four, than one.

We have a widening on Interstate 40 out here, it did not include a high occupancy vehicle lane. We hope that the next widening, which will probably happen before the end of the century, will include one. I want to note that there is a section in the 1987 Surface Transportation Act that requires that I-395, that money spent for it, that road in northern Fairfax County, be spent only in HOV. I do not think it will happen for this act, but I would hope that the 1997 act has something like that for Interstate 40 out here, for other roads in other parts of the country, that departments of transportation are not given the choice, that they really do have to put in HOV lanes which then serve as an undeniable incentive for people to use car-pooling.

So again, this is a broader reach than transit, this is everything, ride-sharing, wider outer lanes for bicycling which takes a few dollars here and there for, particularly college students. So there are a number of ways—sidewalks to allow people to get to bus stops.

They would not be taking the bus if they could drive to the bus stops, so we would like funding along those lines too.

Mr. VALENTINE. Thank you. Thank you, Mr. Chairman.

Mr. MINETA. Let me ask, do you think the Federal Government should be more involved in land use decisions at the local level?

Mr. HARRISON. We are starting—believe it or not, environmental groups do things step by step. We are starting with the state right now. It is not unknown that the Federal Government has looked at land-use control from that level. I would have to say the personality of the North Carolina resident is not one that takes very well to land use controls. I think that the federal role is more of supplying every incentive possible to have compact development.

Mr. MINETA. Maybe our role has been more inadvertent, whether it be through the highway program or——

Mr. HARRISON. That is exactly the case, yes.

Mr. MINETA [continuing]. Or let us say even HUD in terms of the FHA housing programs. We have been involved in land use planning, not directly, it is indirectly, but those kind of inadvertent policies maybe have more impact than what local governments do in land use control.

Mr. HARRISON. Well that is what we are saying, is that it is possible, using the federal funds to expand the transportation infrastructure so that you create sprawl——

Mr. MINETA. Maybe even in the Clean Water Act in terms of sewerage treatment plants, has contributed to that sprawl.

Mr. HARRISON. Yes, we believe that allowing grants to go out without making sure there were land use controls at the local level alongside them, we see that at the State level too, as generating urban sprawl. We have had the combination of the highway infrastructure spreading the the waste treatment infrastructure spreading all through North Carolina. I think north Raleigh is a fine example of that or a bad example of that, for our best local example.

Mr. MINETA. All right. Well thank you very much, Mr. Harrison, we appreciate your preparing the testimony and being before us today.

I would now like to call on Mr. Elbert L. Peters, president, North Carolina Trucking Association. Mr. Peters, we will submit your full statement for the record and if you would go ahead and proceed in your own fashion.

TESTIMONY OF ELBERT L. PETERS, PRESIDENT, NORTH CAROLINA TRUCKING ASSOCIATION

Mr. PETERS. Thank you, Mr. Chairman, Congressman Valentine, it is nice to be here today.

My statement will be very short as we have submitted a statement for the record, and I will attempt in a very brief manner to kind of summarize that.

My name is Elbert Peters, I am president of the North Carolina Trucking Association. Our association was founded in 1929 and we presently have a membership of 500 companies comprised of for-hire carriers and private carriers, both here in North Carolina and across the Nation. As you know, trucking does not necessarily confine itself to State lines.

I am privileged to speak today on behalf of these companies as they are truly the economic lifeline of our state. A look at some of the fundamental facts about the trucking industry in North Carolina will confirm the critical role in ensuring the continuation of the State's economic vitality. Based on 1988 data, the trucking transportation industry in North Carolina employs 214,395 persons; had a payroll in 1988 totaling over $3.9 billion; serves all of North Carolina's populated communities of which 69.5 percent depend entirely on trucks; paid $610 million in 1998 State and Federal highway taxes, accounting for 48.1 percent of the total State and Federal highway tax receipts paid by all motor vehicles, approximately $11.7 million each week; paid $382 million in State highway user taxes, 43.8 percent of the total paid for all motor vehicles.

At the national level, trucks are the carrier of choice of America's shippers. More than 77 percent of the value of everything America grows and produces now moves on trucks. Our industry generates fully 5 percent of this Nation's gross national product.

We support a new highway program that should contain six critical areas for your consideration.

First we think that the cornerstone of the program should be the preservation and reconstruction of the National System of Interstate and defense highway and all major primary highways of national concern.

In the area of program financing, we think that the $17.5 billion now in the trust fund should be used to start the new program. Only after the available funds are fully committed, should additional taxes be considered.

In the area of safety, we feel that the safety programs that have been funded over the years by the transportation—by trust fund moneys, have been effective. Noteworthy of these programs as they relate to the motor carrier industry is that of the motor carrier assistance program, which is a Federal/State partnership with activities designed to reduce commercial vehicle accidents. This program should be retained in the new act and possibly additional resources allotted to it.

Federal assistance for traffic engineering projects which are capacity and safety related should also be retained and enhanced with additional resources.

In the area of highway design, it is our feeling that we should build roads with a design to accommodate the maximum legal weight loads. According to many studies, this can be accomplished by adding a very small percentage cost increase to the specifications which are currently being used. In this regard, we are suggesting stronger and thicker pavement with better drainage base courses.

In the area of productivity, we here in North Carolina at this time do not feel that the LCVs would be appropriate. We feel that the thing that we need to do as far as productivity is concerned, is to improve the access routes to provide use of the vehicles which were authorized under the Surface Transportation Assistance Act. In many instances, this new legislation that we are talking about today may be needed to require States to provide better access for these vehicles as we relax standardization in that particular area.

In other related issues, in fiscal year 1992, we feel that there should be no less than $50 million dedicated to trucking related research. Safety, productivity and international competitiveness should be addressed in the research activities.

In conclusion, we urge the committee and Congress to base their decision on sound economic, engineering, demographic and business issues. Leave aside the politics when deciding these provisions to be included in the new Act.

My prepared statement has gone into more detail in each of these areas but that is what I would choose to say to you this evening as we close out this hearing.

[The prepared statement of Mr. Peters appears on p. 3336.]

Mr. MINETA. Thank you very much, Mr. Peters.

One of the things that you are calling for here is earmarking for trucking related research and development of $50 million. What kind of issues do you think ought to be receiving attention under that research program that you are suggesting?

Mr. PETERS. Vehicle design as much as anything, crashworthiness of vehicles.

Mr. MINETA. Crashworthiness, is that also including, what do you call it, alternative energy also for—for instance like we have an air quality control district in southern California that has now said that by 1997, they want all trucks to be methanol equipped rather than diesel.

Mr. PETERS. Well from what I know about alternative fuels, I suppose methanol might be the least desirable of all of them, particularly because of the burning characteristics of methanol. One step that has recently been taken as far as truck fuel is concerned is the fact that I think legislation was recently enacted which requires a clean diesel as opposed to the diesel, and that removes some of the sulfur content.

Mr. MINETA. I know in my talking to Detroit Diesel, Cummins, and Caterpillar, the three largest producers of diesel engines, when I asked them if they were doing anything on alternative fuels, they said yes, we are doing very little on alternative fuels but we are doing a lot on cleaning up the diesel.

Mr. PETERS. Yes; Detroit and Cummins and I suppose I would have to mention the other engine builders too, they have done a tremendous amount as far as increasing the miles per gallon, this sort of thing. And they are building engines now that should burn cleaner and also last longer.

Mr. MINETA. You also mention in here that interstate highways would be able to withstand eight times the truck traffic if they were 4 inches thicker than current standards. Should States get special incentives to build more durable pavements or should States be given mandates to adopt certain minimum construction standards?

Mr. PETERS. That is a tough question, Mr. Chairman. I suppose if we were to look at it from the standpoint of incentives, that there would be additional taxes connected with that, so I am not sure that I could advocate that for the industry at this point in time.

Mr. MINETA. Mr. Valentine.

Mr. VALENTINE. Mr. Peters, would—given your attitude which I do not disagree with about the place and position of private enter-

prise in our society, would not the question of research and development to improve trucks be better left to companies who manufacture trucks—would not the marketplace take care of that?

Mr. PETERS. As opposed to using government funds for research?

Mr. VALENTINE. Yes, sir. I mean, if it were an innovation like development of some new material or some new fuel, but if you are talking about what is necessary to make a better truck, with all the things the Federal Government has to do, do you really think they ought to be involved in that?

Mr. PETERS. I suppose as far as the product itself is concerned, perhaps you are correct. One of the areas of concern that we have always had as far as the research is concerned is that it appears that in many instances the research is done by organizations that are not really proponents of truck transportation and we sometimes wonder about the validity of that. I suppose that is one reason we included that in our testimony.

Mr. VALENTINE. How does the truck—the North Carolina Trucking Association feel about triple trailers in North Carolina?

Mr. PETERS. As you know, for many years we attempted to get twin trailers here and we were never successful in doing that and it was only as a result of the Surface Transportation Assistance Act that that happened. In talking with a number of my members who are domiciled here in North Carolina and local members, they feel that we are several years away from even thinking about that type of vehicle. We need to improve the access for the vehicles we now use, the 48-102's and the 53's and the 28-foot twins. The LCV situation, as we see it, is primarily a Western and Midwestern situation where they have the roads and the environment that is capable of handling that type of vehicle.

Mr. VALENTINE. Well it——

Mr. PETERS. We do not see that it would increase the productivity here in this particular area that much.

Mr. VALENTINE. But you do feel that in some places it would—they should be allowed to use them?

Mr. PETERS. Well they are already being used in——

Mr. VALENTINE. I understand that, but I was just thinking about your position as to whether or not you really think they ought to be used anywhere. I suppose the answer to that is obvious.

Mr. PETERS. Not at this time, not in North Carolina.

Mr. VALENTINE. Thank you, sir.

Mr. MINETA. Well Mr. Peters, thank you very, very much for your fine testimony and for your complete statement on behalf of the North Carolina Trucking Association. Thank you very much.

At this time, I would like to submit for the record the statement from Piedmont Triad Horizons and a statement from the Carolinas Transportation Compact.

Are representatives from these two organizations here? If they would like to make a brief statement on their behalf, they would be more than welcome to do so.

Sir, if you would identify yourself for the record, I would appreciate that very much.

[The prepared statement of Ms. Upchurch on behalf of Carolinas Transportation compact appears on p. 3267.]

TESTIMONY OF CHARLES FISHBURNE, MEMBER OF THE CITY-COUNTY PLANNING BOARD OF FORSYTH COUNTY AND WINSTON-SALEM, NC, AND MEMBER OF THE PIEDMONT TRIAD HORIZONS TRANSPORTATION COMMITTEE

Mr. FISHBURNE. Mr. Chairman, I am Charles Fishburne of Winston-Salem, representing the Piedmont Triad Horizons group which you heard something from the gentleman from Greensboro about awhile ago.

I will not read but the last portion of this report, if it is all right with you.

In the Piedmont Triad, which represents Winston-Salem, Greensboro and High Point, we have the opportunity by planning ahead to avoid the gridlock other regions have experienced. To do this successfully we will need the help of both State and Federal Governments. Citizens have worked for the last 2 or 3 years pursuing the possibilities for light rail transit and a regional transportation system.

In February 1988, the Forsyth County Planning Board established an ad hoc committee to explore the use of light rail.

In May 1988, this committee took the concept of light rail to Piedmont Triad Horizons. The two groups combined efforts so that one regional committee could pursue the use of light rail.

Piedmont Triad Horizons hosted a regional transportation conference on September 19, just last Wednesday. The purpose of the conference was to bring together elected officials, transportation staffs, and concerned citizens to hear the same information and to focus on securing an effective pubic transportation system for our region.

We can see a Triad rail system tying into a State system. In the Piedmont Triad, we have an abundance of existing rail routes. There are five major routes in Forsyth County and six in Guilford County.

What is needed now is a study to determine the feasibility of light rail use in the Triad region. For the future we are asking that the Federal Government give priority to the development of regional public transportation.

In conclusion, citizens in the North Carolina Piedmont Triad request that when recommendations are made for reauthorization of the post-interstate surface transportation programs, two concerns receive priority. Fair allocation of moneys and second, support of the development of regional public transportation systems.

I mentioned in the next to the last paragraph the feasibility of light rail in the Triad region. We would certainly want that to consider bus cooperation with the light rail system. We have seen what this has done out in San Joaquin Valley there with the Amtrak trains and the buses in cooperation and it has been great.

[The prepared statement of Mr. Fishburne appears on p. 3259.]

Mr. MINETA. Thank you very much, Mr. Fishburne.

Let me ask is Peggy Upchurch here or would you just like to have the statement submitted for the record.

[No response.]

Mr. MINETA. Okay, we will go ahead with unanimous consent, without objection, and include that last statement from the Carolinas Transportation Compact.

There being no further business before the subcommittee, the subcommittee stands adjourned, and I would like to thank everybody for their patience and attention and also to Mr. Valentine, to your staff, for the really outstanding job they did in helping us make all the arrangements here.

The subcommittee stands adjourned.

[Whereupon, at 5:25 p.m., the subcommittee was adjourned.]

PREPARED STATEMENTS OF WITNESSES

TESTIMONY
to the
SUBCOMMITTEE ON SURFACE TRANSPORTATION
OF THE
U.S. HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

September 21, 1990
Research Triangle Park, NC

by
Frederick R. Allen
Executive Director
North Carolina Aggregates Association
P. O. Box 30603
Raleigh, NC 27622
(919) 782-7055

Representing the
North Carolina Citizens for Business and Industry
Transportation Committee
P. O. Box 2508
Raleigh, NC 27602

(32 43)

Mr. Chairman, members of the Subcommittee, Congressional staff, other distinguished guests and attendees . . . my name is Fred Allen. I am Executive Director of the North Carolina Aggregates Association, a statewide industry trade association representing producers of crushed stone, sand and gravel.

Today, I speak to you as Chairman of the Transportation Committee of the North Carolina Citizens for Business and Industry, a statewide trade association, formed in 1942, and now pleased to count a membership of over 1,300 North Carolina employers from one-man professional firms to multi-million dollar corporations, including financial and educational institutions, wholesale and retail establishments, manufacturers, construction and natural resources companies and many others. NCCBI is recognized as the US Chamber of Commerce representative in North Carolina.

NCCBI's membership is acutely aware of the critical importance of transportation to the growth and economic strength of our state. The productivity and profitability of business and industry is dependent upon access to highways, railroads and, of course, to airports and deep-water ports . . . all of which must be effectively connected to one another by an efficient surface transportation system.

I would like to focus this afternoon on the role which highways have played and must continue to play in regional business development.

For some years, North Carolina has maintained a goal of encouraging regionally diverse industrial development. Jobs and improvements in our standard of living must be available to all citizens of North Carolina's 100 counties.

In 1988, NCCBI participated with the NC Highways for Progress group in commisioning a study of the impact of highways on regional development. A copy of the study by the University of North Carolina at Charlotte and the Institute for Transportation Research and Education (ITRE), entitled, "Jobs, Highways and Regional Development in North Carolina," will be provided in follow-up testimony to you, Mr. Chairman.

Let me quote three points contained in the Executive Summary:

- "The dispersion of jobs and industry that is characteristic of North Carolina creates a strong pattern of commuting between counties. This flow is getting stronger, especially where workers are driving in greater numbers to jobs in the metropolitan centers. These commuters add to local traffic and create overloads that are clogging roads in the state's larger cities.
- "About 87 percent of the state's population and 90 percent of all jobs are found in nine broad economic regions. Those functional regions represent a rural-urban partnership in which people can choose urban or rural lifestyles without foregoing access to jobs that are located in or near cities. An efficient highway network binds the various parts of our state together to the benefit of both urban and rural residents and businesses.
- "With continued sound highway development, North Carolina is in a good position to take advantage of further growth opportunities

"around its metropolitan areas while also doing this in such a way as to extend the benefits of economic growth to many of the rural parts of the state. Through this rural/urban partnership, a cherished rural/ small town lifestyle can be protected without diminishing North Carolina's competitive position within the region and the nation."

I'm advised by the NC Department of Economic and Community Development that, today, North Carolina leads the nation in new manufacturing plants, and this could only happen with a strong infrastructure program.

While North Carolina has taken steps to provide these *corridors to economic growth*, we cannot do it alone. Continued federal appropriations from federal fuel tax revenues are essential.

The NCCBI Transportation Committee recently adopted two positions relating to the federal highway program:

1) *"To support timely reauthorization of the Federal Surface Transportation Assistance Act to include (a) a program to address the need for equity in the apportionment of federal funds and (b) to include provisions to provide greater flexibility in the categories and uses to which a state can apply the funds."*

On the matter of equity, North Carolina has been the Number 1 donor state, as you have already heard, for the past 20 years. It is time to correct this inequity and provide North Carolina its fair share of gas

tax revenues. Our second position is:

(2) *"To oppose any program to use federal motor fuel tax revenues for deficit reduction."*

NCCBI supports the user fee concept of highway funding whereby motor fuel taxes are dedicated for highway purposes. Further, on this point, we believe that the current $11 to $12 billion in the Highway Trust Fund should be spent down over time for the purposes for which the funds were collected, i.e., highway improvements.

Also somewhat related, the NCCBI Transportation Committee adopted a position *"in support of the planning of inter-modal public transportation systems through the use of regional transportation authorities, encouraging public-private ventures and considering environmental concerns."*

Mr. Chairman, members . . . I am honored to have this chance to present these thoughts to you. We welcome further opportunities to work with you and the Subcommittee members as you prepare legislation forming the future of our highway programs.

Thank you.

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Remarks by
The Honorable Lucy Allen, Mayor, Louisburg, North Carolina

Before the US House of Representatives
Public Works And Transportation Committee
Subcommittee on Surface Transportation Field Hearing

September 21, 1990
Research Triangle Park, North Carolina

Mr. Chairman, Congressman Valentine, Congressman Schuster, Ladies and Gentlemen, I am Lucy Allen, the mayor of Louisburg, North Carolina, a town of just under 4,000 population. But when it comes to the needs of transportation, I believe I speak for most of North Carolina. Ours is a state of small towns. We have 506 active municipalities, nearly 50% of our population is municipal, and 90% of our towns have fewer than 10,000 people.

Mr. Chairman, there are some outstanding facts about North Carolina's highways your subcommittee should know. First, North Carolina's highway network of more than 76,000 miles is the largest state-maintained system in the nation. The state is a major trucking center for the country with over 700 trucking firms providing service to virtually every community. In addition, there are more than 14,000 of miles of municipally-maintained streets. Yet North Carolina is a transportation donor state--we receive fewer dollars than we send to Washington. We get less of a return from the system than we put into the system. And our return for rural highways is undistinguished as well. The need is great, the return is small.

As a mayor, I have been active statewide and nationally in discussing the problems and opportunities of small cities and towns. From where I stand, none of these is more critical than transportation at the local level. To put things in perspective, there is no national transportation problem--what there is, is a series of individual and local transportation problems that, taken together, constitute a national need, that begins in the small towns.

Transportation is the linchpin of every community's vitality. Urban and rural areas are, for now and always, inter-dependent. Rural areas and small towns need safer and better road access to urban areas for jobs and shopping. Urban areas need access to a labor force and markets. Because we understand this locally, cities and towns in North Carolina are in the roads business as never before.

But we are not here to debate how important transportation is. We are here to point out how transportation programs and transportation funding can be improved.

In the short time I have available, I want to impress on you four things:

- The need for rural access
- The need for significant national investment to augment local funds, and
- The continued need for local involvement in transportation planning, and
- The implication of other decisions you as Members of Congress will make that control the destiny of highway funding.

Rural Access

In my view, past transportation policy has focused mighty heavily on urban and inter-urban transportation needs while failing to adequately fund transportation needs in rural areas and in small towns.

I want to emphasize in the strongest and simplest terms I know how, that adequate funding of rural access is important as a way of building up our urban areas. I encourage you to turn your attention now to better funding for problems of rural access. If you do, you will ensure the future of urban areas as the dynamos of progress we need them to be.

As you discuss and debate terms like "roads of national significance" keep in mind that in North Carolina, and much of the country, it is small cities and towns like Louisburg that will provide the growth, vitality, and economic progress for areas like Raleigh, Charlotte, Atlanta, Baltimore and the like. It is we, and hundreds and thousands of areas like us, who will fuel the engine of their prosperity. This strategic importance must be recognized and planned for in the funding of highway programs and I present that as a basic need for your Committee to address.

Local and State Investment

Local governments have been raising and investing local dollars in transportation programs while the federal government has been declining in its responsibilities. Nationally, the federal share has reached its lowest level in 27 years, while the local share has risen from 41% to 53%. Between 1984 and 1987, the federal share dropped from 31% to 23%, and all states' share from 29% to 24%.

In North Carolina, this picture is dramatically different. Ours is a true partnership in which the state understands the return on investment from highway expenditures and has put its money where its mouth is. More than $80 million is made available to municipal governments for local streets improvements and maintenance. In addition, the state raises and spends $1.1 billion for a basic state highway funding program.

In a major new initiative, the 1989 General Assembly passed legislation to finance $9.2 billion in new highway improvements over the next 13.5 years. The measure established a new Highway Trust Fund, using revenues from a gasoline tax hike and other highway use tax increases. The trust fund will finance an intrastate system of four-lane highways throughout NC putting every city and town within 10 miles of a four-lane quality road. Also funded are loop roads in some urban areas and paving of 10,000 miles of secondary roads. True, we have embarked on an ambitious plan but we need federal rural access money to accomplish this work. We could also do accomplish more with the federal money we should be receiving for a state of our size and complexity. Unless more rural access money is made available areas like mine may be penalized at the expense of other projects.

Local Involvement

Fundamental responsibility for transportation planning and decision-making should be placed at the state and local level. Local governments should have the authority and the flexibility to ensure that transportation plans support local objectives and satisfy local needs. Where there are overriding national or statewide transportation concerns, federal and state governments have a legitimate role in planning and decision-making but local governments should never be excluded from those processes.

Finally, I want to touch briefly on topics that I hope you will give more attention. The Congress's search for money to reduce the national deficit should not undermine basic principles of equity and good government.

- We **OPPOSE** eliminating the deductibility for state and local income, sales, property and real property taxes. The loss of deductibility will make it much more difficult to raise local revenues. It will put pressure on local governments to reduce spending for important projects. It will lower bond ratings, and it will increase the cost of municipal borrowing at a time when city infrastructure needs are increasing.

- We **SUPPORT** continued exemption from taxation for bond proceeds which are used to finance critical types of infrastructure facilities such as airports, roads and bridges, mass transportation facilities, and water, wastewater and solid waste facilities.

- We **SUPPORT** spending down the federal Highway Trust Fund and consider it dishonest to tax for these important highway and aviation programs and not spend the money for its intended purposes. Holding this transportation money hostage increases our tax burden and frustrates citizen's reasonable expectations of government.

I appreciate this opportunity to speak for highway needs, and I hope that you will keep these ideas in mind as you return to Washington to make important transportation decisions to benefit us all.

Thank you.

Testimony to

Subcommittee on Surface Transportation
of the
Committee on Public Works and Transportation
U.S. House of Representatives

by

Forrest M. Council
Deputy Director
University of North Carolina
Highway Safety Research Center
134 1/2 East Franklin Street
C.B. #3430
Chapel Hill, N.C. 27599-3430

(919-962-2202)

September 21, 1990

HIGHWAY SAFETY RESEARCH AND IMPLEMENTATION FUNDING NEEDS

I would like to thank you for this opportunity to appear before you and to provide testimony concerning the reauthorization of the post-Interstate surface transportation programs. I am Deputy Director of the University of North Carolina Highway Safety Research Center, a center established in 1968 to evaluate North Carolina's state-based highway safety programs, to conduct research on issues of national importance, to train practitioners in the field of highway safety, and to provide public service to local communities in their safety programs. In this 20+ years, we have conducted projects for both FHWA and NHTSA, for various private funding agencies, and, through a cooperative relationship perhaps unique in the US, for various state agencies through funding provided by the North Carolina Governor's Highway Safety Program. I will attempt to provide information about safety research funding at the federal (403) level and about local highway safety program implementation and evaluation issues (i.e., 402 issues) in the State of North Carolina.

Thank you members of this subcommittee for your past support of safety and safety research. I will share with you some success stories that show that there is a clear link between safety research and real-world implementation of successful programs that reduce motor vehicle deaths and injuries. Then, I will share some of my thoughts about the types of additional research that's needed and why. I hope that this information will encourage you to continue, and even to increase, support for highway safety research in the face of pressures to cut the budget, to increase road maintenance, to increase traffic capacity enhancements, and to do all those other things that clearly need to be done and are often more "politically acceptable" than safety programs. There is little doubt in my mind that people would rather see money spent on repairing potholes and building new roads rather than on seat belt law enforcement research. However, the payoff from these possibly "unpopular" fixes are tremendous in terms of ultimate health care cost to society and emotional costs to families and individuals. Our mileage death rate is one of the lowest among industrialized nations. Yet at the current death rate, we will be killing approximately 80,000 people each year by the year 2020.

I emphasize that highway safety is a health concern. (I am changing the focus to health since it appears to me that most people believe themselves to be experts in safety -- it being mostly "common sense" -- but not in health issues.) As a health problem, motor vehicle injuries are the seventh leading cause of death. However, because the people who die from motor vehicle injuries are so young, the societal economic loss per motor vehicle death (based to a large extent on the number of years of productive life lost) is more than three times the economic loss from each cancer death and six times the economic loss from each death resulting from cardiovascular diseases. At the same time, research funding for <u>all</u> injuries (motor vehicle and other) is only approximately 16% of that for cancer research and 36% of that for cardiovascular research. Motor vehicle injuries are the leading cause of injury deaths (32% of the total), the second leading cause of hospitalization (22% of the total), and result in the largest share of the long term economic cost (31% of the total). The 1989 report to Congress concerning <u>Cost of Injury in the United States</u> indicates that motor vehicle injuries alone are costing our society approximately $49 billion per year in long-term economic cost.

I am not an expert in the appropriation of research dollars at the federal level, nor am I an expert in the priorities for US Department of Transportation research programs. I am sure they have provided you with that information. However, I do feel strongly that motor vehicle injury research may well provide more payoff per dollar spent than many of the other types of health-related research we are currently funding with little hesitation.

Let me now move to some specific information related to research findings and needs. I first submit that the research program must be an integrated program which includes research activities related to the driver (and pedestrian, bicyclist, motorcyclist, and other road users), to the roadway, to the vehicle, and finally to local, community-oriented programs within the States (primarily the 402 funded efforts). Second, I note that while we always hope to design treatments which are successful, safety research/evaluation which shows a lack of benefit is often as important as research showing a benefit. The safety field has been characterized for decades by programs and treatments which appear logical and beneficial, but which do not reduce crash injury when carefully evaluated. Each time a poor program is either eliminated or limited due to good evaluation, dollars are freed up for the implementation of successful programs.

With respect to the driver, in my opinion we have clearly conducted research which has resulted in decreases in death and injury at both the national and state level. For example, we have identified the effects of various occupant restraint systems, have evaluated methods through which usage of these systems can be increased (both educational and legal), and have implemented these programs to the extent that we have now increased seat belt usage from a very low figure of approximately 8-12 percent before 1980 up to the current figure of somewhere between 45 and 60 percent. Unfortunately, our research also shows that the 40-50 percent who continue to not use existing occupant restraint systems are involved in more than their share of crashes. Thus, there is a clear research need to develop means for targeting the non-users, finding out why they don't use the belts and finding out what programs might work. (I have recently served on a Transportation Research Board committee in which the occupant restraint research needs have been more fully examined and defined. I refer you to TRB Special Report 224, Safety Belts, Airbags, and Child Restraints -- Research to Address Emerging Policy Questions for additional needs.)

In other driver-related areas, while we know that suspending or revoking the license of a "poor" driver will significantly reduce their subsequent crash rates, this is not a sanction that can be applied to a large number of drivers. Indeed, we have identified few educational or short term (non-sanction) programs which appear to have significant benefit. For example, there is a clear need to identify additional programs which would reduce the elevated crash risks of both the young male driver and the elderly drivers (who will become an increasing part of our driver and pedestrian populations). In terms of alcohol use and motor vehicle injury, while there has been a decrease over the past few years in the percentage of alcohol-related deaths on our highways, alcohol continues to play a very significant role in fatal and injury crashes. Our society drinks (and now to worsen the situation, some part of our society

drinks and takes drugs). We are bombarded with TV and radio advertisements which indicate that drinking is not only an acceptable part of life, but is a desirable, sexy, and almost necessary part of life. The amount of money that is spent on sending these messages to us far, far exceeds the amount of money we spend on programs to find ways to keep our society from drinking and then driving cars. Clearly, significant research is needed here to determine what can continue to reduce the incidence of drinking (and now drug-related) driving.

With respect to basic driver education programs, we have had very little success in documenting a benefit of the driver education program as it is now taught in the U.S. Perhaps this is partly because of the limited amount of hours that are spent in these programs (only six hours behind the wheel for most students) and partly because an effect for such a limited program is more difficult to quantity in our society where students have grown up with cars (and thus received some "driver training) all of their lives. However, given the high risk of teenage drivers, it may be time to look at programs which gradually introduce them into the licensed driver population by requiring that they accumulate a large amount of parentally-monitored driving experience before full licensure, or by permitting only daytime driving for first-year drivers, or, indeed, by refusing to license 16 year-olds. While these are decisions that will be made in a legislative arena, they must be based on research. These programs have not yet been tried and thus the research and evaluation has not yet been completed.

Finally, there is the issue of research that has not been done through the past 20 years in the basic areas of driver behavior -- why do drivers behave and drive as they do? My understanding is that NHTSA is beginning in a new emphasis area with respect to driver behavior including the development of a driver simulator, a move that is needed. However, I note that this possibly very expensive effort needs to be well-managed in order that it not cripple other crash-related research programs.

With respect to the roadway, FHWA's research programs related to roadside hardware, bridge rail and guardrail design, roadway geometrics, and other aspects of the roadway system have resulted in information which can be put to use daily by roadway designers and traffic engineers in their work. However, as documented in reports such as Highway Safety: At the Crossroads, we have not developed a "science-based" system for the engineer such that he or she has the safety-related knowledge to compare alternative designs in terms of potential future safety benefits and costs. Part of the problem lies in the lack of sound research information on certain roadway features or designs. Even though we have been conducting roadway research for years, there are still a number of treatments and roadway design components for which we have no defined level of safety benefit. These include such basic things as sight distance at intersections, the benefits of lower level (less expensive) guardrails or safety hardware on low volume roads, the effect of increased use of heavy and larger trucks on our highway, the effects of various types of signalization at our intersections, and others. These problems have been noted by others in their work and clearly need emphasis and increases in research funding.

But part of the problem also lies with the education engineers receive, the transfer of safety knowledge to the design manuals and warrants used by these engineers, and the priority of safety in the existing State and Federal highway bureaucracy. While I am certainly not criticizing FHWA for the work they've done from a safety research point of view, I agree with the aforementioned report that it is the case that safety has not been given a high enough priority within the engineering community. (I say this as a traffic engineer myself.) There has been little safety education provided to engineers in our roadway engineering curriculums, nor has there been the transfer of research-based knowledge to these engineers in their on-going work. Thus, there are not only research funding needs, but also needed study of how safety could receive a higher priority in the decisions made at both the federal and state level. There is also documented evidence in the same report that some states have not done an acceptable job of spending even those limited highway safety funds appropriated for spot-improvement programs, nor have they evaluated treatments implemented such that future knowledge can be developed. As I expect has been noted by previous speakers, North Carolina has a long-established program of hazard correction in our State. In addition, our DOT is moving even further forward by establishing a highway safety team within the Division of Highways whose job will be to ensure that the various safety-related programs being conducted within the DOT are coordinated and that safety does receive the needed priority in both design and rehabilitation efforts. Similar programs need to be implemented (indeed, required) in other states.

With respect to the vehicle, NHTSA and automobile manufacturers continue to carry out programs aimed at making the vehicle safer, and these efforts have significantly increased the crashworthiness of these vehicles. However, our progress to date may well be changed by continued increases in oil prices and by the demands of our environment which will require more fuel-efficient (smaller, lighter) vehicles. Such changes will result in safety tradeoffs, tradeoffs which need to be studied carefully before decisions are made.

I would also note the need for more coordinated research between those designing vehicles (or vehicle regulations) and those roadway researchers who are responsible for designing roadside hardware (e.g., guardrails, breakaway sign posts, utility pole treatments, etc.). We change vehicle designs each year, but the safety hardware beside our roadways stays in place for up to twenty or more years. Since the hardware design is based largely on the results of crash tests involving vehicles in the fleet at the time of design, subsequent (sometimes minor) changes in such parameters as the stiffness of the vehicle fronts or doors, the height of the frame, or the seating height of the driver can cause well-designed hardware to quickly lose a significant part of its effect due to changes in the vehicle fleet.

A final vehicle-related issue that I bring to your attention is the need to build safety research into the new work now being done in the Intelligent Vehicle/Highway System arena. My understanding is that this will be an emphasis area for FHWA, NHTSA and private enterprise over at least the next few years. I note that, in addition to US/foreign economic factors, the primary rationale for this work is to increase capacity, i.e., to move more vehicles on our limited roadway network. This effort clearly has immediate safety implications (such as possible driver distraction from "heads-up" displays),

but also leads to the possibility of future enhancements in overall vehicle safety. There is a safety subgroup involved with the Automated Driver Information Systems workgroup. What is needed is to keep safety as a priority issue in this work, to identify both short-term and long-term research needs, and to fund them adequately.

With respect to local programs, I submit that the majority of safety programs that are implemented in local communities in North Carolina and a significant number of safety programs implemented on a statewide basis have been a direct or indirect result of 402 funding. As described in earlier testimony by Mr. Paul Jones, Governor's Highway Safety Representative, 402 funding has allowed our state to design trial programs based on our best knowledge, to implement these programs, and then to evaluate these programs to determine if they are having the expected benefit. It has also allowed us to evaluate other programs that the state already had implemented and make recommendations concerning their future. While I cannot speak for the other states, I feel that the 402 program has been a success in North Carolina. Let me provide one example of this success.

In the early '80's, our observational and crash report data indicated that infants and young children were being protected by restraint systems only approximately 3 to 8 percent of the time. Using 402 money, we then began an effort to determined the size and nature of the problem in order to design a series of possible treatments. We tried educational programs at physicians offices alone. We tried public education programs and the establishment of community restraint-loaner programs. These were not enough, but because of health-related interest that had been generated in local communities (mainly by 402 activities), our state legislators were convinced to pass a child safety seat law. Our usage level in North Carolina is now over 85% for children less than 5 years of age. It is estimated that over 300 children have escaped serious injury as a result of this safety seat use. This would not have occurred without these 402 funds. As an offshoot of this activity, during the early years of the program, 402 dollars were used to help establish programs in which local community groups across the state were provided with training and matching safety seats which were to be loaned out to people who could not otherwise afford to buy one or who would not purchase their own restraint for other reasons. At the peak, staff at the Highway Safety Research Center were working with and monitoring the progress of 134 of these programs. However, the ultimate success of this project is that although funding for these programs was stopped in October of 1986, our latest inventory shows that almost 100 of these programs continuing to operate in the communities. This represents a tremendous number of hours of volunteer time and a large number of children that have been protected, all as a result of 402 funds.

This is only one success story. There have been others. I fully believe that 402, if properly managed and properly implemented, can be a very successful compliment to the 403 research and implementation efforts at the national level. I believe that our success has been the result of a number of factors, with two of the primary ones being an early strong link between the GHSP program and the research and evaluation expertise at HSRC, and good GHSP administrators and personnel. While my opinion may not be shared by all, I believe that to be successful, the 402 programs have to be coupled with

evaluation and research expertise which can help define possible treatments based on research knowledge and can evaluate trial programs to determine which are beneficial and which should be dropped or modified. I would urge continued funding of this effort with the guidelines that it be a program and evaluation effort rather than just a series of projects designed by well-meaning administrators or local "safety experts" who may or may not be knowledgeable concerning what works and what doesn't. We have been very fortunate in North Carolina in that the administrators have either come into the program with knowledge of the highway safety area or have been willing to gain such knowledge quickly in their tenure. I think this will continue to be the case in our state and would hope it would be the case in other states.

In summary, I have mentioned a number of areas which I feel deserve research and implementation efforts and funds. I began this talk by saying that there are also tremendous needs for roadway maintenance and construction activities. I am certainly not trying to make this a battle between construction and maintenance needs and safety needs. I hope and trust that there will be enough money for all of these needs, as all are essential to an integrated program. However, given my years of experience in safety research and in safety program implementation, I do feel that in times of short budgets, increased inflation, and increasing pressure from the public to make their "driving lives" better immediately, there is the tendency to meet immediate demands rather than the more nebulous long-term costs of future health care and emotional trauma. However, these long-term costs are the ones that will be most important to not only our current generation but also to the generation that my child and yours belongs to. I realize that I may be "preaching to the choir" in my remarks to you, but I hope that some of this information will help you carry this message to you fellow committee members and to the rest of Congress in the STAA budget deliberations.

Thank you very much for your attention.

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PIEDMONT TRIAD
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6415 Airport Parkway
Greensboro, NC 27409
919-668-9657
800-244-7428

To: The Subcommittee on Surface Transportation of the United States House Public Works and Transportation Committee

From: Charles C. Fishburne,

Member of the City-County Planning Board of Forsyth County and Winston-Salem, North Carolina

Member of the Piedmont Triad Horizons Transportation Committee

Fishburne Enterprises, Inc.
221 N. Gordon Drive
Winston-Salem, NC 27104
(919) 765-2928

Date: 9-18-90

On behalf of North Carolina's Piedmont Triad, eleven counties in which Greensboro, High Point, and Winston-Salem serve as its urban core, I urge The Subcommittee on Surface Transportation to give strong consideration to the following matters.

1. RETURN TO NORTH CAROLINA OUR FAIR SHARE OF FEDERAL DOLLARS FOR BOTH ROADS AND TRANSIT.

North Carolina has an outstanding road system. We have committed approximately 9.2 billion dollars to the Highway Trust Fund for use during the next thirteen years. Unfortunately, the federal government does not return enough of North Carolina's tax dollars for transit and highway use. Since 1956, for highway use, we have received eighty-five cents on the dollar. Since 1986, for transit use, we have received five cents on the dollar.

2. PROMOTE USE OF PUBLIC TRANSPORTATION BY PROVIDING INCENTIVES FOR COMMUNITIES TO DEVELOP REGIONAL PUBLIC TRANSPORTATION SYSTEMS.

Our letterhead is printed on 100% recycled paper.

The role of motorized vehicles must change. Piedmont Triad, North Carolina, the state of North Carolina, and the nation must face the facts - petroleum sources are decreasing, the availability of roadway developable land is diminishing, and air pollution levels are increasing.

In the Piedmont Triad, we have the opportunity to avoid the gridlock other regions have experienced by planning ahead. To do this successfully, we will need the help of both state and federal governments. Citizens have worked for the last two to three years pursuing the possibilites for light rail and a regional transportation system.

* In February 1988, the Forsyth County Planning Board established an Ad Hoc Light Rail Committee to explore the use of light rail.

* In May 1988, this ad hoc committee took the concept of light rail to Piedmont Triad Horizons. (Horizons is an organization which promotes cooperation and action among the eleven counties of the Piedmont Triad.)

* The two groups combined efforts so that <u>one regional committee</u> could pursue the use of light rail.

* In the spring of 1988, North Carolina's Govenor Martin appointed a task force to study rail passenger traffic in the state using the NC Railroad and the NC and Atlantic railroad tracks.

* Piedmont Triad Horizons is hosting a regional transportation alternatives conference on September 19, 1990. The purpose of the conference is to bring elected officials, transportation staffs, and concerned citizens together to hear the same information and to focus on securring an effective public transportation system for our region.

* We can see a Triad rail system tying into a state system. In the Piedmont Triad we have an abundance of existing rail routes. There are five major routes in Forsyth County and, six in Guilford.

What is needed now is a study to determine the feasibility of light rail in the Triad region. For the future, we are asking that the federal government give priority to the development of regional public transportation.

In conclusion, citizens in North Carolina's Piedmont Triad request that when recommendations are made for reauthorization of the Post-Interstate Surface Transportation Programs, two concerns receive priority: (1) Fair allocation of monies and (2) Support for the development of regional public transportation systems.

STATEMENT FOR PUBLIC HEARING
SUBCOMMITTEE ON TRANSPORTATION
UNITED STATES HOUSE OF REPRESENTATIVES

Robert J. Godding
September 21, 1990
Durham, North Carolina

Honorable Members of Congress, Distinguished State and Local Officials, and Other Interested Parties, my name is Bob Godding, and I'm the Director of Transportation for the Town of Chapel Hill, North Carolina. Currently, I am also the President of the North Carolina Public Transportation Association. Our membership includes 41 transportation operators, mostly public but a few private providers in both rural and urban communities across the State of North Carolina. I thank you for the opportunity to present comments as you undertake the most serious task of considering the Reauthorization of the Surface Transportation Act.

Public Transportation Systems in North Carolina have been asked to play an expanded role in helping to solve some our state's serious transportation problems. In many of our rural and urban areas, we are unfortunately strangling on our own success. Increased demand and utilization of our services has exceeded our operating capacity. Much of this growth has occurred in our rural areas. However, recent environmental reports show that several of our urban areas are not meeting minimum air quality standards. This of course, has resulted from traffic congestion and our overwhelming reliance on the private auto. The urban public transportation operators will be pressured to help solve this problem.

This increase in demand has reduced the ability of available financial resources to deliver needed services. We are seeing dramatic reductions in the availability of federal capital and operating dollars to finance transportation programs. For capital programs in Chapel Hill for example, our share of the local match has increased 100% over the last year.

As we make a request for additional federal financial assistance, we are quite sensitive to the fact that we must continue to also fight for a stronger involvement at the local level. We also realize that our State efforts to solve these problems are not what should be expected from a State of our size and stature as North Carolina. As a Statewide association, we promise to work on all possible fronts to insure that each responsible jurisdiction shares in obtaining

the resources that are needed to get this job done.

We hope that as we proceed into the future, a reauthorized Surface Transportation Act will provide a reliable and predictable level of funding, one that represents a fair federal share of meeting our citizen's public transportation needs.

Specifically, I ask that you consider the following:

- The adoption of an increase in the federal gasoline tax to provide additional public transportation funding. This would result not only in a reliable funding source but it would also stimulate the driving public to reconsider how efficiently they are using their cars. It could also relieve the current burden of general fund financing of public transportation programs.

- Eliminate federal tax policies that subsidize auto use and discourage transit use and private investment in transit capital.

- Provide adequate funding to cover the cost of those federally mandated activities contained in the Americans with Disabilities Act and the Clean Air Act.

- Continue an adequate program of operating assistance for all types of transit systems, but insure that the program encourages the productive use of public resources, and reliable levels of service to the public.

The current situation in the Middle East, dramatizes quite clearly the importance and magnitude of our domestic transportation problem. We have squandered an opportunity over the last 16 years since the first "oil crisis" to take the steps to eliminate our dependance on imported oil. As a nation we are addicted to oil. We are responsible for 20% of the annual global consumption. Although many steps must be taken to reduce this addiction, improving our public transportation systems is certainly one of them. We look forward to working with you to make that a reality.

Thank you again for the opportunity to speak. I hope that you enjoy your visit to North Carolina

Testimony of Senator William Goldston
Congressional Field Hearing
On the Federal Surface Transportation Act
Friday, September 21, 1990

I am William Goldston, Chairman of the North Carolina Senate's Transportation Committee. Recently I served as a co-chairman of a bipartisan Highway Study Commission consisting of Legislators, Mayors, business leaders, and county officials. The purpose of the study commission was to closely examine the increasing transportation needs facing our growing state and make recommendations to the General Assembly.

The study commission found that North Carolina was in fact growing. Our state demographer estimated at that time that our 1990 population would exceed 6.6 million people, a 12 percent increase from the 1980 total. He went on to project that the population would increase another 10 percent between 1990 and the year 2000 to exceed 7.2 million in that year. The growing population was also a changing population with increased automobile usage and greater transportation needs.

Unfortunately, our investment in transportation had not been keeping pace with our needs. In 1988, our Department of Transportation estimated that we had a backlog of highway construction needs exceeding $10 billion. This did not include the future needs that were accumulating at a rate of approximately $550 million per year, but included only those projects that were needed immediately at that time to relieve urban congestion and provide additional capacity for over burdened rural roads. When combined, the existing and future highway needs for the state were estimated to total more than $16 billion by the year 2000.

Our highway construction program, on the other hand, which consisted of the federal aid programs and a small $60 million per year state appropriation, was estimated to generate only slightly over $5 billion for that same time period, leaving a backlog of needs in the year 2000 of more than $11 billion not accounting for inflation. This meant we were not keeping up with our annual needs, and doing very little to chip away at the existing backlog.

As a result, the Highway Study Commission recommended an $8.6 billion state funded highway construction program over a period of twelve years. The General Assembly modified that to $9.2 billion over 13.5 years, but kept intact the four basic goals the study commission had established for the new money.

Those goals are: 1) To construct 1700 miles of new four-lane highway and widen and improve 113 miles of existing Interstate highways on the 3600 mile Intrastate System. This is a specially designated system of roads consisting of all of the Interstate routes, most of the primary routes, and some of the strategically

significant secondary routes that when completed will result in a four-lane network of highways interlacing the state;
2) To complete portions of urban loops around seven of our major cities, to help relieve urban congestion;
3) To pave 10,000 miles of our unpaved secondary roads in order to get our rural residents out of the dust and mud; and
4) To increase the level of funding provided to the municipalities for the maintenance of their roads.

When passed by the legislature in July, 1989, the Highway Trust Fund program, as we called it, represented a major initiative on the part of North Carolina to address its own transportation problems.

Now that I have spent the last couple of minutes bragging on the North Carolina Program, I want to make a couple of points pertinent to the future Federal program.

First, although we in North Carolina have faced our transportation problems head-on and have now committed a significant amount of state funds to address them, it does not lessen the need for a federal program. We see our efforts as complimentary to the very much needed federal effort. Together, the two programs still do not completely erase the combined total of existing and expected needs anticipated for the year 2000, but they do a much better job of addressing those needs than either program can do alone.

In addition, a new federal program should not penalize a state such as North Carolina that has taken the initiative to address its own needs. North Carolina has been at the bottom of the bucket long enough. Since 1956, we have sent nearly two billion dollars more to Washington than we have received in transportation programs. We want to make sure that the funding levels, categorical formula criteria, and matching ratios for any future federal program are developed independently of individual state initiatives. No state should be directly or indirectly penalized in the distribution of federal funds for taking steps to address its own needs.

Finally, we believe that the federal motor fuels taxes should not be raised unless they are going to be used for transportation purposes. As a result of our Highway Trust Fund program, North Carolina raised its motor fuels tax by what amounted to about a nickel per gallon. Our new total of 21.75 cents per gallon is among the highest in the country. We are strong supporters of the "user pays" concept. Our legislature and citizens supported the tax increases because the taxes were going towards much needed transportation improvements. I don't believe the people of this state will support a gas tax increase that isn't directly linked to transportation improvements.

Again, thank you for giving me the opportunity to speak to you today.

TESTIMONY

before
the
SURFACE TRANSPORTATION SUBCOMMITTEE
of the
HOUSE PUBLIC WORKS COMMITTEE

on
REAUTHORIZATION
of the
SURFACE TRANSPORTATION ACT

September 21, 1990
Field Hearing

presented by

Wilber P. Gulley, Chairman

Research Triangle Regional Transportation Authority

Mr. Chairman and honorable members of the Subcommittee, thank you for the opportunity to testify before you today on the subject of reauthorization of the Surface Transportation Act.

My name is Wib Gulley. I am Chairman of the governing board of a newly created unit of government - the Research Triangle Regional Public Transportation Authority. We have mercifully adopted the DBA of the Triangle Transit Authority or TTA.

The TTA was created to plan, finance, organize and operate a public transportation system for the Research Triangle area. The service area includes Durham, Orange and Wake Counties and the Cities of Durham and Raleigh, the Towns of Cary and Chapel Hill, the Research Triangle Park and the Raleigh-Durham International Airport, an area with a population of nearly 700,000.

This public transportation system will include operation of ridesharing services, and may also include operation of a system of vans and buses. The TTA is also the organization with the responsibility to determine whether or not the long term transportation needs of the Research Triangle can be best served by fixed-guideway transit.

The TTA was created amidst great hope and with great promise. It is a special purpose unit of government that is sized to fit the problem. Support for its creation was widespread. I attribute this to recognition that our major population areas are growing toward each other and that there are negative impacts of theis growth.

The points of the Research Triangle, the Town of Chapel Hill, and the Cities Durham and Raleigh, are all growing toward the center of the triangle. That new downtown center is focused on the Research Triangle Park and the Raleigh Durham International Airport.

While the regional growth we have experienced over the past twenty years is extraordinary, it is a characteristic that is shared by other urbanized areas in North Carolina. It is also shared by many other areas across the nation.

This rapid growth has led to the increasing suburbanization of our region. For the first time we must now cope with serious congestion. We are also concerned with the many impacts on our environment - the quality of the water we drink and the air we breath. We are keenly aware of the relationship of our transportation system with our land use. Because regional public transportation authorities serve multiple jurisdictions they are best equipped to coordinate and resolve land use issues.

These trends are not unique to the Research Triangle. Their importance is beginning to be more widely recognized, but our national transportation policy and programs are not well suited to respond to these emerging trends.

For example, the boundaries that delienate our urban areas are artificial when viewed from the regional perspective. They do not recognize our changing growth and commuting patterns.

While the Urban Mass Transportation Administration (UMTA) has a Suburban Mobility Initiatives program, it is, in fact, a very minor program which must compete with other discretionary funding programs. There is no section in the Urban Mass Transportation Act to address the funding needs of regional transportation programs.

I recommend that the Subcommittee consider the following issues in the reauthorization process.

- Regional, low density urban forms are emerging across the sunbelt. New federal programs should anticipate and respond to this trend.

- Both the needs and the solutions will vary. Therefore broad flexibility and descretion is necessary. The block grant approach with either no or few categories is appropriate.

- Creative alternatives to reduce dependancy on the single occpant automobile must be encouraged. Transportation block grants should both permit and encourage tradeoffs between transit and traditional road-building soultions.

- End tax-based parking subsidies which are contained in the Internal Revenue Code. Employer provided parking is not taxed as a benefit. Encourage employer-based transit subsidies. Current federal law taxes employer-provided transit subsidies over $15.00 per employee per month, with no limit on tax free parking

subsidies!!

- Provide incentives for joint public-private ventures. Transit works best when it serves dense, multiple use environments. Encourage efficient land use.

- Review federal policy "strings" for relevance. For example, the employee protection provisions of Section 13(c) of the UMT Act go well beyond their original intent. They can be intrusive and restrict innovation.

On behalf of the Triangle Transit Authority and myself, thank you for the opportunity to express our views. I will be glad to respond to any questions that you may have.

TESTIMONY FOR SECRETARY THOMAS J. HARRELSON
FOR THE CONGRESSIONAL FIELD HEARING
ON THE FEDERAL SURFACE TRANSPORTATION ACT
FRIDAY, SEPTEMBER 21, 1990

Thank you for the opportunity to speak with you this morning. I want to thank the House Public Works Subcommittee on Surface Transportation for coming to this region of the United States. I'm particularly pleased that you came to North Carolina. I want to thank Congressman Valentine for his diligent work -- and for seeing to it that highways, bridges and public transportation are put in the forefront. They certainly are issues we need desperately to deal with.

Today is one way to start that process. Tackling the job of a new reauthorization bill will be no easy task. The budget deficit and the current Middle East crises will no doubt make your job more difficult. You will have to deal with individual groups, organizations and states coming to you seeking your help in making this new bill a fair one.

And we realize how important your role is -- because this transportation bill will lead not only us, but our children and their children, into the 21st century.

What I want to do this morning is give you a North Carolina Department of Transportation perspective. We've been dealing with a situation I want you to know about.

For 34 years, North Carolina has paid in more and received less from the Highway Trust Fund than any state in the nation.

For every dollar we have contributed to the federal highway trust fund since 1956 -- and including the year we are in right now -- North Carolina has received 83 cents in return. That really represents only part of the picture. When we include the interest that has accrued to the trust fund -- which also is part of the apportionment process -- our net return is a mere 73 cents on the dollar.

During the life of the trust fund program, our state has suffered an estimated 1 billion, 910 million dollars in "lost" revenue. That's almost 2 billion dollars North Carolina has badly needed to meet the demands of a rapidly growing state -- $2 billion that has been spread across the nation through formulas that became outdated decades ago.

These facts become even more significant when you realize that North Carolina historically has had one of the lowest per capita incomes in the nation.

Out of necessity North Carolina has responded by initiating innovative state and local funding programs to make up this federal funding void. Our state gasoline tax is 21.75 cents per gallon -- the fifth highest of all states. The tax supports virtually all highways in North Carolina -- the largest state-supported system at 76,000 miles.

We have a long-standing financial relationship with our communities that dates to 1951 when we began sharing state motor fuel tax revenues directly with our cities and towns. I trust you will hear from some of our mayors today on the success of these relationships as well as the initiatives within our own municipalities to develop local funding packages necessary to get the transportation job done.

Last year, North Carolina committed an additional $9.2 billion during the next 13 years to highway improvements and expansions. In large measure, our Highway Trust Fund Law was passed because of the inability of the current federal programs to address our growth demands. We felt it necessary to "pick up the ball" so to speak. Local governments have also done the same and several North Carolina cities and counties have passed major highway and transportation bond issues.

Even so, an appropriate federal program remains critical to this partnership. The establishment of funding levels, categorical formula criteria, and matching ratios must be developed independently of these individual state initiatives. No state that has initiated major funding packages to address its own needs should be directly or indirectly penalized under a new program.

On a broader level, we support the concept of a Highway System of National Significance. However, we do not think it should be loaded up with smaller highways simply to improve a state's position in return of federal dollars. The system should be defined to include only those highways truly of national significance -- those on the Interstate system, most principal arterials, and limited others.

Also, we support the concept of two major funding programs: a Categorical Program for Highways of National Significance and a Flexible Program for all other highways. North Carolina seeks the most flexibility possible -- within these programs, and between them. We have numerous examples where categorical programs and the lack of flexibility have cost us money, delayed projects, and worked against the needs of North Carolina. A good example is our bridge program.

We recognize the fact that the Categorical Program should be driven by formulas. At the same time, it is

universally accepted that many of the existing factors driving today's formulas are out-dated and no longer reflect the needs of a national transportation system. They do not reflect the use of the system, and they certainly do not reflect the high growth that many states have experienced in the last few decades.

We know the redefinition of these factors will be difficult, but it is necessary. North Carolina largely supports formula factors based on the use of the highway system rather than its size. We think use characteristics more accurately describe the wear and tear on the system and the need for capacity expansion. Factors such as Vehicle Miles Traveled and motor fuel consumption more accurately measure the demand on the highway system than do land area, density, population, and the like. Size factors such as lane-miles do reflect the amount of pavement existing in a state, and therefore should be considered in the deterioration of the system.

USDOT's cost allocation studies in 1982 found that about 70 percent of the wear and tear on the nation's highway system was due to use. About 30 percent was a result of such factors as weather, exposure, and old age -- best measured by size characteristics. Consistent with these findings, we think use factors should be weighted more heavily than size factors in any new formula. This is consistent with recommendations of the United States General Accounting Office.

We recognize the unique difficulties in many states -- particularly the extremely rural states -- that cannot generate the tax base necessary to construct and maintain their portion of nationally significant highways. Allowances for such situations must be made. We stand ready -- as we have through AASHTO -- to continue working toward ways to accommodate a system that is fair to all states coast to coast.

While we do that, however, we should not lose sight of the basic premise that highway use causes the damage that requires repair, causes the congestions that must be addressed, and reflects the growth and access requirements that must be served.

Above all we must work toward a new or modified national program that provides funding equity to the states. We realize that any taxing system creates "haves" and "have nots," and that a redistribution of some resources must occur. At the same time, fairness must be paramount, and I will tell you today that North Carolina -- a low income state -- along with a few other states, has carried the brunt of the funding for the national program since its inception in 1956.

While we are on the subject of fairness, let's talk a bit about public transportation funding. North Carolina sends $40 million per year to Washington, and receives $2 million in return from the Public Transportation Account. This is a five percent return on investment -- the worst of any state in the nation. This, as I'm certain you will agree, is an erosion of our transportation funding base and an inequity for which correction is long overdue.

What we want and need in North Carolina from this new legislation is equity and flexibility. Equity means a fair return from the federal program. Flexibility means the ability to put the funds to work where the needs are in North Carolina. We will do that in a responsible, environmentally conscious and timely manner. We have a proven track record of responsibility and fairness that is evidenced by the relationships we have with our General Assembly, our cities and towns, and our rural areas.

The future can be exciting for us, but there is much work left to do. You will have many issues and perspectives before you. We look forward to working with you as together we face the transportation challenges ahead.

Let me say again how delighted we are that you could take the time to visit with us in North Carolina. We hope you have time to stay and enjoy the beauties of our state. We appreciate your holding this hearing in the Southeast so we can share with you some perspectives that might be a bit different from some other part of the nation.

Thank you.

New Directions in Transportation - For The Earth's Sake

Statement to the House Subcommittee on Surface Transportation
21 September 1990

Ed Harrison
Transportation Chairman, North Carolina Chapter of the Sierra Club

I want to thank the Subcommittee for giving citizens in this part of America the opportunity to express our opinion on the future directions of surface transportation in our country and in our region.

This statement is on behalf of some 12,000 Sierra Club members in this state, and for other allied organizations. The Sierra Club is gaining recognition as the environmental group most active at the grassroots level of society. As the saying goes, we think globally and act locally, down to the level of cities, towns and subdivisions. A hearing like this allows us to bring our concerns about transportation, which we have locally, regionally, and statewide, to the attention of our nation's decisionmakers.

The Sierra Club has recognized the major role of transportation in determining environmental quality since the National Board of Directors adopted a transportation policy in 1977. Because the facts haven't much changed since then, our policy stands, and all that's changed on our end is that an ever-larger number of Sierra Club members express concerns about our nation's directions daily, in a ever-widening range of places.

The facts then and now are that: Transportation is the main consumer of our energy resources, especially petroleum. Transportation facilities dominate our patterns of land use. Motor vehicles are a major source of air pollution in urban and other areas - in North Carolina *the* major source. And these vehicles are responsible for a significant amount of the runoff of oil and other toxic substances in the waters of the United States.

Now, as in 1977, we see that our national transportation policies have had major impacts on our *social* environment - an arena of much concern to the environmental community. Past policies have been a central factor in the decline of American cities. Inappropriate transportation technologies - the emphasis on cars above all - and discriminatory funding formulas have combined to create levels of pollution and congestion which cause flight from our central cities. The resulting urban sprawl costs America heavily in the consumption of energy and, above all, *land*. As you know, they're not making any more land, and oil's getting hard to come by.

Now, as then, we contend that governmental policies haven't yet paid sufficient attention to the need for energy conservation, or to the need to encourage transportation modes which pollute less and take less land. National policies continue to subsidize most the least efficient mode, highways for motor vehicles. According to the U.S. Conference of Mayors, federal transportation funds have favored highways over transit by more than 8 to 1.

Unfortunately, this economic advantage for asphalt and automobile is augmented at the state and local level. When local governments and taxpayers provide free or abundant parking in business centers, the public loses the incentive to use transit instead of the single-occupant vehicle so common on our congested highways. At the same time, over-abundant cars mean that businesses and individuals pay the costs for health damage and

lost work due to smog, for damage to crops and buildings from smog, and for the time lost in our lives to traffic jams.

We believe that our North Carolina state government has chosen the incorrect, short-sighted solution to congestion by foisting a $ 9 billion roadbuilding program on us without allowing a bond referendum vote. We see something on the order of a 13 to 1 ratio of highway funding to that for transit, and we see transit taking it on the chin. At the same time, this region's Triangle Transit Authority, discussed earlier by Mr. Wib Gulley, has not been deemed worthy of state funding by our Legislature.

Here in the rapidly-growing Piedmont Crescent of North Carolina, the environmental community sees transportation priorities as a front-burner issue of public policy. We arrived at this point because of grappling with issues of urban growth, land use and natural resource protection. Throughout the 1980s, the cities of the Piedmont put great effort into protecting surface drinking water supplies against damage from urbanization. Many of us came to realize that all our efforts in this regard were useless as long as our dominant patterns of surface transportation were unchanged. My examination of highway plans and programs shows that the five largest cities of central North Carolina each have interstate-level highways crossing, planned to cross, or proposed to cross the areas closest to their water supply lakes. Most of these highways will be funded by the state's trust fund, but some will have Federal funding as well. As we said earlier, motor vehicles put much toxic runoff into our waters. So we can't help but see transportation policies which subsidize highways over transit as a threat to the public health. As well, the loss of our green "breathing" spaces around lakes and streams to road pavement threatens our public health.

From a local and regional concern with protecting drinking water and other natural resources, to a statewide concern with disproportionate funding, citizen transportation activists like myself turn to you, our decisionmakers at the Federal level, for help in changing America's priorities. As Congressman Valentine told us in his District newsletter this summer, the taxpayers of North Carolina receive a nickel in transit funding for every transportation dollar they put in. Every day, more of us see the need for a change in our situation.

And every day, more North Carolinians - and Americans generally - are speaking out about the connection that they see between the crisis in the Middle East and the way we transport ourselves at home. Our nation's past transportation policies have resulted in patterns of vehicle and land use that consume 2/3 of our oil. Many of us hope that this is the last time that America needs to put lives on the line to protect oil supplies, to preserve an increasingly outmoded way of moving ourselves, the single-passenger automobile.

If the use of alternatives to the single-occupant vehicle is made easier and cheaper, then Americans will go with transit over cars. As long as it's easier for governments to fund more and wider roads instead of the transit alternative, Americans won't have the second option. As long as highways come first, America will continue to generate the vicious cycle of sprawl, congestion, more roads, more cars, and more sprawl, costing us energy, land, and environmental quality.

Our Sierra Club position, here and nationwide, is that **the major goal of transportation is to move people and goods, not cars and trucks**. America's surface transportation program should focus on transit and other alternatives to the single-occupant vehicle, such as incentives to carpooling (High Occupancy Vehicle lanes). This transit focus should be combined with incentives for mixed-use, infill land uses as a counter to urban sprawl. **Our national goal should be to reduce the need for new roads and the need for further petroleum consumption.**

To reform our transportation priorities, both decisionmakers and the public need a deeper understanding of the issues. The Sierra Club urges you to:

1. **Sponsor research to:**

   - **compare the relative impacts of highway to transit expansion (with infill development) on:**

     - sprawl and traffic congestion,
     - loss of forests, farms, etc.,
     - consumption of energy and materials in construction,
     - consumption of energy and water in the new developments,
     - production of air and water pollution,
     - the condition of inner cities and their residents.

   - **evaluate all present subsidies to motor vehicles**

2. **Adopt a surface transportation program that includes:**

   - **full cost pricing of auto use** - gas taxes, auto sales taxes, licensing and registration fees, smog fees, toll roads, and elimination of subsidized parking - to recoup the full cost to American society of roads, cars and trucks.

   - **use of these taxes and fees to build and operate adequate transit systems**, with the remainder used to compensate state and local governments for their auto-related costs and reduce sales and property taxes. Assure that transit funds are wisely used by requiring recipients to zone for compact, energy-efficient urban development.

As a spokesman for the environmental community on this state's massive Highway Trust Fund, I made some of these same requests last year to the North Carolina General Assembly. We are hoping for better from the United States Congress than another highway fund, another status quo. It's my hope that Congress, which succeeded in an excellent re-authorization of the Clean Water Act, and which is approaching similar success on the Clean Air Act, will see that a re-authorized Surface Transportation Act can also have crucial environmental benefits for this nation. To benefit us all, you will have to move transportation in a new direction. The Sierra Club hopes that this statement, and others you may hear in other places, has told you how vitally important it is to change the way we move ourselves, and the way we use energy and land

Testimony of Representative Sam Hunt
Congressional Field Hearing
On the Federal Surface Transportation Act
Friday, September 21, 1990

I am Representative Sam Hunt, chairman of the North Carolina House of Representative's Infrastructure Committee and co-chairman of the Joint Legislative Highway Oversight Committee. Representing the other chamber of our General Assembly, you know that I have to do a little bragging of my own about our new Highway Trust Fund legislation here in North Carolina. While doing that, however, I hope to make a few points about the direction I think the future federal program should take.

The North Carolina Highway Trust Fund Program received strong support from both houses of the General Assembly and from the public as well. In the House, under the leadership of Speaker Mavretic, there was near unanimous support. I believe the strong support for this program results from the fact that it is inherently fair and flexible.

The Trust Fund law is a carefully crafted piece of legislation that provides a little bit of something for everyone. It addresses the problems of urban congestion while also providing for much needed rural access. It commits the state to paving 10,000 miles of dirt roads in 10 years while also making a commitment to 481 cities to increase the amount of state funds they can use to maintain their local streets.

The Trust Fund program specifies a 3600 mile system of highways that we call the Intrastate System. However, this system could just as easily have been called the Highway System of State Significance. Once completed, this system will provide a modern four-lane highway within 10 miles of 96 percent of the state's population. When combined with the Urban Loops Program, it will provide opportunities for economic development in rural areas all across the state, while reducing the drag on economic progress caused by congestion in our urban areas.

To assure an equitable distribution of funds in a timely fashion, we included a funding distribution formula that is based on fair and appropriate criteria. This formula requires that the funds for all highway improvements, except the urban loops, be distributed to seven large geographic areas in the state over the seven year period of our Transportation Improvement Program. The General Assembly created this formula to assure the fair disbursement of funds to all areas of the state, but left it flexible enough so as not to overly restrict the DOT in the setting of priorities or the programming of projects.

That kind of flexibility is perhaps the greatest strength of our new Highway Trust Fund program. In response to the rigidness of the existing federal categorical programs, we deliberately provided an option to the DOT that allows them to

exchange--dollar for dollar--funds from the North Carolina Trust Fund for funds in the federal programs. In essence, we have built some flexibility into the federal program here in North Carolina. By providing an adequate funding level, and allowing the professionals to choose the most appropriate funding for a particular project, we have freed them of some of the unintentional restraints associated with the federal programs. In the process, we have freed up additional state funds that can be used without restriction for projects not included in either the Intrastate or Urban Loop systems. This provides additional flexibility in addressing the many and varied transportation needs facing our state.

We have afforded ourselves this flexibility by committing a considerable amount of state funds to our transportation problems. However, not all states are willing or able to make this kind of commitment. This is where my bragging ends and my thoughts for a future federal program begin.

Like our Highway Trust Fund program, I hope the new Federal Aid Program will provide a little bit of something for everyone. I believe the best way to accomplish that is to make the new program as fair and as flexible as possible.

Fairness can be addressed in the distribution of funds and the selection of formula criteria. North Carolina is tired of being last in terms of program funds received for the amount of revenues collected. We want a better return on our investment. We want funds to be distributed fairly based on criteria, such as fuel consumption and vehicle miles traveled, that are closely related to the use of the highway system. If this can't be achieved, we want the minimum allocation percentage raised to at least 90 percent.

Flexibility can be achieved through the two major programs now under consideration: A program for Highways of National Significance and a Flexible Program for other national issues. We would like to see the greatest amount of flexibility possible built into and between these two programs to allow the states and local governments to address their transportation problems in the most effective and efficient manner.

I believe North Carolinians have shown that we are willing and quite capable of taking care of our transportation problems with the assistance of a fair and flexible federal program. We should be given that freedom in any new federal program to do just that. Thank you.

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State of North Carolina

Governor's Highway Safety Program

JAMES G. MARTIN
GOVERNOR

THOMAS J. HARRELSON
SECRETARY OF TRANSPORTATION

PAUL B. JONES
DIRECTOR, GR

Statement of the
Governor's Highway Safety Representative for North Carolina
before the
Surface Transportation subcommittee
Public Works and Transportation Committee
A. S. House of Representatives
September 21, 1990

My name is Paul Jones, Governor's Highway Safety Representative from North Carolina. My office is responsible for coordinating and managing the state highway safety program. Our mission, working with a variety of state agencies, is to improve the safety of our state's highways through increased safety belt and child restraint use; reduced incidence of impaired driving; stricter enforcement of speed limits; improved truck, school bus, motorcycle, bicycle, along with pedestrian safety, and enhanced roadway safety.

It is my pleasure to appear before you today on behalf of thousands of highway and traffic safety professionals in North Carolina to discuss the reauthorization of federal highway safety programs and other matters of concern to our office and that of other state and territorial highway safety offices.

Highway Safety: A Persistent Problem

Currently, the United States enjoys the best highway safety record of any country in the world. Over a twenty-year period from 1967-1987, the mileage death rate in this country dropped from 5.2 deaths to 2.4 deaths per 100 million miles of travel. (The 1989 mileage death has dropped to 2.2 which is the lowest mileage death rate to date.) In the last eight years alone, the death rate from motor vehicle crashes has been cut by more than 25%. The National Highway Traffic Safety Administration (NHTSA) estimates that, in 1988 alone, 6,506 lives were saved by highway safety laws and programs: 4,500 saved by safety belts; 1,148 saved by minimum drinking age laws; 608 saved by motorcycle helmets; and 250 saved by child restraints.

215 East Lane Street, Raleigh, North Carolina 27601, 919/733-3083

Despite the positive impact federal assistance and state and local highway safety programs have had on highway safety, motor vehicle deaths and injuries continue to be a major problem in this country. 47,093 people were killed in motor vehicle crashes in 1988 - the last year for which complete statistics were available - and an estimated 3.4 million people were injured. Every 10 minutes, there is a traffic fatality, and every 10 seconds, a traffic-related injury. The annual death rate from motor vehicle crashes is the equivalent of crashing an airliner with 129 persons on board every single day. In North Carolina, we record one traffic mishap or crash every 3 minutes. We injure one person every 4 minutes. From the time most of you arrived last evening until you depart this afternoon, 3 people will have died on our state's roadways - one every 6 hours.

In 1988, our most recent year for an accurate breakdown on the national data, half of the fatalities were alcohol-related (including pedestrians, non-drivers, and drivers whose blood alcohol level did not exceed the legal limit), 17,500 were unrestrained occupants, 6,900 were pedestrian fatalities, 13,585 involved light trucks, and 3,661 were motorcyclist (and other motorized cycles) fatalities.

The magnitude of motor vehicle injuries represents a major public health and catastrophic medical payment problem for the country. About one-third of all the unintentional injury deaths are caused by motor vehicle crashes or other roadway mishaps. The leading cause of death for children and young persons aged 1-34 is motor vehicle crashes. For all ages, the motor vehicle injury death rate is surpassed only by the rates for heart disease, cancer and stroke. Traffic injuries are the leading cause of paraplegia and quadriplegia, and are the leading cause of new cases of epilepsy. For business and industry, traffic related injuries represent the leading cause of lost productivity in the work place, and are a major contributor to industry's rising health and Workman's Compensation costs.

The estimated economic cost of motor vehicle-related fatalities and injuries to society is staggering. According to the Cost of Injury in the United States (1989), the cost of motor vehicle crashes to society is $48.7 billion a year. This estimate, which many in the highway safety community believe is very conservative, does not include the non-quantifiable costs associated with human suffering and trauma, or societal costs associated with the long-term loss of productivity. Traffic injury costs, according to Injury Prevention: Meeting the Challenge (1989), are second only to cancer in their economic cost. Unlike cancer and other disabling diseases, however, most of the economic costs associated with motor vehicle deaths and injuries can be avoided through prudent investment of governmental and private sector resources in proven highway safety countermeasures.

If traffic continues to grow at about 4% per year in the future, as the Highway Users Federation projects, and if the 1987 mileage death rate of 2.4 deaths per 100 million miles of travel is maintained, then annual fatalities may exceed 60,000 by the year 2000 and may be as high as 80,000 by the year 2020. The rate would have to be dropped to 1.4 deaths per 100 million miles of travel just to maintain a fatality frequency of 46,000 fatalities a year - a level which, in itself, represents a totally unacceptable loss of human life.

Increased truck travel, greater reliance on the automobile for commute trips, increased suburbanization and a deteriorating highway system will adversely impact the safety of the nation's highways over the next decade. More federal, state, and local and private sector resources will have to be devoted to highway safety to reduce the fatality rate and to offset some of the demographic, social and economic trends of the future.

Current Federal Assistance Programs for Highway Safety

Much of the progress made in highway safety can be attributed to federal highway safety legislation of the past twenty years (such as the Highway Safety Act of 1966) and the federal grant funds authorized by that legislation. The federal State and Community Highway Safety grant program (23 U.S.C. 402, commonly known as the 402 program) is the major source of funding for state highway safety programs.

Two major features make this federal grant program unique and contribute to its effectiveness. First, unlike other federal grant programs, the 402 program operates as federal "seed money" for state and local highway safety programs. 402 grants are available over a three-year period, requiring grantees to assume a greater portion of the cost assumption each year. Highway safety programs funded with 402 funds are expected to be self-sufficient by the end of the third year; therefore, the 402 program does not encourage state or local dependence on federal grant assistance:

- In North Carolina, 402 funds were used from 1983-1986 to create a D&E Enforcement Team. The program in Mecklenburg County resulted in a significant increase in DWI arrests, fewer DWI related crashes and injuries. The police department learned new manpower allocation and enforcement techniques, which were applied department-wide. In addition to maintaining the team commitment to DWI enforcement and education, the department learned to work smarter with expanded resources to combat the impaired driver problem.

- The Mecklenburg County Police Department, with approval of the Governor's Highway Safety Program, used a small portion of its 402 contract money in 1986 to help underwrite the startup of a local alcohol and drug-free Project Graduation. Since the first grant, the Police Department has continued

to use its own money in the same $5,000 amount each year to support Project Graduation. In June, what was once a local county project at a theme park (Carowinds), grew into the largest Project Graduation one-night program for graduating seniors in the country. Over 12,500 seniors and their guests from 44 high schools in seven counties from North and South Carolina celebrated all night, free from alcohol and other drugs. The initial $5,000, initially provided through 402 funds through a local police department, has been a catalyst for nearly $500,000 in direct and indirect contributions for Project Graduation

- In North Carolina, 402 funds in the Governor's Highway Safety Program alcohol, education, and information budget was used to leverage over $1.2 million in private sector support for a concentrated advertising and public information campaign.

- 402 funds have been used in North Carolina to expand the capabilities of the Highway Patrol and local police agencies to apprehend speeding motorists and impaired drivers. The expanded capabilities, through the purchase of additional speed timing devices and preliminary breath screening devices, has renewed enforcement's interest in traffic safety.

- A small grant to East Carolina University supported the development of a motorcycle safety course. Sanctioned by the Legislature, the course will be taught through the community college system.

Second, states use 402 funds to leverage other state and local funds, private sector contributions, or voluntary assistance. In some cases, the leveraged funds (or in-kind assistance) equal to or exceed the federal grant. As a result, the 402 program is probably one of the most cost-effective grant programs provided by the federal government:

- Under Pennsylvania's Corridor Safety Initiative Program, the state has targeted a 17-mile stretch of Route 65 for an intensive combination of safety programs, including highway improvements projects, coordinated enforcement efforts, increased public information and education programs, and advanced emergency medical services. 56% of the funding from this project comes from 402 funds and 44% is funded by the state.

- During FY 89, Virginia began a program to train police officers in selected jurisdictions to recognize drugged driving behavior. By the end of the fiscal year, there were 23 trained instructors, 47 trained enforcement officials, and 100% increase in drugged driving arrests. $71,000 in 402 funds were expended for the project, while the states

and localities contributed approximately $500,000 in police time and laboratory analysis costs.

- In California, the state developed the "I'd Rather Drive" public information campaign with $150,000 in FY 89 402 funds and $125,000 in state funds. The campaign was designed to make young people aware of a new driver's license suspension law which affects those between the ages of 13 and 21 who have committed any drug and/or alcohol offense. The campaign has been so well received by the schools that the state plans to broaden distribution to theaters and private schools.

Federal 402 funds may be used to fund a wide range of projects including: occupant protection, impaired driving, police traffic services, motorcycle safety, roadway safety, traffic records, and emergency medical services. States may fund other types of highway safety projects, such as pedestrian and bicycle safety, if they submit additional justification and explanation to NHTSA.

Additional federal assistance is provided to states under the Federal Highway Administration (FHWA) 402 program which provides funds for traffic control device inventories, improved safety data collection and analysis systems, training and technical assistance and other activities.

Funds are also provided under the 403 program (23 U.S.C. 403) for highway safety-related research and demonstration programs (which is a discretionary assistance program available to states, localities, universities, non-profit associations, etc.), and under the 408 and 410 incentive grant programs (23 U.S.C. 408, 410) for state drunk driving prevention programs. A small number of state highway safety offices receive truck safety assistance through the Motor Carrier Safety Assistance Program (MCSAP) and the Commercial Driver License (CDL) implementation grant program which are administered by FHWA. A few state highway safety offices receive funds for drugged and drunk driving prevention programs under federal drug legislation.

Federal Highway Safety Program Impact

Over its twenty-year life, the 402 program (and other related programs) has had an extremely positive impact on highway safety in states and localities. In Missouri, for example, the fatality rate fell from 5.2 in 1971 to 2.4 in 1988 despite the fact that vehicle miles of travel increased 67.8%, population grew by 405,000 persons, registered vehicles increased by over 1 million, and licensed drivers increased by nearly 800,000 during that same time period. Although many factors have contributed to the decline in the fatality rate, the federal highway safety program has had a lasting and positive impact on traffic crashes in that state.

The 402 program has enabled North Carolina to substantially upgrade its emergency medical services to a point where 88.1% of the most serious injuries were treated by paramedics in FY 89. Before the infusion of federal funds, emergency medical service in the state was little more than a "horizontal taxi" for victims of traffic crashes.

The 402 program has also enabled North Carolina to develop and implement a comprehensive trauma registry. The registry allows the Office of Emergency Medical Services to identify the state's or a hospital's need to expand or decrease various facilities , staff, services, procedures, and equipment. The registry also provides valuable information concerning highway and industrial safety in the state.

We have successfully used 402 funds to leverage local funds for highway safety purposes. This has resulted in sustained local funding of highway safety programs, even after the federal funds are terminated. For example, in Charlotte, a hospital based traffic injury prevention program, working through the local school system, is institutionalizing a safety education program for grades K-12. The program, a model for the country, targets safety issues by season and grade in an organized manner.

Nearly every state can point to successes such as these. Without the federal funds, with shrinking state budgets, and with all the competing demands on state funds, few states would have the necessary resources to devote t highway safety. Highway safety would simply not appear on most states' agenda if it were not for the federal grant programs.

Highway Safety Program Needs

1. Federal Role: We believe that federal highway safety grant programs must be continued and expanded, given the projected future rate of fatalities over the next decade and the past successes which have been achieved as a result of those programs. An expanded federal commitment, along with support by the state and local governments and the private sector, will enable the implementation of improvements across the entire spectrum of highway safety.

We believe that the federal government should continue to provide leadership, as it has done this past year, in establishing highway goals and objectives. This would give the federal highway safety programs clearer direction and purpose and would more closely tie the efforts of the states and localities into a nationally coordinated program. We recommend that goal-setting should be done collaboratively with states, localities, highway safety organizations, and the private sector. We also suggest that the federal government should continue to be responsible for developing standards and criteria for programs and activities which will advance the national goals and objectives.

2. Non-construction highway safety programs: We recommend that the NHTSA 402 program should be continued with no major programmatic changes. Federal funding should continue to be directed to highway safety information and education programs, program evaluation, data collection and analysis, training programs, and enforcement programs. The federal government should continue to set highway safety priorities, but should be required to periodically review those priorities in order to address new and emerging highway safety issues and priorities. States should continue to be allowed to fund programs in non-priority areas.

We do recommend and support the position of the National Association of the Governors' Highway Safety Representatives (NAGHSR); however, there should be some significant structural changes in the 402 program. We believe that the 402 program should be available on a two-tiered basis: a base tier and an incentive tier. The current 402 program should constitute the base tier. The incentive tier should be structured by combining and significantly expanding existing incentive grant programs (408 and 410) to provide financial incentives for a range of priority highway safety issues, including, but not limited to, occupant protection, speed enforcement, impaired development, and uniform data collection and analysis. Base program and incentive funds should be allocated to states according to the current population and road mileage-based formula.

In the first year, a state should be eligible for incentive funds if it qualifies under two or more of the incentive categories. A state should be eligible for subsequent funding if it continues to implement the previous year's program and qualifies under an additional incentive category in each subsequent year. The two-tiered 402 program should be funded at $250 million a year, $125 million in each tier.

Acknowledging the federal budget problem, we hope this committee will support NAGHSR's position that support the incentive approach and strongly oppose sanctions. We believe that sanctions are counterproductive, are usually not targeted to the entity that is responsible for the failure to satisfy the mandated requirement, and generally do not relate to the programs that are being sanction. Incentives, on the other hand, would allow states to satisfy national performance criteria in a manner best suited to their needs and resources and would reward them for actual achievements in highway safety.

We also recommend that the Federal Highway Administration's 402 program should be continued and expanded. Since the proportion of mature drivers is expected to significantly increase in the next decade, funding for this program should be commensurately increased to at least $25 million a year, and the program should be focused more on the roadway safety needs of the mature driver (e.g., improved signage and improved roadway markings). This need has been recognized by Secretary Harrelson, who has ordered

that the Division of Highways begin improving signs and pavement markers along select targeted roadways.

3. Motor carrier safety programs: We recommend that the federal motor carrier safety grant programs (MCSAP and the Commercial Drivers' License Program) should be continued and funded at $100 and $25-50 million a year, respectively. We recommend that the MCSAP program should be adjusted to allow the funds to be used for motor carrier traffic safety enforcement purposes. This would help ensure that motor carriers obey the posted speed limit, do not drive impaired, are properly protected with occupant restraint systems, and comply with the rules of the road.

4. Data collection and analysis: We believe that a national data center should be established for the collection, analysis and dissemination of uniform accident, injury and fatality data. In the long term, the center could integrate into a unified data system registration and licensing information, roadway engineering data, traffic volume data, traffic citation and conviction data as well as other data relating to driver characteristics.

All states collect fatality and accident data and report it to NHTSA through the Fatal Accident Reporting System (FARS). However, the reliability and consistency of the data varies considerably from state to state. Most states have statewide data systems for some injury statistics (such as hospital discharge diagnoses). But not all states support a statewide EMS data system and no state presently supports a statewide computerized hospital emergency department data system. Only a handful of states have attempted to link accident and injury data bases. We are proud to add that North Carolina is one of the states leading the way to link crash data, EMS data, Trauma Regi...y data, Hospital Discharge data, with eventual follow through to rehab facilities.

A national data center could help the states address many of these problems. A center could improve the quality, standardization, and development of data reporting and analysis systems. A center could help states computerize their injury data and could provide technical assistance to states that wish to link data bases. A center could integrate existing data systems into one large unified system. A center could develop training programs to help state and local highway safety personnel in data collection and analysis and in new data processing technology.

5. Highway safety research: We hope that NHTSA's highway safety research efforts under the 403 program will be accelerated. The funds should be used, among other things, to evaluate the effectiveness of existing highway safety programs and countermeasures, to evaluate the effectiveness of vehicle safety standards already in place, and to develop future vehicle safety

standards. Funds should also continue to be used to develop and demonstrate new highway safety program ideas, new countermeasures, and new and advanced highway safety technology

Increased funding should also be provided to FHWA's 403 highway safety research program. The funds should continue to be used to identify roadway improvements which benefit safety. The research program should examine ways to more safely accommodate the changing vehicle mix through traffic control devices and other safety features. Additionally, the program should develop and demonstrate engineering projects which would improve pedestrian and bicycle safety and should address special issues such as the problem of parked vehicles on Interstate access roads.

Financing Federal Highway Safety Grant Programs

Presently, most of the federal highway safety grant programs are funded with revenues from the Highway Trust Fund. It is our feeling that there should be no change in the funding source for these programs.

We strongly oppose efforts to use federal motor fuel tax revenues to support other non-transportation programs or to reduce the deficit reduction. Highway users pay federal gasoline taxes with the expectation that the revenues generated will be used for highway construction, maintenance and safety purposes. By allowing the diversion of federal motor fuel tax revenues, the federal government is violating the user fee principle upon which the federal highway and highway safety programs are based. This sort of diversion also weakens the ability of the Highway Trust Fund to support highway improvement and safety programs at a time when the need for increased investment in our nation's infrastructure and increased spending for safety is becoming more and more obvious. We support efforts to put the "trust" back into the Trust Fund by spending the highway tax revenues for surface transportation improvement and safety purposes only.

Enforcement of the National Maximum Speed Limit

One of the issues which may be addressed in the reauthorization legislation concerns compliance with the national maximum speed limit. Current law considers states out of compliance if more than 50% of a state's motorists exceed the posted 55 mph speed limit. Noncompliant states may be forced to forfeit up to 10% of their primary, urban, and secondary system funds. The sanctions do not apply to the forty states that have increased their speed limit to 65 mph. Furthermore, 55 mph states are required to monitor and report speed data to the Department of Transportation, while 65 mph are not.

This bifurcated approach to compliance has caused two inadvertent, potentially harmful, consequences. For one, it has created a disincentive for states to retain their posted speeds at 55 mph and an incentive for states to raise their speed

limits. Second, it has caused states with some of the lowest fatality rates in the nation to face severe sanction for failing to promote highway safety. The current compliance formula is not working and needs to be altered. I believe most states' Governors' Representatives will agree.

We urge you to address this inequitable situation by:

- requiring all states to monitor and report speeds on all Interstate miles and to submit speed-related statistics to the Department of Transportation. This would generate the necessary data with which to determine whether or not increased speeds adversely impact safety;

- setting the compliance threshold on a state-by-state basis rather than a national basis. This would allow each state to measure progress against itself rather than against neighboring states whose conditions and resources may or may not be similar;

- developing a weighting scheme which would take into account the vehicle miles of travel within each state, the seriousness of the speed violation, the enforcement efforts undertaken by the state, and the relative safety of different types of highways. This would allow the formula to take other factors into account which affect speed compliance;

- giving the states maximum flexibility in the implementation of a compliance program, either by phasing in the compliance threshold over a multi-year period, or by adjusting the threshold by a fixed percentage (e.g., 10 percent) in order to compensate for monitoring and sampling errors, or both strategies. This would give the states the flexibility they need to adjust to a revised compliance formula;

- establishing speed incentives encouraging states to increase and strengthen their efforts to enforce the national speed limit instead of sanctions for failing to enforce it.

This approach is consistent with the one recommended by the Government Accounting Office in its 1988 report to Congress and with the approach that was earlier considered by the Surface Transportation Subcommittee. We believe that it would eliminate the inequities in the current formula while encouraging greater compliance.

Mr. Chairman, this concludes my remarks. I greatly appreciate the opportunity to appear before the Subcommittee and express our views on highway safety reauthorization issues.

Testimony

of the

Virginia Road and Transportation Builders Association

Presented by

Jack Lanford

of

Adams Construction Company

before the

Subcommittee on Surface Transportation

Durham, North Carolina

September 21, 1990

Good afternoon, Mr. Chairman and members of the subcommittee. I am Jack Lanford president of Adams Construction Company , which is based in Roanoke, Virginia. I am pleased to present testimony today before the Subcommittee on Surface Transportation on the transporation needs of this nation.

I am here on behalf of the Virginia Road and Transportation Builders Association (VRTBA) where I am a past president. VRTBA has been providing representation for the transportation construction industry since 1943. VRTBA is affiliated nationally with the American Road and Transportation Builders Association where I currently serve as Senior Vice Chairman.

Mr. Chairman, on behalf of our membership, thank you for allowing VRTBA to provide our views on future transportation needs. Road and highway construction and improvements ranked as the third most important issue to state legislatures and their staff behind tourism and agricultural environment.

At the outset, I will say that we believe that the financial decisions that the U.S. Congress makes next year in the transportation area will have a direct impact on the nation's economy and well-being long into the future. But first we must ensure that the federal highway user fees are not raised for non-transportation purposes, including to help balance the federal budget. The Highway Trust Fund along with the federal gasoline and diesel excise tax was established to SOLELY fund the construction and repair of our highway and bridge system. Diverting these funds would severely impact the ability of federal and state governments to meet identified infrastructure needs.

America is built on mobility. Its vast size places a high value on the ability to move people and goods over both short and long distances in an economical and efficient manner. The American highway system, developed jointly by the federal and state governments, has had more to do with our quality of life and economic prosperity than any other single factor.

The efficiency of our highway system also has a direct affect on productivity. It is documented fact that countries that sustain a high level of public investment relative to output experience highway productivity growth.

During the past two decades, Japan has invested about 5 percent of its output in public works and achieved an annual productivity growth of over 3 percent. The West German experience is similar.

The United States, meanwhile, has maintained a low public investment ratio of three-tenths of a percent and seen inferior productivity growth just six-tenths of a percent per year. The fact is, the United States ranks 55th in the world in public capital investment. To me, that is a national embarrassment. It is also a sure prescription for economic decline.

Today, America's federal highway system—the backbone of our national economy—is in serious trouble.

While this network of highways and bridges comprises only 22 percent of the nation's total road mileage, it carries 81 percent of all travel—more than 1.6 trillion miles per year.

According to the U.S. Department of Transportation's 1989 report to Congress, more than 28 percent of the bridges on the federal-aid system are either "structurally deficient" or "functionally obsolete." The same report states that more than 40 percent of the pavements on the federal-aid system are in "poor" or "fair" condition.

This 1989 report and the Federal Highway Administration's 1988 publication, America's Challenge For Highway Transportation In The 21st Century, both state that meeting existing capital needs on the federal-aid system alone requires a $40 billion per year investment in transportation construction projects—a rate of spending substantially in excess of the current obligations for the Federal-aid Highway Program.

Meeting these quantified needs on the federal-aid system is one of the major financial challenges facing the nation. Failure to provide an adequate and useable highway system will have a profound effect on the quality of American life, our economic growth and development, and our ability to meet national defense requirements.

The Federal-aid Highway Program has been a driving force behind building a better America. The reauthorization of this federal program should foster continued opportunities for growth and development.

If the program's reathorization legislation does not address known needs in a meaningful way, the deterioration of the Federal-aid Highway System, which is becoming more apparent every day, will continue, placing the American economy in danger. Today, highway disrepair and congestion are contributing to increased economic costs, air pollution and wasted energy resources.

According to federal statistics, the nation now wastes 1.25 billion hours and 1.38 billion gallons of motor fuels due to congestion on limited access highways each year. By the year 2005, that waste could soar to 6.9 billion hours in lost productivity and 7.32 billion gallons of squandered fuel.

Economists at the U.S. Department of Transportation estimate that if our highways are allowed to continue to deteriorate, by 1995 the U.S. economy could potentially miss out on increases of 3.2 percent in Gross National Product (GNP), 5.9 percent in disposable income, 2.2 percent in employment and 2.7 percent in manufacturing productivity.

Disinvestment caused much of our current problem . Total public capital expenditures for highways and bridges has dropped from 1.4 percent of GNP in the early 1960s to about 0.5 percent today. During this same period, traffic on the Federal-aid Highway System has increased five fold.

What should be done? The solution to our highway problem is obviously: we must begin investing in the future. Providing adequate resources is the key.

One alternative is to spend the current cash balance in the Highway Account of the Highway Trust Fund to address the call for greater highway improvement expenditures. But how far will that $10 billion balance go?

An examination of the language of the Highway Revenue Act authorizing the Highway Trust Fund shows that deficit spending in this fund is prohibited. Since the entire balance cannot be spent, the portion that is available, between $5 and $8 billion, will not significantly increase the current program.

The Virginia Road and Transportation Builders Association believes the federal reauthorization bill should provide $40 billion per year for highway and bridge improvements. This authorization level should commence in 1992 and continue for a minimum of five fiscal years thereafter. Such a program level is totally consistent with the needs identified by the U.S. Department of Transportation referred to earlier in our testimony.

To authorize and carry-out a program of this magnitude, we are recommending that the U.S. Congress:

• Ensure that all federal highway user fee revenue contributed to the Highway Trust Fund—plus interest earned on that money—is spent in a timely manner. A drawdown in the trust fund's current $10 billion-plus cash balance should begin during the next fiscal year.

• Remove the Federal-aid Highway Program from the Unified Federal Budget in order to ensure that revenues are not impounded or withheld in the future.

• Increase the federal highway user fees—effective in fiscal year 1992—to raise the additional $25 billion per year that is necessary for a $40 billion per year federal program of highway improvement assistance.

• No longer impose artificial obligation ceilings on the expenditure of federal highway funds.

• Repeal the current six cents-per-gallon federal tax exemption on gasohol sales for highway vehicle usage (which causes an estimated $500 million per year loss to the Highway Trust Fund); and

• Tighten federal highway motor fuels collection procedures.

These actions would assure that future generations have a highway system on which they can build. The historic role of the federal government in the development and upkeep of a national highway network should be maintained.

Recently, David Alan Aschauer, a senior economist with the Federal Reserve Bank of Chicago, and Richard Mudge, the former head of the Congressional Budget Office's Public Investment Unit, quantified the long-term national economic impacts of such a proposed program. Their findings are dramatic:

• By the year 2012, national productivity would be 7.7 percent higher, resulting in an additional $400 billion per year in Gross National Product; and

• The expected productivity gain would generate an additional $29 billion per year in corporate profits and a $35 billion annual increase in private investment. That is an excellent return on your investment.

There is no question that the federal government has a clear role to play in the development and upkeep of a national system of highways and bridges. The federal responsibility is defined by the Constitutional mandates to regulate commerce among the states and with other nations, provide for the national defense, and safeguard the public health.

The user fee principle that has guided the financing of our national highway transportation program has contributed to its success. Highway users recognize the importance of well-maintained highways and bridges. They also realize that continued expenditures must be made in order to maintain system performance at an acceptable level. Over the years, motorists have shown a willingness to pay appropriate user fees —if they are used for their intended purpose.

Consistent with our recommendation for increased funding, VRTBA also believes that the working partnership between the federal government and the states, which is the basis of the existing federal-aid program, must be continued.

Some have suggested that state and local governments should be responsible for raising revenue to meet future needs for rebuilding and expanding our highway system. In fact, over the last 20 years, federal support for improvements has declined over 20 percent in constant dollars.

While the federal interest has continued, state governments have worked to increase state revenues for highways to keep the system from further deterioration.

Now is the time to re-establish the true meaning of the federal-aid highway partnership and to live up to the federal commitment to adequately fund improvements on highways and bridges significant in meeting transportation responsibilities.

The unwillingness of the federal government to raise and spend sufficient funds to maintain system performance has resulted in a program that is not fully meeting identified needs. Now is the time for bipartisan leadership in this area if we are to meet our future transportation demand

IT'S AN !NVESTMENT IN THE FUTURE

America is literally at a crossroad. We can continue to ignore our serious and growing highway and bridge problems. Or we can choose to make the investment —about $40 billion per year—that is necessary to rebuild and expand our national highway network to meet future demands.

Good roads save lives. Improve productivity. Enhance competitiveness. And reduce pollution-causing, energy-wasting traffic congestion. In short, they're an investment in the future.

Together, let's build a better America through transportation. The time to act is NOW!

Thank you for the opportunity to present the views of the Virginia Road and Transportation Builders Association on our future highway needs. I stand ready to answer any questions that you may have.

Comments & Support Documentation

Bob Mays
City Councilman
City of Greensboro
P.O. Box 3136
Greensboro, N.C. 27402-3136
(919) 373-2397

September 21, 1990

WELCOME TO NORTH CAROLINA, I AM INDEED HONORED TO BE ALLOWED TO ADDRESS YOU ABOUT TRANSPORTATION CONCERNS NOT ONLY IN GREENSBORO BUT CONCERNS THAT HAVE BEEN SHARED TO ME BY FELLOW COUNCIL MEMBERS IN NORTH CAROLINA AND THROUGHOUT THE NATION.

WHY ARE YOU HERE?

YOU ARE HERE BECAUSE CONGRESS IN 1956 PASSED ENABLING LEGISLATION TO CREATE THE INTERSTATE HIGHWAY SYSTEM. COINCIDING WITH THE COMPLETION OF THAT INTERSTATE SYSTEM ALL FEDERAL HIGHWAY AND MASS TRANSIT PROGRAMS AND SUPPORTING HIGHWAY TRUST FUNDS WILL EXPIRE ON SEPTEMBER 30, 1991.

A LITTLE OVER ONE YEAR FROM TODAY.

THIS PROCESS WILL TAKE YOU TO FIVE OTHER STATES.

THE LANDSCAPE WILL CHANGE BUT THE QUESTIONS AND CONCERNS WILL REMAIN THE SAME.

PLEASE LISTEN CAREFULLY TO THOSE CONCERNS AS YOU TRAVEL. MANY IDEAS WILL BE OFFERED AND NEED TO BE CONSIDERED BEFORE YOU FINALIZE A NEW TRANSPORTATION POLICY FOR OUR COUNTRY.

WHY AM I HERE?

I AM HERE TODAY TO ADDRESS SOME CONCERNS THAT OUR CITY AND MANY OTHER CITIES IN NORTH CAROLINA AND THROUGH OUT THE UNITED STATES SHARE.

AMERICA HAS ONE OF THE MOST COMPREHENSIVE SURFACE TRANSPORTATION SYSTEMS IN THE WORLD.

BUT THE CLOCK HAS BEEN RUNNING ON OUR SYSTEM.

NORTH CAROLINA ALONE HAS OVER 78,000 MILES OF STATE MAINTAINED ROADWAYS. THIS IS THE LARGEST STATE MAINTAINED SYSTEM IN THE COUNTRY.

SOUNDS IMPRESSIVE BUT LISTEN FURTHER.

SINCE 1960 WE HAVE INCREASED OUR NUMBER OF LICENSED DRIVERS BY 55%;

VEHICLE REGISTRATIONS HAVE INCREASED BY 95%;

AND OUR VEHICLE MILES TRAVELED HAS INCREASED BY 168%.

ALL THESE CHANGES AND OUR HIGHWAY SYSTEM HAS ONLY INCREASED BY ONLY 9%.

WHAT ABOUT OUR LOCAL TRANSPORTATION SYSTEM.

IN GREENSBORO WE HAVE BEEN PLANNING THOROUGHFARES SINCE 1954.

OUR 1954 PLAN WAS ONE OF THE FIRST IN THE COUNTRY.

LAST YEAR WE APPROVED OUR NEW THOROUGHFARE PLAN. THIS PLAN REFLECTS MANY CHANGES THAT ARE TAKING PLACE IN OUR SOCIETY.

LET ME REVIEW SOME OF THE CHANGES GOING ON IN MIDDLE AMERICA.

OUR DOWNTOWNS HAVE SHRUNK BUT ARE MAKING A COMEBACK.

OUR MERCHANTS HAVE MOVED TO REGIONAL MALLS OR WORSE STRIP SHOPPING CENTERS ALONG OUR MAJOR STREETS.

MANY OF OUR CITIZENS HAVE FOUND THE AMERICAN DREAM.
THAT DREAM IS TWO PLUS CARS PARKED IN FRONT OF A HOUSE ON A CUL DE SAC IN A SUBDIVISION 10 TO 30 MILES FROM THE SUBURBAN CENTERS WHERE THEY WORK.
THE FASTING GROWING TYPE OF TRIP IS NOW THE SUBURB TO SUBURB COMMUTE.
OUR TRANSIT SYSTEMS ARE STAGNANT, NON EXISTENT OR ARE FAILING US.
OUR VEHICLE OCCUPANCY LEVEL HAS DROPPED TO 1.2 PERSONS PER CAR.
WE HAVE AN INTERSTATE HIGHWAY IN OUR CITY CARRYING OVER 106,000 CARS A DAY IN A CITY WITH A POPULATION OF AROUND 190,000 PEOPLE.
WE KEEP BUYING MORE CARS AND MOVING FURTHER OUT OF TOWN.
NOT ONLY IS OUR TRANSPORTATION SYSTEM STRETCHED TO THE LIMIT SO ARE OTHER MUNICIPAL SERVICES SUCH AS FIRE, POLICE AND CLEAN WATER.

HOW DID WE GET HERE? CAN WE CHANGE?

CHANGE CAN BE DRAMATIC SUCH AS THE OIL EMBARGO OF 1974.
OR CHANGE CAN BE AS SUBTLE AS THE CREATION OF A VAN SHUTTLE SERVICE. THE DECISIONS THAT YOU MAKE OVER THE NEXT YEAR WILL CAUSE A CHANGE IN THAT PATTERN.

I DID NOT COME HERE TODAY TO TELL YOU ONLY ABOUT THE PROBLEMS IN CITIES LIKE GREENSBORO.

WE HAVE SUCCESS STORIES TO SHARE WITH YOU ALSO.

THANKS TO A BROAD COMMUNITY BASED CITIZEN EFFORT THAT FOCUSED ON TRANSPORTATION AS WELL AS FOUR OTHER CRITICAL AREAS. OUR CITIZENS PASSED IN 1988 A $75 MILLION TRANSPORTATION BOND PROGRAM. THIS WAS THE LARGEST TRANSPORTATION BOND PROGRAM IN THE STATE AT THAT TIME.

WE HAVE ALSO AS A COMMUNITY BEGUN TO FACE UP TO THE FACT THAT WE CAN NOT CONTINUE TO BUILD HIGHWAYS.

WE HAVE TAKEN MAJOR INITIATIVES IN PUBLIC TRANSPORTATION THANKS TO CITIZEN EFFORTS, STAFF ASSISTANCE AND GUIDANCE FROM NCDOT PUBLIC TRANSPORTATION AND UMTA.

TODAY I HAVE THREE SIMPLE POINTS TO FOCUS YOUR ATTENTION ON. THE FIRST POINT IS

PRESERVATION:

WE MUST PRESERVE WHAT WE ALREADY HAVE.

WE HAVE ESTABLISHED A TRANSPORTATION SYSTEM THAT CAN NOT BE REPLACED.

WE MUST PRESERVE THAT VALUABLE COMMODITY.

WE MUST APPLY THE NECESSARY FUNDS TO ENSURE THAT OUR HIGHWAYS, BRIDGES, RAILROADS, AND OTHER TRANSPORTATION RESOURCES STOP CRUMBLING AND BE REESTABLISHED TO SERVE FUTURE GENERATIONS.

I DO NOT NEED TO QUOTE TO YOU THE NUMBER OF HIGHWAYS THAT ARE CRUMBLING BEFORE OUR EYES OR THE NUMBER OF UNSAFE BRIDGE THAT ARE BEING USED EVERY DAY BY TRAINS, CARS AND SCHOOL BUSES.

FUNDING DOES NOT COME EASY BUT OUR POLICY MUST ADDRESS PRESERVATION AND IT MUST BE REALISTIC AND FAIR.

MY NEXT POINT IS

COMBINE:

WE MUST INCREASE OUR FUNDING BY COMBINING OUR RESOURCES.

WE AT THE LOCAL LEVEL REALIZE THAT THE FEDERAL GOVERNMENT CAN NOT SOLVE ALL OUR PROBLEMS.

SURVEYS SHOW THAT OUR SOCIETY BELIEVES IT IS UNFAIRLY TAXED.

WE ALL KNOW THAT THE FAIREST AND MOST EQUITABLE TAXES ARE USER BASED TAXES.

YOU WILL BE PRESSURED TO LOOK AT MANY FUNDING PROGRAMS BUT EXAMINE EACH CAREFULLY.

BE RESPONSIBLE AND FAIR OUR FUTURE DEPENDS ON IT.

BEING RESPONSIBLE AND FAIR INCLUDES ALLOWING LOCAL AND STATE GOVERNMENTS TO DETERMINE THEIR OWN PRIORITIES AND APPLICATION OF FUNDS.

LOCAL COMMUNITIES STAND READY AS I BELIEVE DO STATE GOVERNMENTS TO BE PARTNERS IN FUNDING OF HIGHWAY, TRANSIT AND OTHER TRANSPORTATION NEEDS IN AN OPEN FAIR AND RESPONSIBLE MANNER.

WE KNOW THAT NONE OF US CAN DO IT ALONE.

MY FINAL POINT IS THAT WE MUST MAXIMIZE OUR TECHNOLOGY:

IN ORDER TO SOLVE OUR TRANSPORTATION PROBLEMS WE MUST PURSUE NEW TECHNOLOGY.

IN GREENSBORO WE ARE CREATING A PUBLIC PRIVATE PARTICIPATION SYSTEM OF MASS TRANSIT. THIS COMPREHENSIVE PLANNING METHOD OF PUBLIC TRANSPORTATION CAN BE APPLIED TO OTHER AREAS OF THE COUNTRY.

WE HAVE ALSO BEGUN THE FORMATION OF A REGIONAL TRANSPORTATION PLANNING ORGANIZATION WITH OUR NEIGHBORING COMMUNITIES OF HIGH POINT AND WINSTON SALEM.

WE HAVE FOUND THAT OUR PROBLEMS ARE SIMILAR.

NOW WE ARE SEARCHING FOR COMMON SOLUTIONS.

ONE COMMON PROBLEM IS AIR POLLUTION THAT WE ARE WORKING TOGETHER TO DEVELOP MEASURES TO ASSIST EACH OTHER IN SOLVING.

GREENSBORO AND HIGH POINT HAVE JOINED TOGETHER TO FUND PLANNING STUDIES CONCERNING REGIONAL HIGHWAY PROJECTS.

WE HAVE CREATED A INTERCITY SHUTTLE BETWEEN GREENSBORO AND HIGH POINT. THAT SINCE ITS CREATION IN JANUARY OF THIS YEAR IS APPROACHING CAPACITY.

THIS SERVICE IS AN INCUBATOR THAT WILL ONE DAY LEAD TO SCHEDULED BUS SERVICE BETWEEN GREENSBORO, HIGH POINT AND WINSTON SALEM.

WE HAVE ONE OF THE MOST SUCCESSFUL RIDESHARING PROGRAMS IN THE COUNTRY.
MUNICIPOOL HAS BEEN RECOGNIZED BY MANY PUBLIC TRANSPORTATION GROUPS AS BEING INNOVATIVE AND EFFECTIVE AT A SMALL COST TO THE TAXPAYERS.

OUR PLANNING EFFORTS HAVE BEEN IMPORTANT IN THE PAST AND WILL BE EVEN MORE IMPORTANT IN THE FUTURE.
THESE ARE JUST SOME OF THE THINGS THAT WE NEED TO CONTINUE TO DO AND GROW ON.
WE FEDERALLY, STATE AND LOCALLY NEED TO FIND AND FUND NEW AND INNOVATIVE TRANSPORTATION APPLICATIONS THAT ARE DIVERSE AND FIT AN AREAS NEEDS AND THE NEEDS OF ITS CITIZENS.
TRANSPORTATION PLANNING HAS COME A LONG WAY SINCE THAT 1954 PLAN. WE NOW USE COMPUTERS AND MODELING PACKAGES THAT TELL US HOW EFFECTIVE DIFFERENT IMPROVEMENTS ARE.
THE QUESTION NOW IS WILL THE FUNDING BE THERE TO IMPLEMENT THOSE IMPROVEMENTS TO OUR STREETS, ROADS, HIGHWAYS, AND BUSES SYSTEMS.

IN CLOSING REMEMBER:
PRESERVATION OF OUR SYSTEMS
COMBINE OUR FUNDING EFFORTS
PURSUE NEW TECHNOLOGY

THANK YOU FOR THIS OPPORTUNITY.

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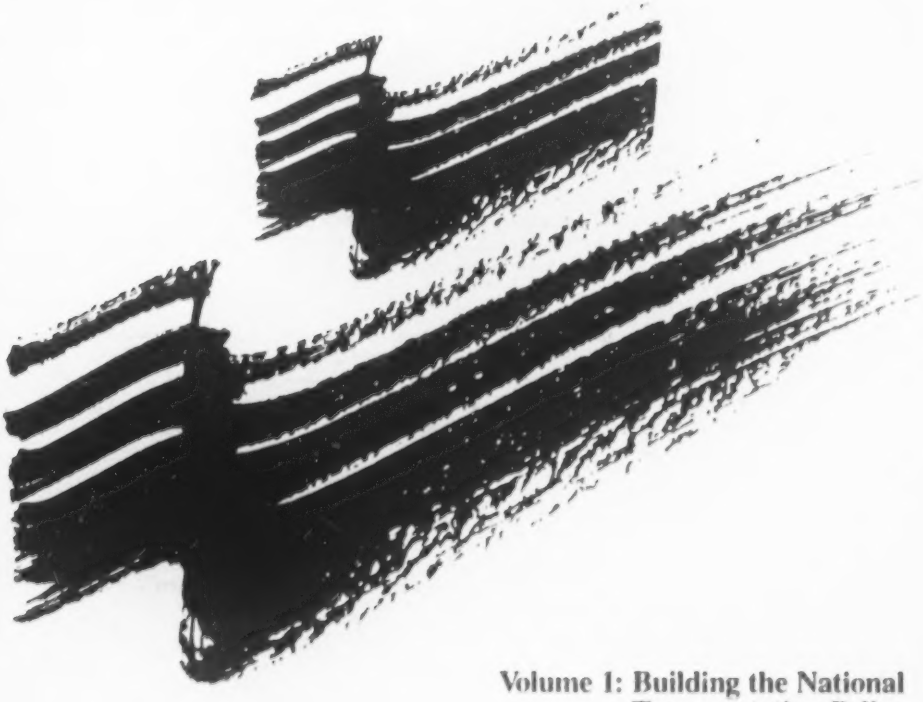
Moving America

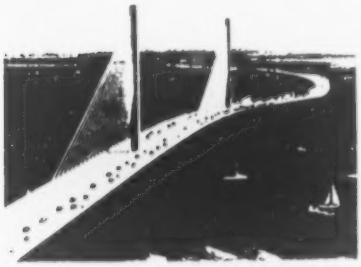
New Directions, New Opportunities



Volume 1: Building the National Transportation Policy

U.S. Department of Transportation

I. America Needs a National Transportation Policy



"Our unity as a nation is sustained by free communication of thought and by easy transportation of people and goods . . . Together, the uniting forces of our communication and transportation systems are dynamic elements in the very name we bear—United States. Without them, we would be a mere alliance of many separate parts."

President Dwight D. Eisenhower,
Message to Congress,
February 22, 1955

The Role of Transportation

America's unity and vitality are inextricably entwined with the growth of transportation. Throughout our history, transportation has linked farms to markets, oil wells to refineries, factories to consumers, homes to workplaces, and people to academic, cultural, and recreational activities.

Transportation has been, and continues to be, a powerful engine for America's economic growth. Some of mankind's greatest advances have been possible only because developments in transportation opened a wider range of resources and economic opportunities. For over 200 years, the ever-increasing expansion of our transportation network of roads, canals, railroads, and airways has stimulated the specialization of economic activity and tied the country together.

Almost one of every five dollars spent on goods and services in our economy—equivalent to 18 percent of America's gross national product—is spent on transportation products and services. Our transportation system handles 3.5 trillion passenger-miles and 3.4 trillion ton-miles of freight annually. Transportation and transportation-related businesses employ one-tenth of America's workforce. Annual expenditures for transportation products and services in the United States total nearly $800 billion.

Key Concerns

Will today's transportation policies and infrastructure meet tomorrow's needs? Indeed, how well are we meeting today's needs?

Over the past decade at least a dozen major studies have been published which try to answer these questions and develop a transportation agenda for the future. Currently, assessments are underway by the National Governors Association, the Congressional Office of Technology Assessment, and the American Association of State Highway and Transportation Officials, the last in concert with over 100 public and private organizations. The impetus for these efforts includes the following:

Infrastructure	Transportation infrastructure is wearing out, to the extent that the National Council on Public Works Improvement has called for doubling our investment in public infrastructure by the end of the century.
Safety	There continue to be too many transportation accidents and fatalities. The problem is greatest on highways, where there were 47,000 deaths in 1988. The figure could rise dramatically as highway traffic doubles by the early part of the next century.
National Security	The continuing decline in our maritime capability, the growth in terrorism and drug smuggling, and the shortcomings of our transportation infrastructure threaten our national security.
International Trade	International commerce and travel are growing at unprecedented rates. America must have a transportation system that can bring people and goods to the global marketplace quickly and at competitive prices. European and Asian nations are pursuing transportation innovations that—if unchallenged—will give them an edge.
Growth in Demand	Growth in demand for transportation services parallels economic activity. Even modest annual travel growth rates will add up to an enormous increase in traffic over the next 30 years. Without swift action to handle the demand, congestion will grow to intolerable levels, especially on highways and at airports.
Equity and Access	As a nation, we would like all Americans to enjoy the benefits our transportation system provides. Yet some Americans—especially elderly, disabled, and low income travellers—have special transportation needs that are unmet.
The Environment	Transportation has been a major contributor to the nation's environmental problems, with increasingly serious implications for the future. Key concerns include air pollution by automobiles and trucks, aircraft noise around busy airports, hazardous materials transportation and storage, and oil spills.
Dependence on Foreign Oil	The nation is likely to face a doubling in constant-dollar world oil prices by the year 2000. According to the Department of Energy, the percentage of oil we import may rise from 37 percent today to 55 percent in 2000. Alternative fuels will take time to be readily available at competitive prices.
Budgetary Constraints	Fiscal constraints at all levels of government and competing demands for public funds require that transportation programs be well-justified and widely supported. Investments with long-term payoffs are vulnerable to delay or curtailment when more immediate demands are pressing.

Advancing America's Goals Through Transportation

Transportation plays a vital role in advancing America's national goals. A responsive, well-maintained, and efficient transportation system can further:

- **economic growth**
- **our competitiveness in the global marketplace**
- **national security**
- **a better quality of life for every citizen**

America needs a national transportation policy that will help meet these national goals. The policy must be a strategic approach based on cooperative public and private action. It must link transportation objectives to America's national goals and delineate the respective roles of government and the private sector in moving toward those objectives. The policy must lead ultimately to a transportation system with the following characteristics:

The system must satisfy the mobility needs of individuals and businesses.

It must offer sufficient capacity, without being overbuilt.

It must be safe, reliable, and energy efficient.

It must be efficiently maintained, operated, and managed.

It must be low in cost and priced so that, with few exceptions, users bear costs proportionate to their use.

It must co-exist in harmony with the environment.

It must be receptive to new and improved technology.

Developing and implementing such a national transportation policy will be no easy job. It will require vision, sacrifice, and the cooperation of all levels of government, business, labor, and transportation users.

Above all, in developing the policy, we must think and plan strategically. Businesses rely on strategic planning to think ahead, prioritize, and position themselves for the future; government policy—transportation policy—must be driven by strategic thinking as well.

A Strategic Approach to Developing the National Transportation Policy

America's transportation policy must be, perhaps more than anything else, a balancing of local and national needs, government and private roles, capital and non-capital management strategies, cost and accessibility, reliability and efficiency, and growth and environmental quality. It must incorporate many different objectives.

- **The policy should be flexible in responding to emerging transportation needs.**

  It should encourage a flexible allocation of transportation resources in order to address complex needs—foreseen and unforeseen—that often require multi-modal solutions. It should also breathe flexibility into the institutions and processes that shape transportation in order to eliminate barriers to innovative solutions and improvements.

- **The policy should be market-driven.**

  It should lead to transportation systems that are organized to meet market needs and responsive to changing demographic and travel patterns. It should employ market demand in determining the level of, and assigning a priority to, a system's investment requirements.

- **The policy should be performance-based.**

  It should direct investments toward solutions that provide the greatest benefits to the public. It should provide guidance on how transportation choices can best advance America's national goals.

- **The policy should promote balanced and integrated transportation solutions.**

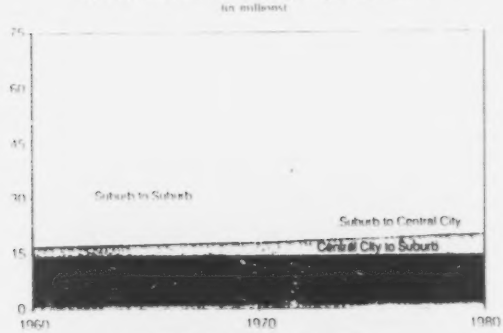
  It should lead to investment strategies that fully consider public priorities and carefully weigh competing transportation investment options. A balanced approach recognizes the advantages provided by each mode of transportation, the benefits that can be derived from intermodal linkages, and the appropriate application of technology.

The Urban/Suburban Market

Today

The population and economic activity of America are increasingly concentrated in metropolitan areas, particularly large metropolitan areas. Suburbs surrounding central cities are absorbing most metropolitan growth. **The urbanization of America has placed increasing demands on urban transportation systems. Urban traffic loads continue to increase and travel between suburbs continues to grow in importance.**

Urban/Suburban Commuting Trips, 1960–1980



Source: Commuting in America, Eno Foundation

- **Three quarters of the 250 million trips made by Americans each day are made in metropolitan areas. Over 80 percent of these trips are made in private motor vehicles.**
- **Increasing suburban development and the shift of homes and jobs away from central cities has led to greater dependence on the private automobile, challenging traditional transit service and creating a new pattern of commuting flows. In some large cities, transit systems handle a large portion of daily work trips.**
- **Freight moving into and out of cities is carried, in large part, by heavy trucks, with smaller trucks and vans used for local delivery. Although essential to urban economic activity, trucks traveling within, or through, urban areas contribute to urban transportation problems, including congestion, pollution, greater safety risks, and physical deterioration of facilities.**
- **Many major cities are the sites of port facilities and airports that serve as points of entry or exit for cargo distributed or gathered throughout a broad area.**

The most prominent shortcomings of the urban transportation system are urban and suburban congestion, lack of good alternatives to the automobile for people needing or wanting them, and the environmental problems associated with vehicle use. Despite the heavy travel demand in urban areas, there has been relatively little investment in new physical capacity for over a decade, leading, in the views of many, to an underinvestment in urban transportation capacity. A number of approaches have been taken to improve urban transportation, including:

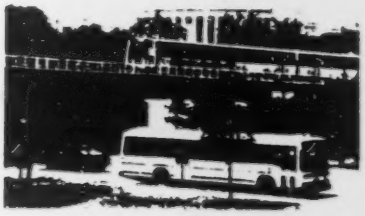
- expanded transit service by bus, rail, or publicly-operated vanpools offering flexible service to meet individual needs
- programs to stimulate private sector participation in transit services
- ridesharing and high-occupancy vehicle lanes
- addition, on a limited basis, of new freeway and arterial lanes

Tomorrow

Transportation systems that serve the urban/suburban market are in danger of becoming victims of their own success. Urban transportation systems have been instrumental in fostering the growth of metropolitan America, but increasing concentrations of commercial and industrial activity in metropolitan areas and continued growth in suburb-to-suburb commuting are straining limited urban transportation capacity. Travel delays in the nation's largest urbanized areas now cause nearly 2 billion lost person-hours annually.

A DOT study has estimated that travel delays in metropolitan areas in the early 21st century may be several times greater than they are today, unless aggressive efforts are made to respond to urban traffic growth. These efforts may include, among other things, advanced driver information systems that make more efficient use of streets and highways and long range plans and financing to maintain or manage existing capacity, as well as to preserve the transportation corridors needed for major new facilities.

Major Issues Facing the Urban/Suburban Market



Those who have a stake in metropolitan transportation face several critical issues in coming years:

- **Congestion.** To what extent does congestion in the urban/suburban market stifle economic growth? What course of action should local, state and federal governments pursue to reduce congestion and delays? What should be expected from the private sector? What role should land-use planning play in addressing congestion and growth in demand? How effective is public transportation in reducing congestion? What can technology reasonably contribute to managing traffic more effectively? What additions to capacity would be most cost-effective? How responsive are local, state, and federal decisions to changes in metropolitan travel patterns, especially the trend toward more suburban-to-suburban travel?
- **Infrastructure Financing.** How much should we invest to maintain and improve highways, bridges and public transit facilities in urban/suburban areas? How can we ensure that investment is directed wisely and that financing decisions balance competing priorities—capacity expansion versus rehabilitation, urban

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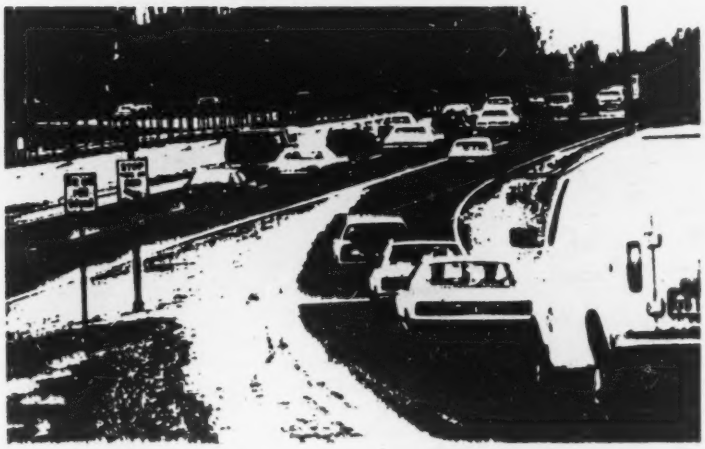
highways versus mass transit? What share of the burden of financing urban transportation improvements should be borne by local, state and federal governments and the private sector? How should public costs be allocated among users? To what extent could innovative financing techniques, including developer's fees, contribute?

- **Special Transportation Needs.** How can metropolitan transportation networks better respond to the special needs of elderly, disabled, and low-income travellers? What role can public transportation play? Who should bear the cost of such services?
- **Environment.** What are the most effective and acceptable ways to reduce harmful vehicle emissions in severely polluted cities? How can we balance the conflicting demands for a quality urban environment with the need for responsive, inexpensive transportation?
- **Safety.** What measures will do the most to improve safety for users of urban transportation systems and for pedestrians? How much will they cost? What is the safety potential of "smart motor vehicles/smart highways"? Are there other technological innovations on the horizon that can improve transportation safety in urban areas?



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COMMUTING IN AMERICA

A National Report on Commuting Patterns and Trends

Prepared by Alan E. Pisarski
Under Direction of The Steering Committee
for the National Commuting Study

ENO FOUNDATION FOR TRANSPORTATION, INC.

Executive Summary

Most of the images we have of commuting come out of the fifties and sixties and, while still applicable to many people, have been superseded in importance by new patterns of travel, everywhere but in the public mind.

This document describes these new patterns, seeking to update our image of commuting. It is intended as an objective, factual resource to support the activities of those in the public and private sectors whose responsibilities are impacted by the changing demands of commuting. It is hoped that by providing a solid base upon which to build an understanding of contemporary commuting that a more informed public discussion will occur and more responsive public policies will result.

MAIN THEMES

The statistical picture presented in this document is extensively detailed in order to adequately capture not only the "what" of present commuting trends, but also the "why." While this is essential to a comprehensive understanding of the subject, it also risks losing the reader in a maze of detail. To assist the reader in maintaining a clear perspective, the three primary themes permeating the detailed analyses are capsulized in this summary. These themes represent the central elements in a sophisticated understanding of the present character of commuting, how it has evolved into its present form, and where it is going.

1. ***The Worker Boom***—There have been dramatic increases in the numbers of workers, and therefore in the numbers of work-trip commuters. This has occurred to a much greater extent than population growth trends would indicate.

2. ***The Suburban Commuting Boom***—Jobs have tended to locate in the suburbs, following behind the population shift to the suburbs. This has made suburb-to-suburb commuting the dominant national commuting pattern.

3. ***The Private Vehicle Boom***—Use of private vehicles, whether they be autos, vans, or light trucks, has expanded the predominance of private vehicles as the means of travel to work.

Figure A depicts these main themes and their constituent elements. Although there are many important sub-themes, some contributing to the main themes, others acting in separate ways, these three: the worker boom; the suburban commuting boom; and the boom in the use of private vehicles for the work trip, are the main elements in the contemporary commuting story. The major forces of change that define and characterize these themes are summarized below.

The Worker Boom

The American worker boom, occurring since the end of World War II, dwarfs the well-known postwar "baby boom." From 1950 to 1980 the employed civilian labor force grew by more than 65%, while population grew by about 50%. The increase in employment of almost 40 million also meant an increase of nearly 40 million commuters.

In recent years the pace has accelerated. By 1970 population growth had begun to taper off, coming down to an annual growth rate of approximately 1%

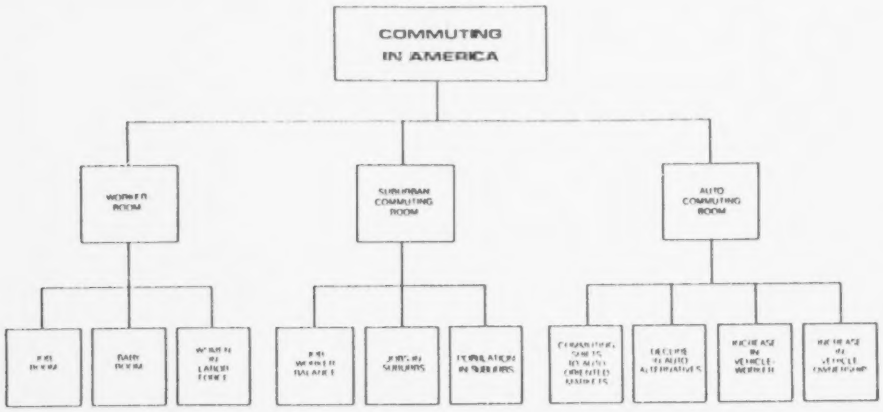

Figure A. Main themes of change influencing commuting in America today

a year up to the present. Corresponding employment growth accelerated in the seventies and eighties and now is growing at about twice the rate of population. Thus, total workers and, therefore, total commuters, which had grown to 100 million in 1980, reached 110 million by mid-summer 1986. Figure B depicts the main elements in the worker boom.

The boom in commuters necessarily has two parts—rapid growth in the number of jobs available, and accompanying growth in people of working age to fill the jobs. America has had both, particularly since the seventies.

It is beyond the scope of this undertaking to fully document and explain the boom in jobs generated by the U.S. economy. For our purposes it is sufficient to recognize that the economy has provided a dramatic expansion in jobs, far exceeding job creation in the other market economies of the world.

A major part of the explanation of where the labor force came from in such great numbers is the so-called "baby boom." Another significant reason for labor force growth has been the unprecedented numbers of women entering the labor market. Figure B depicts the major elements influencing the shift away from traditional work-force patterns.

- Between 1960 and 1980 the working-age population increased by 40 million, a rate of increase of 38% compared to an overall population growth of 26%.
- In 1960 the first of the baby-boomers had reached labor force age. By 1980 they represented more than 42% of the U.S. labor force.
- More than twice as many people entered the working-age group between 1970 and 1980 as did in the 1950 to 1960 period.
- The baby-boomers, a "bubble" in the age distribution of the population, working its way through the life cycle, will dominate the working population's character well into the next century.

While the baby boom is the major explanation for the large leap in the proportion of the population of working age, the jump in the proportion of the working age group actually entering the labor force is wholly a product of women entering into the job market in extraordinary numbers.

- In 1950 about one-third of working-age women were in the labor force. By 1985 that figure had jumped to almost two-thirds.
- Of the 50 million new entries into the labor force since 1950, 30 million were women.
- Women represented only 28% of the labor force in 1950; today they exceed 44%.

Figure B also illustrates dramatic growth in the numbers of women in the labor force. A key concern for the future is the need for better understanding of the travel characteristics of women commuters. Their commuting characteristics, significantly dif-

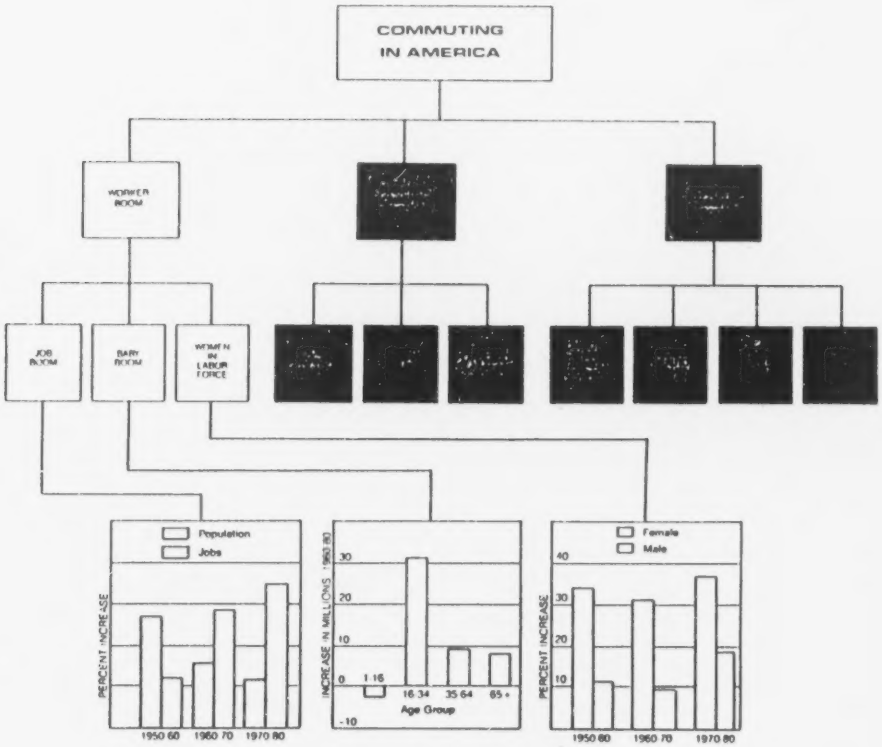

Figure B. Factors influencing the worker boom

ferent from male travel characteristics in the past, have recently begun to display patterns more like those of male workers.

The effects of the rapid growth in workers are not easily reckoned. The most obvious is that there are far more commuters today than expected based on historical relationships to population, with all that this implies about strains on public facilities, congestion, etc. An important aspect of the commuter growth pattern has been that it has occurred in slow population growth areas as well as fast growing areas.

- In those metropolitan areas experiencing very high rates of population growth in the seventies, the growth in workers was far in excess of the population growth rate. Phoenix, the fastest growing large metropolitan area in the nation, increased in population by 55% between 1970 and 1980—worker increase was 80%, 25 percentage points higher.
- In those areas incurring very low rates of growth, or even declines in population, growth in commuters was still very substantial. The Washington metropolitan area population increased by only 5%. Yet the commuter population grew by 24%, about 20 percentage points higher.
- All eight of the large metropolitan areas that lost population in the seventies gained workers. Buffalo, the slowest growing large metropolitan area, lost 8% of its population, yet showed a worker increase of 1%.

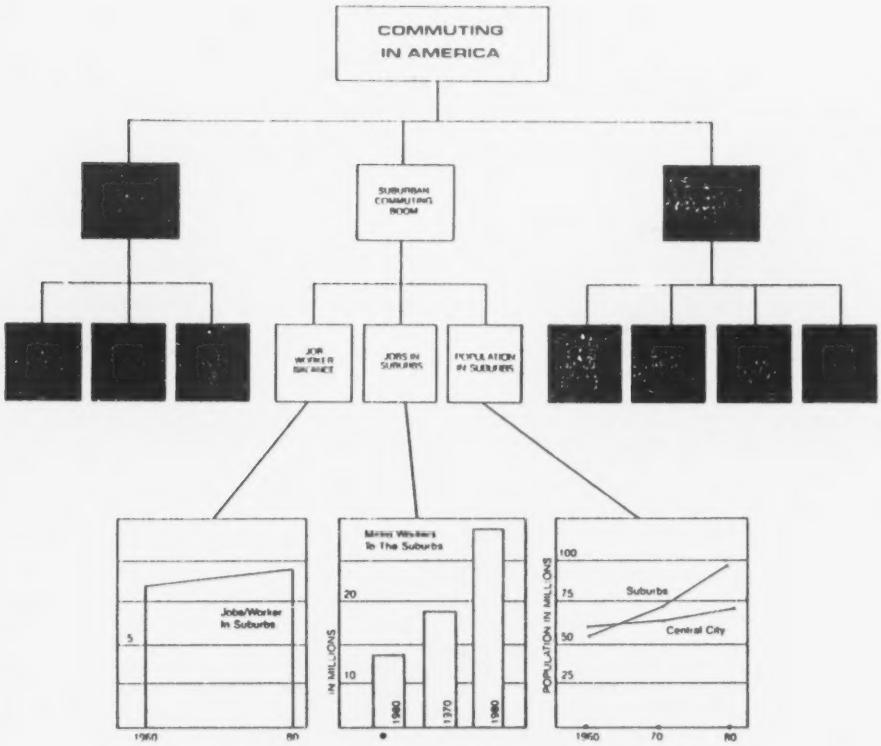

Figure C. Factors influencing the suburban commuting boom

tan form, having the potential for substantial influence on the scale and character of future commuting demand. Of course, closer balance in the numbers of jobs and workers in a given community does not assure that commuting will be minimized. Substantial in-bound and out-bound flows, depending on the nature of actual jobs and the skills mix of workers in a community, will remain a characteristic of communities.

Changing Metropolitan Commuting Patterns. Changes in commuting flows reflect the new job and worker location patterns. Metropolitan and suburban growth trends vary with size of metropolitan area. The same is true for commuting patterns. It is in the largest metropolitan areas where the suburbs are most dominant in commuting patterns. In smaller metropolitan areas, the suburb-to-central city and intra-central city trips are greater as a proportion of all work trips. Thus, almost a contradictory pattern exists, wherein the smaller central cities are more dominant in their regions than are the larger cities. In these smaller areas, the stronger orientation to the center may still exist because congestion in the center may not have reached levels high enough to create pressures for alternative suburban development, nor may the critical mass exist needed to support satellite development. Despite this variation in importance of the different flows by size of area, the relative growth rates by size do indicate that the suburbanization of jobs and commuting flows is widespread, affecting work travel patterns in all metropolitan size categories.

- The predominant commuter flow pattern is now the suburb-to-suburb trip. At about 25 million commuter trips per day, it represents about one-third of all metropolitan commuting.
- The traditional commute between suburb and center city, although still growing, is not the dominant pattern. It is in fact third, behind central city-to-central city trips.
- The majority of work-trip growth, 58%, occurred in suburb-to-suburb commuting. Suburb-to-center city commuting accounted for 25% of the growth, and central city based trips, those going to the suburbs and those destined to other parts of the central city, each accounted for about 9% of the total growth in commuting between 1960 to 1980.
- Work travel between metropolitan areas is becoming a significant element in commuting patterns as suburbs overlap. Metropolitan areas exchange about 3.7 million workers each day. All of these trips pass through at least two suburban areas and about 55% have their destinations in a suburb.
- Travel to work between metropolitan areas and non-metropolitan areas is also of growing impact. About two million commuters enter metropolitan areas each day from non-metropolitan areas while about a million leave the area to work in non-metropolitan areas. All of these trips must traverse the suburbs adding to suburban traffic congestion.
- There are now over 700 non-metropolitan counties, with a population of about 20 million, sending 5% or more of their workers to the central counties of metropolitan areas each day.

Shifts in commuting patterns also have generated significant changes in commuting trip lengths and travel times. Available data are limited but suggest that overall travel times to work have increased in recent years. Changes in travel times are the product of a complex mix of trip lengths becoming longer, broadening of peak-travel periods, changes in speeds on commuting facilities, and travel pattern shifts between trips of different typical speeds and lengths. For example, shifts of some trips from transit to private vehicles improve speeds for those trips but may add to congestion, reducing travel speeds for others.

The Auto Commuting Boom

Commuting in the suburbs has favored use of the automobile. Use of private vehicles for work trips not only kept pace with the dramatic growth in commuting, but also exceeded it by increasing its share of total travel as all other modes declined in share of travel.

Auto commuting refers to an array of vehicles including light trucks, vans, and other specialized vehicles used for work-trip travel. With all vehicle types considered, the growth in vehicles owned or otherwise available to households was enormous in the period of study. Between 1960 and 1980 vehicle availability increased from 1.03 vehicles per household to 1.61. Although this rate of growth seems impressive in itself, the substantial growth in households and the decline in persons per household actually mask the full impact of the private vehicle explosion. The number of vehicles available per capita almost doubled in the period. Had household formation rates stayed the same as in 1970, vehicles per household would have averaged about 2 per household. Figure D illustrates trends in factors affecting commuting by personal vehicle.

Changes in distribution of the vehicle fleet among households represents a more significant change than overall growth of the vehicle fleet between 1960 to 1980.

- A majority of U.S. households now have two or more vehicles.
- The number of households without any vehicles shrank by 9% in the period, and the share of households without vehicles dropped from 22% to about 13% of all households.
- Nothing exemplifies the present era in regard to vehicle ownership more than the fact that the number of households with only one vehicle available actually declined in the period.
- Two-vehicle households grew by 172% and three-vehicle households by almost a thousand percent.

The most significant trend regarding vehicle availability in this period was the trend in vehicles available per worker. The number of vehicles available to workers on average rose from 0.85 per worker in 1960 to 1.34 in 1980. This impressive growth does not tell the whole story. Averages can be deceiving. In this case vehicles per household and workers per household are highly symmetric. In every household size category, as measured by workers per household, the majority of households have more vehicles than workers. Another finding is that households without vehicles tend to be households without workers. Two-thirds of households without vehicles also have no workers in the household and another 28% have only one worker. Zero-vehicle households tend to be very small households located in larger central cities.

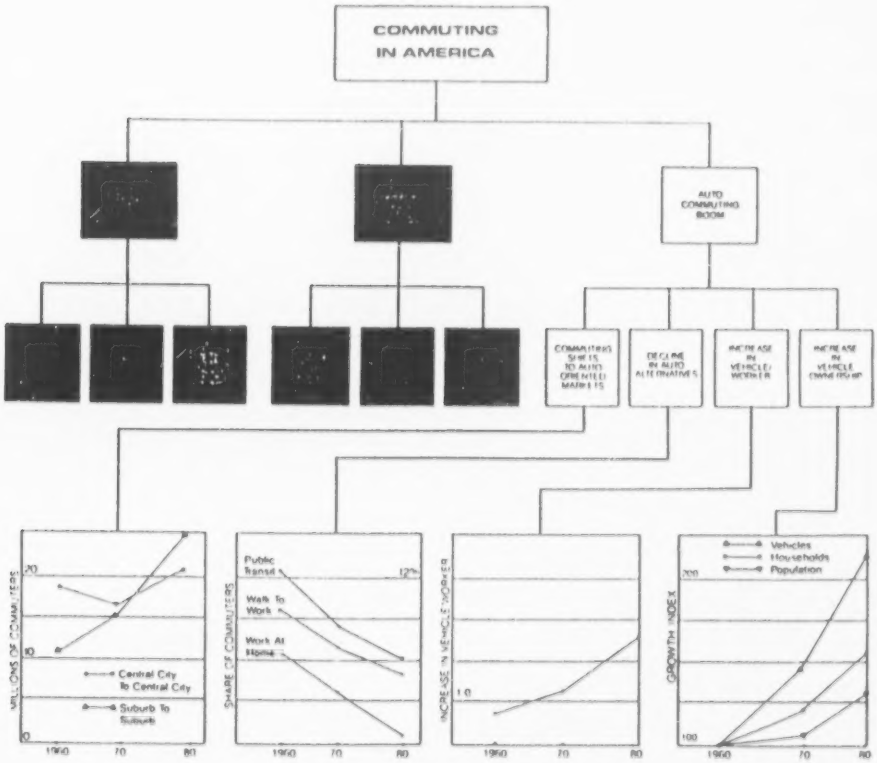

Figure D. Factors influencing the auto commuting boom

In fact, the New York area alone has 20% of the nation's households having no vehicles.

When these dramatic changes in workers' access to private vehicles are taken into account, it is not surprising that there have been equally dramatic increases in the use of private vehicles for work commuting. In total, the use of private vehicles almost doubled from about 43 million users in 1960 to 83 million in 1980. It is crucial to understanding the character of this change, as well as its scale, that worker growth was only 50% in this period. Therefore, only about half of the growth of private vehicle commuting is attributable to the growth in commuters. The other half is the product of shifts of commuters from other modes of travel to the use of private vehicles. As a result, travel by private vehicle to work rose from about 70% of all travel in 1960 to over 85% in 1980. Other key events in the use of different modes of travel to work were as follows:

- Despite the popular perception of more people working at home, the trend from 1960 to 1980 showed a sharp decline in people working at home. This is in large part attributable to declines in farming. By 1980 working at home only accounted for 2.3% of workers, the majority of whom are now in large metropolitan areas.

- Walking to work similarly declined, although not as strongly. It declined from over 10% of work travel in 1960 to just over 5% in 1980.

• Use of public transit also suffered declines—its share of travel halving, from 12.6% to 6.2% of work travel.

• Each of these travel alternatives declined not only as a percentage of commuting travel but also in absolute numbers. In total, about 5 million fewer workers were using these alternatives in 1980 compared to 1960 (in a period when total workers increased by 32 million). Other surveys indicate that declining use of these alternatives has continued into the eighties.

• Transit use has been severely affected by a number of adverse trends: increased vehicle availability per worker (workers with one or more vehicles available use transit at one-fifth the rate of those who have less than one vehicle available per worker); the shift of jobs to suburban destinations (which average one-sixth the level of transit use as central city destinations); and the overall lack of growth in markets where transit usage tends to be strongest (the intracity market increased by 9% in 20 years—more seriously its most important markets, particularly New York, had substantial losses in downtown travel).

• The average number of persons per private vehicle in work travel showed slight declines in the 1960-1980 period. The national average occupancy for work trips was about 1.15 workers per vehicle. While this figure is relatively uniform across the country, it has a tendency to be higher in non-metropolitan areas and to decline as metropolitan area size increases and mass transit becomes a more viable alternative.

IMPLICATIONS FOR THE FUTURE[1]

Collectively, the worker boom, suburban commuting boom, and auto commuting boom have created an explosion in commuting by private vehicle. In rapidly growing areas, which are areas normally already heavily dependent on private vehicles, use of autos in commuting tends to exceed the very rapid growth in workers, sometimes by substantial margins, as in Houston and San Diego. In slower growing areas, growth in the use of private vehicles exceeds growth in workers by substantial amounts, obtaining users from other modes, as well as from worker growth. The implications of these data are clear—all metropolitan areas, independent of rates of population growth, have undergone substantial growth in workers and even greater growth in the use of private vehicles for commuting.

Implications for Commuting Demand

Each of the identified trends militate in favor of increased levels of commuting travel beyond earlier expectations. It appears that impacts from the baby boom, job boom, and the infusion of women into the work force will persist through the remainder of the century, maintaining high levels of commuting growth.

Beyond the basic impetus to travel demand, these trends will cause changes in commuting patterns that will affect existing transportation plans and the need to plan in the future. Among key factors for consideration are these trends.

• Huge growth in the availability of vehicles to households, and especially to workers, has permanently affected the modal choice decision, assuring use of private vehicles as the mode of choice for the vast majority of work trips.

• Popular expectations of the potential for working at home and alternative travel modes to appreciably reduce commuting by private vehicle have not been realized. Thus, highway demand has increased even beyond the high growth expected from the job boom.

• Suburb-to-suburb commuting flow has become the predominant national communting pattern.

• While suburban flows predominate, growth in traditional suburb-to-city center commuting has been significant and will require continuing interest and concern.

• Growth in the commuting activity is occurring around outer borders of metropolitan areas, in that area between the suburbs and what was considered to be rural area until recently. This has become an important component of metropolitan highway demand, and will need to become a major element in future highway planning.

A crucial characteristic of commuting travel is overall trip length. It is also among the more difficult to evaluate. If the notion that jobs are now following population to the suburbs is a correct assessment of current trends, shorter potential trip lengths may result as jobs get closer to workers. This is suggested by the fact that suburb-to-suburb work trips are 50% shorter than suburb-to-center city work trips. As the proportion of suburban work-trip origins that

[1] While the primary goal of this report is to describe trends in American commuting without drawing programmatic conclusions, the following assessment by the author of some of the implications of the findings is presented to stimulate further thinking and discussion.

- The potential for greater "community balance" between workers and jobs in suburban areas exists, with promise for more efficient commuting patterns, and other far-reaching benefits. This suggests new requirements for interaction and cooperation between metropolitan jurisdictions will arise.

CONCLUSION

The purpose of this report is to give visibility to important new trends, rather than to pose solutions to problems raised by these trends. It is clear that the trends indicate changes in commuting that are substantial in scale and character, with equally extensive implications in the areas of:

- Traffic Operations and Management
- Transport System Planning and Development
- Transit Routing and System Planning
- Government Organization and Programs
- Metropolitan Form, Development, and Governance

What is required is the formation of a new metropolitan strategy focussed on needed public policies and private understanding in these areas based on appreciation of the trends and their implications.

The next step in the development of needed strategies is to more fully identify and analyze the implications of the trends presented here. Among areas of future work should be: detailed case studies of a number of metropolitan areas to gain the detailed understanding of trends not possible at the national scale; analyses of changes in traffic demand patterns looking at facility volumes by direction and time relative to available capacity; and development of better data to support a more comprehensive understanding of perceived trends.

TCI Tri-County Industries

1250 Atlantic Avenue • P O Box 789 • Rocky Mount NC 27802-0789 • (919) 977-3800

Cheston V. Mottershead, Jr.
President

TESTIMONY BEFORE THE

SUBCOMMITTEE ON SURFACE TRANSPORTATION

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

FRIDAY, SEPTEMBER 21, 1990

BY CHESTON V. MOTTERSHEAD, JR.

THANK YOU FOR THE OPPORTUNITY TO SPEAK WITH THIS COMMITTEE ABOUT MY INTEREST AND CONCERNS FOR RURAL TRANSPORTATION.

I AM PRESIDENT OF TRI-COUNTY INDUSTRIES (TCI), A WORK-ORIENTED REHABILITATION CENTER FOR DISABLED PEOPLE IN A FIVE-COUNTY AREA (NASH, EDGECOMBE, WILSON, HALIFAX, NORTHAMPTON COUNTIES). WE PROVIDE COMPREHENSIVE REHABILITATION, TRAINING AND JOB PLACEMENT FOR PEOPLE WITH PHYSICAL, MENTAL, AND EMOTIONAL DISABILITIES. UNTIL 1987, TCI PROVIDED THE TRANSPORTATION SERVICE TO TRANSPORT OUR TRAINEES TO AND FROM OUR CENTER IN ROCKY MOUNT.

I WOULD LIKE TO EXPLAIN OUR SPECIFIC RURAL TRANSPORTATION SITUATION -- WHICH I THINK IS COMMON TO MOST AREAS OF THE U.S. -- SO YOU CAN GET A FEEL FOR THE SUCCESSES AND PROBLEMS OF THE SYSTEM.

NASH AND EDGECOMBE COUNTIES SURROUND THE CITY OF ROCKY MOUNT WHICH HAS A POPULATION OF 50,000. THE TWO-COUNTY POPULATION IS 113,000, WHICH SERVES A 1,000 SQUARE MILE AREA.

THIS PAST YEAR TCI REHABILITATED, TRAINED AND HELPED SECURE EMPLOYMENT FOR A TOTAL OF 565 DISABLED PEOPLE:

+ ALMOST 70% OF TCI'S TRAINEES ARE AT OR BELOW THE POVERTY LEVEL.
+ 50% LIVE WITH ONE PARENT OR GUARDIAN.
+ 25% HAVE BEEN INSTITUTIONALIZED.
+ 40% HAVE MULTIPLE DISABILITIES.

IN 1987, FOUR HUMAN SERVCICE AGENCIES FORMED THE NON-PROFIT NASH-EDGECOMBE TRANSPORTATION SERVICE (NETS) TO BECOME THE LEAD TRANSPORTATION AGENCY; ITS BOARD OF DIRECTORS IS COMPOSED OF TCI, NASH AND EDGECOMBE DSS, AND NASH COMMUNITY COLLEGE. THE ROCKY MOUNT TRANSPORTATION COORDINATOR IS AN AD HOC MEMBER OF THE BOARD. I AM THE BOARD CHAIR.

THE ABOVE AGENCIES ARE REGULAR USERS OF THE 15 VAN SYSTEM. IRREGULAR USERS ARE: A CHILD CARE CENTER, VOCATIONAL REHABILITATION, MENTAL HEALTH CENTER, COMMUNITY ACTION AGENCY AND THE CITY OF ROCKY MOUNT.

LAST YEAR THE NETS SYSTEM OPERATED 252 DAYS, TRAVELED 82,700 PASSENGER TRIPS FOR OVER 515,000 MILES, AT A COST TO THE AGENCIES OF $411,725 OR $.73 PER MILE.

SOME BENEFITS

+ BEFORE THE ADVENT OF RURAL TRANSPORTATION FUNDS; E.G., 16(B)(2), TCI SERVED ABOUT 50 DISABLED PEOPLE IN THE IMMEDIATE ROCKY MOUNT AREA. NOW WE AVERAGE 200 PEOPLE EACH DAY. VANS TRANSPORT OUR TRAINEES FROM AS MUCH AS 50 MILES ONE WAY.
+ DISABLED AND ELDERLY PEOPLE WOULD "SIT ON THE FRONT PORCH" WITH A FAMILY MEMBER AS AN ATTENDANT; TODAY, THAT DISABLED PERSON CAN GET HEALTH SERVICES, GO TO A TRAINING FACILITY -- EVEN GET A JOB -- WHILE THE FAMILY MEMBER CAN ALSO SECURE FULL OR PART-TIME EMPLOYMENT AND NOT WORRY ABOUT THEIR DISABLED SON OR DAUGHTER
+ RATHER THAN BUILDING SMALL FACILITIES WITHIN MANY SMALL TOWNS, OUR TRANSPORTATION SYSTEM ALLOWS COMPREHENSIVE CENTERS TO DEVELOP WITH LOWER BUILDING, EQUIPMENT AND ADMINISTRATIVE COSTS AND HIGHER QUALITY OF SERVICES.

SOME PROBLEMS

+ THE COST OF TRANSPORTATION IS BECOMING A DOMINANT BUDGET EXPENSE FOR THE OPERATIONS OF MANY RURAL HUMAN SERVICE AGENCIES..
+ HUMAN SERVICE AGENCY BUDGETS ARE BEING REDUCED OR AT LEAST REMAIN STAGNANT AS TRANSPORTATION COSTS RISE. THIS MEANS THAT LESS SERVICES CAN BE PROVIDED TO RURAL, DISABLED AND ELDERLY PEOPLE; THIS IS ANOTHER EXAMPLE OF THE POOR BECOMING POORER IN OUR SOCIETY.

SOME SOLUTIONS

+ THE PASSAGE OF ADA IS SEEN AS A SHORT-TERM PROBLEM, BUT A LONG-TERM SOLUTION. THERE WILL BE ADDED EXPENSES TO SOME TRANSPORTATION SYSTEMS, BUT THE ADA WILL STIMULATE MORE DISABLED PEOPLE TO ENTER TRAINING AND EDUCATION PROGRAMS AND SEEK EMPLOYMENT. SINCE THE LABOR MARKET WILL HAVE LESS AND LESS TRADITIONAL APPLICANTS, MORE AND MORE DISABLED PEOPLE WILL HAVE AN OPPORTUNITY TO BECOME FINANCIALLY INDEPENDENT. ADEQUATE TRANSPORTATION CAN PROVIDE THE REALITY OF THIS. ADEQUATE TRANSPORTATION WILL HELP MAKE EMPLOYMENT A REALITY.
+ SYSTEMS LIKE NETS NEED TO BE MORE EFFICIENT.
  - GREATER LOCAL PREVENTATIVE MAINTENANCE.
  - BETTER DRIVER TRAINING AND SUPERVISION.
  - COORDINATE BETWEEN RURAL AND URBAN SYSTEMS (TDP).
  - ENCOURAGE MULTI-COUNTY SYSTEMS IN SPARSELY POPULATED AREAS -- THUS REDUCING ADMINISTRATION AND VANS/EQUIPMENT EXPENSE.
  - CREATE "BUS STOPS" FOR PASSENGERSTO REDUCE DOOR-TO-DOOR SERVICE.

+ INCREASE FEDERAL SHARE OF SECTION 18, SO LOCAL GOVERNMENTS CAN UTILIZE THEM BY PROVIDING A REASONABLE LOCAL SHARE.
+ INCREASE FEDERAL FUNDS FOR 16(B)(2) TO MEET THE RISING COSTS OF VEHICLES AND EQUIPMENT.

9/90

I TRY VERY HARD AND MY STAFF OF 70 PEOPLE TRY VERY HARD TO MANAGE THE MEAGER FUNDS WE RECEIVE FROM STATE AND FEDERAL SOURCES -- SO OUR REHABILITATION PROGRAMS CAN HELP DISABLED PEOPLE BECOME AS INDEPENDENT AS POSSIBLE.

I EVEN SPENT SOME TIME WITH THE GENERAL ASSEMBLY AND SENATOR ROYAL TRYING TO HELP THEM FIND ADDITIONAL FUNDS FOR THE MENTAL HEALTH PROGRAMS THAT HE ADVOCATES FOR SO ELOQUENTLY.

PLATOON COMMANDER

AS AN OFFICER IN THE MARINE CORPS, MY JOB WAS TO HELP OUR YOUNG MARINES DO THEIR JOB, TO ADVOCATE FOR THEM, TO GIVE THEM A SENSE OF PURPOSE AND FULFILLMENT IN THEIR LIVES.

I LOOK AT BOTH THESE EXPERIENCES, AS A MARINE CORPS OFFICER AND A MANAGER OF A REHABILITATION FACILITY, THEN I REFLECT ON THE SITUATION IN THE MIDDLE EAST AND MY BEING BEFORE THIS COMMITTEE; I AM STRUCK BY THE INCONGRUITY.

EACH DAY OUR FEDERAL GOVERNMENT SPENDS $41,000,000 TO PROTECT SOME OIL FIELDS IN "OPERATION DESERT SHIELD."

THE TRANSPORTATION COSTS FOR NETS THIS PAST YEAR WAS $400,000.

THE REASON WE ARE SPENDING THIS MONEY PROTECTING OIL FIELDS IS BECAUSE WE HAVE NO ENERGY POLICY. WE HAVE FORGOTTEN AND FRITTERED AWAY POSSIBLE SOLUTIONS TO OUR EXTRAORDINARY ENERGY NEEDS THAT WE STARTED IN THE EARLY 1970'S.

RURAL + URBAN TTC

JUST IMAGINE WHAT A STRONG ENERGY POLICY -- IMPLEMENTED OVER 20 YEARS AND ENHANCED EVERY YEAR-- WOULD HAVE DONE FOR OUR TRANSPORTATION COSTS TODAY. THAT, IS THE BIG SOLUTION TO OUR TRANSPORTATION NEEDS; AND WE NEED TO BEGIN GRAPPLING WITH THAT TODAY.

THANK YOU FOR THIS OPPORTUNITY TO BRIEFLY EXPLAIN HOW FEDERAL DOLLARS ARE AFFECTING A RURAL AREA IN EASTERN NORTH CAROLINA.

RESPECTFULLY YOURS,

CHESTON V. MOTTERSHEAD, JR.

CVMJR:TC

TESTIMONY

before
the
SURFACE TRANSPORTATION SUBCOMMITTEE
of the
HOUSE PUBLIC WORKS COMMITTEE

on
REAUTHORIZATION
of the
SURFACE TRANSPORTATION ACT

September 21, 1990
Field Hearing

presented by

Sue Myrick, Mayor
City of Charlotte

GTL - 9/18/90

At the beginning: remarks expressing appreciation for opportunity to speak to sub-committee.....

1. Funding for Public Transportation

Charlotte has made a significant local commitment to funding for its public transportation system. Through local sales tax and auto registration fees dedicated to public transportation, in FY90 it will contribute over 55 percent of the budget, and 85 percent of the operating deficit for the system. In 1981 the federal government contributed 50 percent of the deficit. Charlotte's bus fleet and facilities have benefitted from federal capital assistance, yet we now find ourselves with almost 20 percent of our fleet over 15 years old, and without sufficient federal capital assistance to program timely bus replacements for our expanding system.

There are three key aspects to federal transit assistance:

- the amount of funds available
- flexibility in their use
- the matching ratio for fund categories

The City is demonstrating its willingness and ability to provide public transportation funding. While a greater amount of assistance would be welcomed, and high ratios of federal to local matching funds permit us to make our own dollars go further, we recognize the budget constraints under which all federal programs are operating.

Greater flexibility in local decisions regarding use of federal funds, and in programming them over several years, would offset, to some extent, steady funding levels and matching ratios. Now we have inadequate funds and categorical restrictions on their use.

We urge you to

- Allow local governments greater flexibility and discretion in the use of federal funds through removal of category restrictions and establishment of block public transportation grants.

2. Equity and Predictability of Public Transportation Funding Distribution

Charlotte is a rapidly growing, highly congested City which is just now reaching the size and density threshold for which higher capacity transit, such as

light rail, is appropriate. Yet public transportation is a key element in meeting our transportation needs.

North Carolina has received an average of less than $2 million per year from the Mass Transit Account while contributing nearly $40 million per year. We need more equitable access to these funds to meet our needs for bus transit and other transit alternatives.

We urge you to establish a formula basis for the Mass Transit Account allocation, or a minimum return to each state, as a means of providing equity and acknowledging that there is a broad spectrum of transit solutions to our transportation problems. We believe that a disproportionate share of Mass Transportation Account funds now is going to rail-related solutions. A formula-based allocation, or minimum return, also would increase the predictability of fund availability.

3. Regulation

Protection for the rights of transit employees was an important issue when ownership of large numbers of public transportation systems was moving from the private to the public sector in the 1960's and early 1970's. The legislation, and subsequent regulations,

guaranteeing those rights now has become partially outmoded.

We urge you to re-examine the provisions and, particularly, the implementation of Section 13(c) of the Surface Transportation Act to bring them into line with current conditions in the industry.

4. Funding for Streets and Highways

In common with many other urban areas across the country, Charlotte is suffering not only from growth but also from increased per capita automobile ownership and use. Current federal - and State - programs simply cannot provide sufficient funds to enable us to keep up with demand. Our long-range planning projects highway construction of $2 billion over the next 15 years, but state and federal funds are anticipated for only about one-half of that amount. We have authorized locally funded construction of almost $150 million in the past three years, but have nearly exhausted our bonding capacity and pay-as-you-go resources.

Congestion and safety on Charlotte's existing roadways are significant problems. The number of high congestion and high accident locations in Charlotte

has increased significantly over the past 8 to 10 years.

We urge you to give increased emphasis to urban and suburban highway funding in the new Surface Transportation Act. This might be accomplished if the flexible highway program, proposed by AASHTO, returns a fair share of funds to each state, permitting the flexibility to put funds to work on urban and other high priority needs. Other mechanisms which might be considered include:

- increased funding for the Federal Aid Urban System
- block grants to local urban areas
- delineation of more extensive systems of federal aid highways in urban areas (additional Interstate; incorporation of major primary highways, or both).

This increased flexibility also should allow opportunity to address programs such as

- transportation system management efforts to increase the capacity of surface arterial highways

and improve operating conditions for public transportation

- safety projects, to treat high accident locations within the area, both on the federal aid system and on locally built and maintained roadways.

5. Related Matters

Although not directly part of the re-authorization of the Surface Transportation Act, other federal policies significantly impact public transportation activities in the local area.

It is incomprehensible, in a world which is choking on automobile exhausts, that free or underpriced parking is an untaxed employee benefit while employer subsidies to employee of over $15/month for transit passes are treated as taxable income. This sends precisely the wrong signal to commuters making their choices on how to get to work. It remains a source of great frustration to public transportation professionals across the country that this problem remains unresolved.

Charlotte is looking to the future in attempting to purchase and protect rail corridors, which are being

abandoned, for future transit use. Local governments need a better opportunity, and more leverage, to participate in the processes of abandonment about which we frequently learn too late and in which we are placed in a difficult bargaining position.

At the end: expression of appreciation for the opportunity to testify, acknowledgement of the difficulty of the task which the sub-committee has before them.....

U. S. HOUSE OF REPRESENTATIVES
SURFACE TRANSPORTATION SUBCOMMITTEE
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

SEPTEMBER 21, 1990

STATEMENT OF

ELBERT L. PETERS
PRESIDENT

NORTH CAROLINA TRUCKING ASSOCIATION, INC.
219 WEST MARTIN STREET
RALEIGH, N. C. 27602

(919) 834-0387

INTRODUCTION

Thank you for the opportunity to testify concerning the future of the Federal-aid highway program and related surface transportation issues. I am pleased to share with you the views of the North Carolina Trucking Association, an organization with more than 500 members which was organized in 1929.

Trucking is essential to the economic well-being of North Carolina. A glance at some fundamental facts about the motor carrier industry in North Carolina will confirm trucking's critical role in ensuring the continuation of the state's economic vitality. Based on 1988 data, the industry:

- Employs 214,395 persons.
- Had a payroll in 1988 totaling over $3.9 billion.
- Serves all of North Carolina populated communities of which 69.5% depend entirely on trucks.
- Paid $610 million in 1988 State and Federal Highway Taxes, accounting for 48.1% of the total state and Federal Highway Tax receipts paid by all motor vehicles, approximately $11.7 million each week.
- Trucks paid $381.8 million in State Highway User Taxes 43.8% of the total paid by all motor vehicles.
- State and Federal Highway User Taxes paid on one large truck combination are 30 times greater than those paid by one medium passenger car.

Nationally too trucks have become the carrier of choice of America's shippers. Over 77% of the value of everything America grows and produces now moves on trucks. Freight revenue now exceeds $240 billion annually, and the trucking industry generates fully 5% of this Nation's gross national product. The trucking industry employs 7.5 million Americans, and pays them $160 billion in wages annually. Trucks pay over $50 million a day in highway use taxes which represents more than 45% of all state and federal taxes paid.

I would like to provide further information on six critical areas for your consideration:

- o Program Structure
- o Program Finance
- o Safety
- o Highway Design
- o Productivity
- o Related Issues

Program Structure:

We believe that the preservation, expansion, and reconstruction of the National System of Interstate and Defense Highways and major primary highways of national concern should be the cornerstone of a new Federal highway program . Other arterial routes necessary to develop a national network should be included in the system.

More specifically, the new national system should consist of 140,000 to 180,000 miles which will effectively connect all of the nation's population centers and accommodate approximately 45% of all traffic movements, including 70% of all commercial traffic.

Primary or arterial routes which are incorporated into the Highways of National Significance should be upgraded to standards adequate for the traffic volumes and vehicle populations using such routes on a priority basis. Some may need to be upgraded to near Interstate System standards, but many may simply need to be rehabilitated to modern geometric standards and to provide for adequate traffic movement.

Full Federal-aid funding, as now authorized, should be provided through FY 1991. After completion of the Interstate System, the Highways of National Significance must become the principal Federal aid system. This system should be funded at a level to meet essential future needs. Fund distribution to the new system should be by an equitable formula.

Federal aid should continue for major bridges and for secondary and urban roads off the National system to improve urban, suburban and rural mobility. Many interstate freight movements begin or end on lesser rural and urban primary and secondary routes and federal aid programs should support major construction projects on these routes.

Accordingly, a significant federal aid program for routes not included on the new National system will remain a high priority for the trucking industry. Increased federal highway spending should be sought for these categories through 1995 either by reducing specific categories or by block grant programs with some restrictions on use.

Program Finance:

The money is in the Federal Highway Trust Fund now to start this program with funding at an annual funding level of $17.5 billion. No new taxes are needed and none should be considered until the current fund balances in the Highway Trust are adequately committed. Shifting the burden to state and local funding denies the national nature of the highway program. Continued federal funding for major secondary and urban road projects and for bridges is also needed and can be supported by this level of funding.

Expansion of the use of Highway Trust Fund dollars for purposes other than highways is not a viable option and should not be considered. Shifting a greater burden of highway construction cost to state and local governments could mean a back-door tax increase and lead to the deterioration of the concept.

There is evidence of continued excise tax evasion. While the Internal Revenue Service has voiced concerns they have done little to stop it. North Carolina has realized considerable gains from using State Highway Trust Fund monies to establish a special tax unit charged with enforcing highway tax laws. We believe that the use of Federal Highway Trust Fund monies to enhance State and Federal highway tax enforcement efforts will also pay large dividends. We support the emphasis contained in the National Transportation Strategy to curtail excise tax evasion. Proper audit and enforcement could add $1 billion to the Highway Trust Fund. And the elimination of 'gasohol' exemptions could also add nearly $500 million to the Trust Fund every year.

Safety:

According to the Fatal Accident Reporting System (FARS) of the U. S. Department of Transportation (the most reliably collected truck accident data on a national scale) the data from 1976 to 1986 indicates that fatal accident rates per million truck miles have steadily fallen through the 1980's. (See chart below)

Fatal Accident Statistics for Combination Vehicles

1976-86

	Number of Fatal Accidents	Vehicle Miles Traveled (billions)	Fatal Accident Rate (per 100 million miles)
1976	3260	49.7	6.56
1977	3613	55.7	6.49
1978	4066	63.0	6.45
1979	4307	67.0	6.43
1980	3731	68.7	5.43
1981	3863	69.1	5.59
1982	3519	66.7	5.28
1983	3645	69.8	5.23
1984	3907	77.4	5.05
1985	3892	79.6	4.89
1986	3825	82.7	4.63

Note: Combination vehicles include all separate tractor-trailer combinations.

The Motor Carrier Assistance Program has been an extremely successful federal - state partnership to reduce commercial motor vehicle accidents. The program has received increased funding levels every year to its present level in FY 90 of $60 million. We believe the program should continue and that funding should be increased. We believe that increased funding should be directed towards providing more effective training for inspectors charged with the responsibility of randomly inspecting commercial motor vehicles.

Since 1974, almost $5 billion has been obligated from the Highway Trust Fund for rail-highway crossing improvements under the section 130 rail-highway crossing program, other Federal-aid programs, and the section 163 railroad relocation demonstration program. Almost 40% of these funds have come from Federal Highway user fees paid by the trucking industry into the Highway Trust Fund.

Because these programs provide substantial benefits to the railroad industry, the law requires the railroads to contribute private funds to individual projects. Under section 130(b) of title 23, the railroads are required to contribute up to 10% of total project costs which the Secretary determines will represent the net benefit to the railroads of each project type.

Unfortunately, the regulations under which the railroads have operated since 1975 have served to limit their required contributions to a minuscule level, perhaps 1% of Federal-aid project costs. These sweetheart regulations should be reevaluated to assure that the railroads pay their fair share of rail-highway crossing project costs.

Highway Design:

A recent study by Kenneth A. Small, Clifford Winston and Carol A. Evans, Road Work, published by the Brookings Institution, observes that the trucking industry and the Nation are paying a steep price for suboptimally designed pavements and that "trucks would damage roads far less if roads were correctly built in the first place." In reaching this conclusion, the study assumes life cycle highway costs would be minimized through optimal highway design -- in their words, by adding "pavement thickness (or other measures to improve durability) until the incremental cost of additional durability equaled the incremental savings in maintenance and (highway) user costs." With these durability improvements, the study suggests that the costs attributable to heavy combination vehicles would be 1/3 less than their current road user charges.

The economies of scale of building stronger and thicker pavement structures are enormous. According to American Association of State Highway and Transportation Officials (AASHTO) design procedures, one additional inch of pavement effectively doubles the strength (and life) of the pavement yet adds only 4% to pavement related construction costs and less than 1/2 of 1% to the total construction costs of a rural Interstate highway (according to Federal Highway Administration (FHWA) cost data.) Virtually without exception, the incremental savings in future highway maintenance, rehabilitation and highway user costs will far outweigh the incremental costs of thicker pavements.

A typical concrete pavement section on rural Interstate highways today is 10" thick. According to current AASHTO design procedures, this design will accommodate a minimum of 5 million 18,000 pound axle load applications (or its equivalent.) Eight times more durable than a 10" concrete pavement, a 14" concrete pavement adds but 15% to pavement related construction costs and less than 2% to the total construction cost of a new highway. Pavements on main line truck routes should be built at least 14" thick.

The economies of scale of thicker pavements have long been acknowledged by the highway engineering profession. In testimony before Congress, FHWA has stated that pavement strength goes up with the seventh power of pavement thickness.

We strongly recommend that the Nation begin building and rebuilding its major highways with stronger and thicker pavement structures and better draining base courses. This strategy will increase the probability that pavements will last their intended lives, dramatically reduce life cycle pavement and highway user costs, and make the transportation sector a more productive part of the economy.

Productivity:

Highway freight transport is the largest freight transportation element in the gross national product -- by a large margin. But its importance far transcends direct dollar input to GNP because it is so interwoven in the fabric of virtually every other economic activity in our complex modern economy. For that reason, improved truck productivity could greatly benefit our domestic economy and will be vital to our competitive position in the international markets of the next decade.

Productivity could be greatly enhanced by the nationwide relaxation of regulations which now needlessly restrict reasonable access to and from the national network for STAA vehicles. The future federal highway program should include provisions to address this problem.

Related Issues and Conclusion:

Beginning in fiscal year 1992, $50 million should be earmarked each year for trucking-related research and development expenditures within the Department of Transportation. These funds should be employed for research, development, and demonstration programs aimed specifically at enhancing trucking safety, productivity and international competitiveness. This research should include efforts to improve off-ramp construction and signing, downgrade signing and truck rest area solutions.

Finally, we urge this Committee to make its decision based on sound economics, engineering, demographics and business and international trade issues. We must not lose sight of these issues and make decisions based on politics. The course we set in this new highway reauthorization legislation will set the stage for our children and our society for years to come.

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STATEMENT
TO
Subcommittee On Public Works And Transportation
House Of Representatives
Congress Of The United States
September 21, 1990 - 10:00 AM
Microelectronic Center Of North Carolina - Durham
BY

Clint M. Reese
Member OF The Executive Committee
NORTH CAROLINA HIGHWAY USERS CONFERENCE
P.O. Box 167
Raleigh, North Carolina 27602
Phone: 919/828-5438

38-253 O—91——106

Our organization is composed of some 49 state associations and companies operating in the private sector with a wide range of interest in matters which affect or influence the cost and quality of highway transportation. A current list of our membership is attached to copies of this testimony.

Our testimony will deal with an issue which is a matter of tremendous, long standing concern to all of our members. This is the question of highway financing. One of the reasons the federal highway program has been so successful is due to its financing mechanism. The same is true for most State programs as well, especially here in North Carolina.

As we all know, the federal Highway Trust Fund is the source of finance for the federal government's contribution to the national highway systems. The revenue for this Fund comes from certain special and selective taxes which are levied on taxpayers solely because of their use and ownership of motor vehicles that operate on the public highways. Their payment of these taxes are in addition to all the other taxes any citizen would pay.

Because these are special and selective taxes, we strongly believe they should be used only for improvement to the State and federal highway programs. They are not the proper revenue source for general tax needs. The reasons are:

* MOTOR FUEL TAXES ARE HIGH - the combined state and federal motor fuel taxes are now equivalent to a sales tax in excess of 30%. Taxpayers have generally supported this enormous tax load because highway taxes have traditionally been used to improve highway and traffic conditions. This has resulted in direct savings in time, safety and convenience to those being taxed. To use these taxes otherwise would result in very unfair taxation.

* MOTOR FUEL TAXES ARE REGRESSIVE - these taxes are levied evenly on the rich and poor alike without any regard for the "ability to pay", a common yardstick of tax fairness. They fall most heavily on lower and middle income groups. Expenditures for gasoline by household with annual income below $7,400 average about 8% annually while those with incomes of $36,000 would use only about 4%. Moreover, the federal government estimates that about 78% of persons making under $10,000 per year commute to work by motor vehicle.

* HIGHWAY TRANSPORTATION IS NOT A LUXURY - most household driving is not discretionary. 35% of household auto travel is either to work or is work related; 34% is for family business, shopping, medical, school and church trips; 27% is for social purposes or visiting friends and relatives. Only 4% is for vacation and pleasure. The degree of vehicle use depends largely on where on lives. In non-urban areas of 5,000, each household generates just over 56 miles of auto travel per day. In all metropolitan areas with over 1.25 million population per household travel is about 40 miles per day. 87.5% of all workers travel to work by private motor vehicle. These are national figures. In North Carolina, the use of motor

vehicle transportation is probably much higher for all transportation needs because of the geography of the State.

* SUCH TAXES WOULD BE INFLATIONARY - motor fuel tax revenues traditionally have been used to improve highway facilities, thereby reducing transportation costs to consumers and business. However, if used for non-highway purposes, they become an inflationary tax burden. Loading more taxes on essential consumer items would drive up the cost of all goods and services. They would be particularly hard on agriculture, recreational travel and manufacturing. There is virtually no consumer product or service which is not handled several times by motor vehicle during its development and marketing. For instance, a loaf of bread will have had highway taxes loaded on its final cost at almost every stage of production, beginning at the nursery as seed grain, to its final destination in the retail store as bread.

* DIVERSION DAMAGES HIGHWAY PROGRAMS - good highway are essential to a healthy economy and many economic experts believe we are already seriously underfunding our highway systems. Therefore, the use of highway taxes for non-highway purposes robs the American economy of one its most most important economic needs, an efficient and affordable highway transportation network.

* DIVERSION COULD AFFECT AMERICA'S COMPETITIVENESS - adding additional taxes or using current ones for non-highway purposes would add to the cost of virtually all manufactured goods. The "on time" delivery system used by many manufacturers is highly dependent on efficient highway transportation. Without the costs savings association with this system, the ability of many American businesses to compete with foreign firms in both the domestic market and abroad would be seriously impaired.

The federal highway program is a rarity in the entire federal inventory of programs. It cost the federal government nothing. Only the people who use highway transportation are taxed to support the program. By law it cannot create any debt and therefore adds nothing to the federal deficit problems; and, it provides an enormous public resource through which the entire Nation benefits.

It is obvious that the federal government has an important role to play in helping assure that our national highway transportation needs are met and we urge that a sound and equitable federal highway program be re-enacted in 1991.

We further recommend that the post-1991 federal highway program be restructured to reflect the sound fiscal system and tax fairness structure upon which the 1956 Act was originally based. In order to accomplish this, we recommend the following changes:

1) because of the sound financial foundation upon which this program is built and the independent funding of this program, it should be removed from the Unified Budget process. This would help prevent the use of the Highway Trust Fund revenues to help balance the federal budget.

2) the current provision which takes 1 cent of the federal motor fuel tax for mass transit should be eliminated. We have no quarrel with other modes of transportation; however we object strongly to the use of regressive and selective highway user tax levies to finance these systems.

3) the current balance in the Highway Trust Fund, estimated to be around $17 billion, should be drawn down to levels which are within the boundries of accepted accounting principles.

4) we strongly object to any suggestion that highway users, as special class of taxpayer, should be singled out to carry a disproportionate share of the federal deficit through such means as using motor fuel taxes for deficit reduction.

The Governor and the General Assembly of North Carolina recently recognized the importance of highway transportation by passing one of the most comprehensive highway programs in the State's history. They recognized that the State's economy and its quality of life are directly related to the quality of our highway system. The better the roads, the more quickly and economically we can move the goods and services on which our citizens and businesses depend, and which affect our competitiveness in the world marketplace. To keep this vision from fading, we are looking to the United States Congress to put forth a federal highway program for the 21st Century which will assure us a continuation of an affordable, efficient highway transportation program which will meet our State's growing needs.

TESTIMONY BEFORE

HOUSE COMMITTEE ON PUBLIC WORKS
AND TRANSPORTATION

DURHAM, NORTH CAROLINA
SEPTEMBER 21, 1990

BY: HAL RIVES, COMMISSIONER, GEORGIA
DEPARTMENT OF TRANSPORTATION

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, IT IS AN HONOR AND A PLEASURE FOR ME TO APPEAR BEFORE YOU AND TALK ABOUT TRANSPORTATION ISSUES FACING GEORGIA AND OUR NATION. I AM PLEASED TO BE HERE AND BE A PART OF THIS TIMELY DISCUSSION.

I BELIEVE NATIONAL TRANSPORTATION POLICY IS CRITICALLY IMPORTANT TO US BOTH AS A NATION AND AS INDIVIDUAL STATES. I AM NOT SURE HOW MANY AMERICANS ARE AWARE OF THIS. BUT, ALL OF US REALIZE WE ARE LIVING IN AN AGE OF UNPRECEDENTED CHANGE. AND THERE'S NO END IN SIGHT.

WE HAVE WITNESSED, AND ARE WITNESSING, EVENTS OF HISTORIC PROPORTIONS:

- DISMANTLING OF THE BERLIN WALL AND THE REUNIFICATION OF A DIVIDED GERMANY;

* FREEING OF EASTERN EUROPE FROM DECADES OF REPRESSIVE COMMUNIST ROLE;
* THE FUNDAMENTAL RESTRUCTURING OF THE SOVIET EMPIRE; AND
* THE PROSPECTS OF A SINGLE EUROPEAN ECONOMIC COMMUNITY IN 1992 - AND A NEW ECONOMIC ORDER.

WE SEE AHEAD MANY CHALLENGES AND OPPORTUNITIES. THE FORCES OF THE FUTURE WILL BE ECONOMIC POWER, POLITICAL UNITY, AND THE STRENGTH OF OUR CULTURAL INSTITUTIONS. WE MUST REASSESS OUR SENSE OF NATIONAL PURPOSE IN AN ENVIRONMENT WHERE MILITARY POWER WILL PLAY A LESSER ROLE.

SECRETARY SKINNER REMINDED US IN HIS PREFACING LETTER TO THE U.S. DOT'S POLICY DOCUMENT, "MOVING AMERICA", THAT WE ARE APPROACHING A NEW ERA IN TRANSPORTATION, BUT WE ARE NOT YET PREPARED FOR THE CHALLENGE.

IN GEORGIA, WE HAVE BEEN VERY FORTUNATE. WE HAVE RECENTLY COMPLETED AN EXTENSIVE RECONSTRUCTION OF ONE OF OUR MAJOR URBAN FREEWAY SYSTEMS, ONE OF THE LARGEST SUCH RECONSTRUCTIONS IN THE COUNTRY. TO ME THIS REPRESENTS AN EXCELLENT EXAMPLE OF OUR SUCCESS IN ACHIEVING STATE PRIORITIES, AND IT DEMONSTRATES THE CRITICAL IMPORTANCE OF THE FEDERAL PROGRAM IN ADDRESSING ISSUES THAT ARE NATIONAL IN SCOPE.

CONTRARY TO THE PREVAILING BELIEFS ABOUT THE 1990'S BEING A DECADE OF ECONOMIC SLUGGISHNESS FOR AMERICA, WE SEE THE 1990'S AS A TIME TO RESTORE OUR INFRASTRUCTURE FOR THE CHALLENGES OF THE NEXT CENTURY.

AMERICA NEEDS TO FOCUS ON PROVIDING GREATER MOBILITY. WE NEED TO AGGRESSIVELY ATTACK URBAN CONGESTION. WE NEED TO BRING OUR RURAL AREAS OUT OF DECADES OF ECONOMIC ISOLATION. WE NEED TO REPLACE MODAL RIGIDITY WITH FLEXIBILITY AND GREATER CONSUMER CHOICE; WE NEED TO WORK HARDER TO REDUCE ACCIDENTS AND FATALITIES. AND WE NEED TO MAKE RESEARCH AND TECHNOLOGICAL INNOVATION A REAL PART OF OUR NATIONAL TRANSPORTATION PROGRAM AGAIN.

THIS WILL MEAN REDEDICATING OURSELVES AND COMMITTING THE RESOURCES NECESSARY. BUT WE ARE UNDERTAKING A CRITICAL INVESTMENT IN OUR FUTURE.

LET ME SHARE WITH YOU WHAT WE ARE DOING IN GEORGIA, AND WHAT WE SEE AS CRITICAL TO OUR FUTURE.

WE HAVE ALMOST 107,000 MILES OF PUBLIC ROADS IN GEORGIA. ROUGHLY 17 PERCENT, OR NEARLY 18,000 MILES ARE THE DIRECT RESPONSIBILITY OF GEORGIA DOT. LIKE MANY OTHER STATES, WE SET A GOAL TO RESURFACE OR REHABILITATE 10 PERCENT OF OUR STATE SYSTEM EACH YEAR. WE STRONGLY BELIEVE IN TIMELY MAINTENANCE. CONSEQUENTLY OUR HIGHWAYS ARE AMONG THE BEST MAINTAINED IN THE NATION.

BUT AS WE CONTINUE TO INCREASE THE NUMBER OF LANE MILES ON OUR SYSTEM - IN RESPONSE TO GROWTH DEMANDS - WE ARE BEGINNING TO HAVE DIFFICULTY IN MEETING OUR OWN HIGH MAINTENANCE STANDARDS. IN FACT, WE WERE ABOUT 22 PERCENT BELOW OUR MILEAGE GOAL FOR RESURFACING IN 1990.

WE HAVE APPROXIMATELY 15,000 BRIDGES IN GEORGIA. THIRTY-ONE PERCENT ARE CURRENTLY STRUCTURALLY DEFICIENT OR FUNCTIONALLY OBSOLETE AND REQUIRE REPLACEMENT OR RECONSTRUCTION. NEARLY 60 PERCENT OF THE NEED IS FOR LOCAL (OFF-SYSTEM), BRIDGES. THIS WILL PLACE A HEAVY BURDEN ON FINANCIALLY PRESSED LOCAL GOVERNMENTS. CURRENTLY, WE HAVE A $269 MILLION BACKLOG OF STRUCTURALLY DEFICIENT BRIDGES STATEWIDE. WE SHOULD BE SPENDING $20 MILLION MORE ANNUALLY THAN OUR CURRENT LEVEL.

IN 1977, WE INITIATED A PROGRAM TO ASSIST LOCAL GOVERNMENTS IN MAINTAINING THE 50,000 MILES OF PAVED STREETS AND ROADS UNDER THEIR JURISDICTION.

OUR CURRENT ANNUAL PROGRAM FOR LOCAL MAINTENANCE ASSISTANCE RUNS AROUND $40 MILLION. TO MEET THE MINIMUM NEED WE SHOULD BE SPENDING 55 PERCENT MORE THAN THIS. PRESENTLY, WE CAN ONLY ADDRESS ABOUT 60 PERCENT OF THE FULL NEEDS REQUESTED BY LOCAL GOVERNMENTS.

SINCE 1984 THE STATE HAS SPENT OR COMMITTED MORE THAT $600 MILLION OVER AND ABOVE OUR MOTOR FUEL TAX COLLECTIONS TO A PROGRAM TO BUILD A STATEWIDE SYSTEM OF 4-LANE HIGHWAYS TO STIMULATE ECONOMIC DEVELOPMENT AND EXPAND ACCESS FOR OVERSIZE TRUCKS. THIS IS AN AMOUNT ROUGHLY EQUIVALENT TO OUR ANNUAL CAPITAL BUDGET. BEGINNING IN FISCAL YEAR 1992 AND WITH PRESENT COMMITMENTS, WE WILL BE ABOUT $360 MILLION BEHIND IN THIS PROGRAM.

I HAVE SPOKEN BEFORE ABOUT THE RAPID GROWTH WE ARE EXPERIENCING IN COUNTIES WITHIN THE SUBURBAN AREAS NEAR OUR LARGE CITIES. I REFERRED TO THE TRANSPORTATION PROBLEMS IN AREAS THAT HAVE MADE RAPID TRANSITIONS FROM RURAL TO METROPOLITAN STATUS.

BECAUSE OF GEORGIA'S HIGH GROWTH, WE HAVE HAD A NUMBER OF SUCH ADJACENT COUNTIES ADDED TO OUR METROPOLITAN AREAS IN THE 1970'S AND 1980'S.

NOT INFREQUENTLY, PREVIOUS 1960 POPULATIONS IN THESE COUNTIES HAD BEEN FIFTY TO SIXTY PERCENT RURAL. AND 50 PERCENT OR MORE OF THE TOTAL LAND AREAS HAD BEEN FARMS.

MANY OF THESE COUNTIES WERE INFLUENCED BY THE ECONOMIC GROWTH STRENGTH OF A FAST GROWING URBAN CENTER.

YET GROWTH WITHIN A REGION WOULD OFTEN BE DECENTRALIZED, REFLECTING A DESIRE FOR SMALL TOWN LIVING AND THE INFLUENCE OF INTERSTATE HIGHWAYS, BUILT IN THE 1960'S AND 1970'S. MOST SUBURBAN COUNTIES THEREFORE, BECAME HIGHWAY/AUTOMOBILE COMMUNITIES, WITH TYPICALLY HIGH OUT-COMMUTING PATTERNS.

GEORGIA HAS ONE OF THE HIGHEST COMMUTING RATES IN THE COUNTRY. ONE IN FOUR GEORGIA WORKERS COMMUTE ACROSS COUNTY LINES TO WORK. IN SOME METROPOLITAN COUNTIES, AS MANY AS 60 PERCENT OR MORE OF WORKERS COMMUTE OUTSIDE THEIR COUNTY OF RESIDENCE TO WORK.

WHERE INTERSTATE HIGHWAYS PASS THROUGH SUBURBAN COUNTIES, MOST BUSINESS DEVELOPMENT HAS TENDED TO OCCUR ALONG FRONTAGE ROADS AND INTERCHANGES. RESIDENTIAL DEVELOPMENT HAS BECOME DISPERSED, WITH SIGNIFICANT PORTIONS OF THE POPULATION STILL CLASSIFIED AS RURAL, REFLECTING THE EXTENT OF SUBURBAN DISPERSION.

CHARACTERISTIC OF THE PROBLEMS FACING NEWER SUBURBAN COUNTIES ARE:

* OLD INTERSECTION LAYOUTS THAT ARE INEFFICIENT,
* TOO MUCH PRESSURE ON TOO FEW INTERSTATE ACCESS ROUTES,
* INSUFFICIENT CAPACITY ON ARTERIAL ROUTES SERVING RESIDENTIAL DEVELOPMENT AND PROVIDING FREEWAY ACCESS,
* INTERCHANGE AND FRONTAGE ROAD SPACING PROBLEMS THAT CONTRIBUTE TO CONGESTION, AND
* AT GRADE RAIL CROSSINGS ON MAJOR ARTERIAL ACCESS ROUTES SERVING THE OLDER COMMUNITIES.

PRESSING NEEDS IN SUBURBAN COUNTIES ARE FOR:

* REALIGNING OLDER INTERSECTIONS, TO IMPROVE CAPACITY AND OPERATING EFFICIENCIES,
* ADDING NEW INTERCHANGES TO PROVIDE ACCESS TO LOCAL COMMUNITIES AND SEPARATING CITY-BOUND FROM INTERSTATE-BOUND TRAFFIC,
* CONSTRUCTING ADDITIONAL LANE MILES OF CAPACITY ON ARTERIAL AND MAJOR COLLECTOR ROUTES,
* RE-ALIGNING FRONTAGE ROADS AWAY FROM FREEWAY RAMPS, TO REDUCE CONFLICTS, AND
* CONSTRUCTING GRADE SEPARATED CROSSINGS OF RAIL LINES ON HIGH USE ARTERIAL ROUTES.

METROPOLITAN GROWTH IS AFFECTING ALL TRANSPORTATION SERVICE. TRANSIT OPTIONS ARE BEING EXPLORED IN BIGGER SUBURBAN COUNTIES NEAR ATLANTA. OTHERS HAVE RECENTLY BEGUN ACTION TO UNDERTAKE TRANSIT STUDIES OF THEIR OWN. FOR THE LONG TERM, A COMBINATION OF HIGHWAY AND TRANSIT IMPROVEMENTS WILL BE NEEDED TO SERVE THESE GROWING DEMANDS.

FLEXIBILITY WILL BE A KEY FACTOR IN OUR FUTURE TRANSPORTATION RESPONSES FOR THESE AREAS. WE WILL NEED TO SEE THIS MATCHED IN THE FEDERAL PROGRAM AS WELL.

WE HAVE ALL READ AND HEARD THE LAMENT "OUR TRANSPORTATION SYSTEMS ARE BREAKING DOWN - QUALITY IS SERIOUSLY DECLINING."

A REPORT PREPARED BY THE AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS (AASHTO), DURING THE TRANSPORTATION 2020 EFFORT CONCLUDES WE SHOULD BE SPENDING CLOSE TO $100 BILLION A YEAR ON HIGHWAYS INSTEAD OF THE $66 BILLION WE CURRENTLY SPEND NATIONALLY.

WE HEAR THE FRUSTRATED CRY OF OUR CITIZENS AND BUSINESSES WHO CAN'T PROSPER BECAUSE THEY ARE LOCKED IN URBAN CONGESTION, OR THEY LACK ACCESS FROM OUR RURAL COMMUNITIES.

IT'S INCREDIBLE TO THINK THAT AS A NATION WE ARE LOSING $73 BILLION ANNUALLY IN PRODUCTIVITY DUE TO CONGESTION. THAT'S NEARLY 10 TIMES GEORGIA'S STATE BUDGET. IT IS ALSO ABOUT $7 BILLION MORE THAN ALL GOVERNMENTS COMBINED CURRENTLY SPEND ON HIGHWAYS IN THIS COUNTRY.

THE ADMINISTRATION IS PROMISING A NEW NATIONAL TRANSPORTATION POLICY AND A NEW SURFACE TRANSPORTATION ACT, (CURRENT ACT EXPIRES IN SEPTEMBER 1991).

WE HAVE ARGUED FOR SOME OF THE KEY ELEMENTS OF THIS NEW POLICY, FOR YEARS. WE ARE PLEASED TO SEE THEM.

PRESENTLY GEORGIA HAS MORE THAN $250 MILLION TIED UP IN APPORTIONMENTS UNSPENT DUE TO OBLIGATION CEILINGS IMPOSED ON FEDERAL SPENDING. IN TRANSITION TO A NEW PROGRAM, WE CANNOT FOREGO A YEAR OF AUTHORIZATION BECAUSE THESE EXIST. I HOPE, MR.

CHAIRMAN, THAT YOU AND THE COMMITTEE WILL ARGUE FOR RELEASING THIS MONEY IN THE 1991 HIGHWAY REAUTHORIZATION ACT. THE BALANCE IN THE TRUST FUND ALSO FUELS THE DESIRE TO USE MOTOR FUEL TAXES FOR DEFICIT REDUCTION. WE ARE STRONGLY OPPOSED TO THIS.

WE BELIEVE NEW AUTHORIZATION LEGISLATION SHOULD CORRECT THE INEQUITIES OF 85 PERCENT MINIMUM ALLOCATION. WE FAVOR CONTINUING SUPPORT FOR STATES WITH LARGE FEDERAL LANDS AND SPARSE POPULATIONS. BUT AS A HIGH GROWTH STATE WITH MANY NEEDS RELATED TO A SHORTAGE OF ROAD CAPACITY, WE FEEL THE FEDERAL PROGRAM CAN AND SHOULD SUPPORT AT LEAST A 90 TO 95 PERCENT RETURN ON GEORGIA'S HIGHWAY TRUST FUND COLLECTIONS. THE NEED FOR CASH SUBSIDIES TO THESE SPARSELY POPULATED AREAS TODAY FOR SYSTEM PRESERVATION IS NOT EQUAL TO THAT ORIGINALLY NEEDED TO BUILD THE INTERSTATE.

WE ARE STRONG SUPPORTERS OF THE CONCEPT OF A NEW TWO-TIERED FEDERAL PROGRAM THAT:

* FOCUSES ON SYSTEMS OF NATIONAL SIGNIFICANCE: DEFINES A NATIONAL HIGHWAY SYSTEM AND A NATIONAL TRANSIT SYSTEM,
* OFFERS GREATER FLEXIBILITY TO THE STATES FOR BOTH PROJECT DEVELOPMENT AND FUNDING UNDER A FLEXIBLE PROGRAM,
* RESTORES EQUITY TO FORMULA APPORTIONMENTS, WITH FACTORS BASED ON SYSTEM SIZE AND USE,
* EXPANDS AND BETTER COORDINATES SAFETY PROGRAMS, AND
* REVITALIZES THE ROLE OF RESEARCH AND TECHNOLOGICAL INNOVATION IN HELPING US PROVIDE BETTER FACILITIES AND

SERVICES.

INCREASED FLEXIBILITY CAN ALLOW US TO FOCUS ON STATE PRIORITIES ON ALL OUR SYSTEMS INSTEAD OF BEING RESTRICTED BY FEDERAL CATEGORICAL PROGRAM CONSTRAINTS.

WITH FLEXIBILITY WE COULD GAIN MORE DISCRETION OVER AS MUCH AS ONE-HALF OF OUR FEDERAL APPORTIONMENT ($380 MILLION, FY 90).

WITH THIS DISCRETION WE COULD ADDRESS ONE OF OUR CRITICAL STATE PRIORITIES FOR GREATER ACCESS TO FOSTER RURAL ECONOMIC DEVELOPMENT IN GEORGIA, (GOVERNOR'S ROAD IMPROVEMENT PROGRAM). WE HAVE ALREADY SPENT OVER ONE-HALF BILLION DOLLARS IN UNMATCHED STATE MONEY ON THIS PROGRAM. WE HAVE A LONG TERM COMMITMENT TO THIS PROGRAM.

WE SUPPORT FEDERAL POLICY SHIFTS THAT COULD LEAD TO REDUCED BARRIERS TO PRIVATE INVESTMENT IN TRANSPORTATION. I INCLUDE TOLL ROADS IN THIS CATEGORY.

WE SUPPORT THE CONCEPT OF A SYSTEM OF NATIONAL SIGNIFICANCE AND A FOCUSING OF THE FEDERAL ROLE.

WE ARE NOT ENCOURAGED BY FHWA'S RECENT EFFORTS TOWARD DESIGNATING A NATIONAL HIGHWAY SYSTEM, HOWEVER.

THE ORIGINAL LETTER FROM THE HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE IN MAY, REQUESTED FHWA TO DESIGNATE A PRELIMINARY NATIONAL HIGHWAY SYSTEM IN COOPERATION WITH AASHTO, THE STATES, LOCAL GOVERNMENTS AND MPO'S.

THE COMMITTEE ALSO REQUESTED IN THEIR LETTER THAT THE NEW NATIONAL HIGHWAY SYSTEM BE BASED ON THE 1989 FUNCTIONAL RECLASSIFICATION STUDY AND CRITERIA CONTAINED IN AASHTO'S "NEW CONCEPTS" REPORT.

UNFORTUNATELY, FHWA CHOSE TO DISCARD THE AASHTO CRITERIA AND ISSUE NEW STANDARDS FOR DESIGNATING THE SYSTEM.

THE APPARENT RESULTS OF FHWA'S APPROACH WILL BE THREE SYSTEMS MAPS SUBMITTED TO CONGRESS FOR CONSIDERATION.

THE SMALLEST OF THE SYSTEMS PROPOSED CONSISTS OF ONLY 120,000 MILES. GEORGIA REGARDS THIS SYSTEM AS TOTALLY INADEQUATE.

USING THE 120,000 MILE PROPOSAL, REFERRED TO AS THE BASIC SYSTEM, GEORGIA IS LEFT WITH 2408 MILES OF NATIONAL HIGHWAYS, A SYSTEM LESS THAN TWICE THE SIZE OF OUR PRESENT INTERSTATE SYSTEM.

THIS SYSTEM WOULD SERVE ONLY THREE PERCENT MORE TRAVEL (VMT) THAN IS ALREADY SERVED BY OUR INTERSTATE SYSTEM. AND THE LIMITED MILEAGE WOULD NECESSITATE SELECTION OF ROUTES MOST IN NEED OF IMPROVEMENT, RATHER THAN MOST IN DEGREE OF NATIONAL IMPORTANCE.

IN ADDITION, THE SYSTEM WOULD NOT ADEQUATELY SERVE DEFENSE REQUIREMENTS, (STRAHNET SYSTEM), AND WOULD NOT PROVIDE FOR CONNECTIVITY AT STATE LINES. NOR WOULD IT BRING ACCESS TO RURAL GEORGIA.

UNDER THE BASIC SYSTEM PROPOSAL, GEORGIA COULD SEE ITS AVERAGE PER MILE EXPENDITURE FOR OTHER SYSTEMS CUT BY NEARLY 57 PERCENT, BASED ON A 70/30 DISTRIBUTION OF HIGHWAY FUNDS BETWEEN A NATIONAL HIGHWAY PROGRAM AND A FLEXIBLE PROGRAM, WHICH IS BEING DISCUSSED BY FHWA.

THE LOGIC OF THIS APPROACH DOES NOT MAKE SENSE IF WE ARE CONCERNED ABOUT IMPROVING OUR HIGHWAY SYSTEMS. THE BASIC SYSTEM PROPOSED BY FHWA CLEARLY WILL NOT MEET OUR NEEDS.

THE FHWA'S SECOND LEVEL NATIONAL SYSTEM PROPOSAL CONSISTING OF 150,000 MILES IS AN IMPROVEMENT OVER THE BASIC SYSTEM. BUT EVEN THIS PROPOSAL WILL NOT ACCOMMODATE ALL STRAHNET ROUTES. NOR WILL IT ALLOW FOR RESOLUTION OF STATE LINE CONNECTIONS. ALSO, IT WOULD FORCE EXCLUSION OF SOME RECENTLY IMPROVED ROUTES, EVEN THOUGH THEY CARRY HIGH TRAFFIC VOLUMES.

THE THIRD LEVEL SYSTEM, THE OPTIONAL SYSTEM WHICH GEORGIA HAS PROPOSED, WOULD CONSIST OF APPROXIMATELY 200,000 MILES NATIONALLY. THIS SYSTEM WOULD TRANSLATE INTO THE ROUGH EQUIVALENT TO A REDEFINED PRINCIPAL ARTERIAL SYSTEM. IT CAN ADEQUATELY SERVE STATE, NATIONAL DEFENSE AND STATE LINE

CONNECTIVITY NEEDS.

I WISH TO EMPHASIZE HOWEVER, THAT WE CANNOT ACCEPT THE TWO SYSTEMS SUGGESTED BY FHWA. WE DEFINITELY NEED MORE STUDY BEFORE A FINAL SYSTEM IS SELECTED.

WE WOULD HOPE THAT CONGRESS WOULD ENDORSE THROUGH LEGISLATION THE CONCEPT OF A NATIONAL HIGHWAY SYSTEM AND FLEX PROGRAM. IF THIS OCCURS, THEN THE PROPOSED NATIONAL SYSTEM IN EACH STATE SHOULD BE BROAD ENOUGH TO ALLOW US TO ADDRESS STATE PRIORITIES. IN GEORGIA, WE WOULD NEED A SYSTEM WHICH WOULD INCLUDE UP TO 2100 URBAN AND 3900 RURAL MILES.

THE NATIONAL HIGHWAY SYSTEM DOES NOT NEED TO BE A SMALL INTERSTATE - TYPE, LIMITED - ACCESS NETWORK. DESIGN CRITERIA SHOULD BE BASED MORE ON SERVICE REQUIREMENTS. SOME OF THESE ROUTES COULD VERY WELL BE TWO-LANE HIGHWAYS, BUT STILL SERVE A NATIONAL PURPOSE.

ANOTHER OF OUR CONCERNS WITH THE FEDERAL-AID PROGRAM IS FUNDING. CURRENT APPORTIONMENT FORMULAS DO NOT PROVIDE A REASONABLE RETURN TO ALL STATES OF TRUST FUND CONTRIBUTIONS.

NOT ONLY THAT, THE CURRENT FORMULAS ARE FRAUGHT WITH OUTMODED OR OUTDATED FACTORS THAT BEAR NO REAL RELATIONSHIP TO TRANSPORTATION NEED. SOME ARE IMPRECISE AND SUBJECT TO MANIPULATION. OTHER FACTORS ARE POOR SUBSTITUTES FOR MORE RELEVANT VARIABLES.

GEORGIA RECEIVES A RETURN OF APPROXIMATELY 70 CENTS ON THE DOLLAR FROM PRESENT FORMULAS, NOT COUNTING MINIMUM ALLOCATION.

NEW FORMULAS SHOULD PROVIDE STATES A MINIMUM 90 TO 95 PERCENT RETURN ON TRUST FUND CONTRIBUTIONS. THE FORMULAS SHOULD PROVIDE EQUITY WITHOUT USE OF THE ARTIFICIAL FLOORS OF MINIMUM ALLOCATION. FACTORS SUCH AS LAND AREA, POSTAL ROUTE MILEAGE, COST-TO-COMPLETE AND POPULATION SHOULD BE DISCARDED IN FAVOR OF FACTORS THAT REPRESENT BETTER MEASURES OF NEED AND USE, SUCH AS VMT, LANE MILES, AND DIESEL FUEL CONSUMPTION.

FACTORS SHOULD BE RELIABLE, CONSISTENT AND NOT SUBJECT TO MANIPULATION. THEY SHOULD BE BASED ON STATISTICS THAT ARE, OR CAN BE, EASILY MEASURED, AND HAVE UNIFORMITY FROM STATE TO STATE.

HOLD-HARMLESS PROVISIONS SHOULD BE INCLUDED, SO THAT NO STATE LOSES FUNDS AT PRESENT PROGRAM LEVELS, EVEN IF THEIR PERCENTAGE APPORTIONMENT OF NEW FUNDS SHOULD DECREASE.

THE FEDERAL PROGRAMS SHOULD BE DIVIDED EQUALLY, WITH 50 PERCENT GOING TO THE HIGHWAY SYSTEM OF NATIONAL SIGNIFICANCE AND 50 PERCENT TO THE FLEXIBLE PROGRAM FOR OTHER ROUTES.

WE ALSO BELIEVE THAT BRIDGE REPLACEMENTS AND RECONSTRUCTION SHOULD BE FUNDED FROM NATIONAL HIGHWAY SYSTEM AND FLEXIBLE PROGRAM APPORTIONMENTS, AND NOT FROM SEPARATE BRIDGE PROGRAMS. WE WOULD FAVOR ESTABLISHING MINIMUM EXPENDITURE FLOORS FOR

BRIDGES IN THESE APPORTIONMENTS, HOWEVER.

THE FHWA HAS PROPOSED A DETAILED CONGESTION MANAGEMENT APPROACH TO URBAN AREAS. WE FEEL SOME ELEMENTS OF THIS COULD BE WORTHWHILE. HOWEVER, WE ARE DISTURBED BY SOME OF THE DETAILS OF THIS PROPOSAL. STRICT COMPLIANCE WITH ALL THE PROVISIONS COULD LEAD US INTO ENDLESS LITIGATION.

FINALLY, WE ARE ANTICIPATING MOVES TO INCREASE THE SIZE AND WEIGHT LIMITS OF LARGE TRUCKS. ASIDE FROM OUR CONCERNS ABOUT OVERSTRESSES ON THE HIGHWAY SYSTEM, WE BELIEVE THIS COULD LEAD TO EXCESSIVE SHIFTS OF FREIGHT FROM RAIL TO TRUCKS. IMPROVING THE MARKET ADVANTAGE OF TRUCKING IN THIS WAY IS NOT IN THE OVERALL BEST INTEREST OF THE COUNTRY, IN MY OPINION. COMPETITIVE POSITION SHOULD BE BASED ON MARKET EFFICIENCY AND NOT LEGISLATED. I BELIEVE A DESIRABLE BALANCE IN TRUCK VERSUS RAIL SHIPPING ALREADY EXISTS.

IN CONCLUSION, IT IS DISTURBING TO HEAR ABOUT CRUMBLING ROADS AND BRIDGES AND ABOUT BILLIONS OF DOLLARS IN LOST PRODUCTIVITY DUE TO CONGESTION, AND RECALL THAT THERE ARE BILLIONS ($10.3 BILLIONS) OF UNSPENT DOLLARS IN THE HIGHWAY TRUST FUND THAT COULD BE PUT TO USE TO SOLVE URGENT TRANSPORTATION NEEDS. THIS IS A GREAT MISMATCH IN OUR PRIORITIES.

IT STRETCHES OUR BELIEF EVEN MORE TO FACE THESE URGENT NEEDS AND TALK OF INCREASING MOTOR FUEL TAXES TO REDUCE THE FEDERAL DEFICIT. ANY INCREASE IN THE FEDERAL MOTOR FUEL TAX MUST BE USED FOR TRANSPORTATION, AND MUST NOT PRE-EMPT STATES FROM BEING ABLE TO MATCH FEDERAL FUNDS.

IF WE ARE GOING TO CREATE A SYSTEM OF NATIONAL SIGNIFICANCE, LET'S CREATE FUNDING OF NATIONAL SIGNIFICANCE, ADEQUATE FEDERAL FUNDING TO EXPAND, PRESERVE AND MAINTAIN A NATIONAL TRANSPORTATION SYSTEM.

GEORGIA STRONGLY SUPPORTS THE AASHTO RECOMMENDATIONS FOR INCREASING FEDERAL HIGHWAY FUNDING TO $17.6 BILLION IN FISCAL YEAR 1992 AND INCREASING TO $25.9 BILLION IN FISCAL YEAR 1995, AND INCREASING FEDERAL TRANSIT CAPITAL FUNDING FROM $3.2 BILLION TO $5.0 BILLION OVER THE SAME PERIOD.

FINALLY, IF WE ARE GOING TO OFFER FLEXIBILITY TO STATE AND LOCAL GOVERNMENTS, LET'S DO IT PROPERLY. LET'S NOT REPLACE RIGID PROJECT REQUIREMENTS WITH EQUALLY RIGID PERFORMANCE CRITERIA.

I HAVE READ THAT WE HAVE MORE THAN $5 TRILLION INVESTED IN TRANSPORTATION IN THIS COUNTRY. THAT INCLUDES THE SUM TOTAL OF PUBLIC AND PRIVATE INVESTMENTS IN ALL FORMS OF TRANSPORTATION.

THIS INVESTMENT REPRESENTS A SHARED RESPONSIBILITY - A TRUE PARTNERSHIP OF CITIZENS, BUSINESSES AND GOVERNMENTS. LET'S REMEMBER WE FACE GREAT CHALLENGES AND OPPORTUNITIES IN THE COMING DECADES.

I BELIEVE WE MUST TAKE STEPS NOW TO INVEST IN OUR FUTURE.

THANK YOU MR. CHAIRMAN

TESTIMONY

before
the
SURFACE TRANSPORTATION SUBCOMMITTEE
of the
HOUSE PUBLIC WORKS COMMITTEE

on
REAUTHORIZATION
of the
SURFACE TRANSPORTATION ACT

September 21, 1990
Field Hearing

presented by
Dorothy H. Sparrow, Director
Kerr Area Rural Transit System

TESTIMONY BEFORE THE SUBCOMMITTEE ON SURFACE TRANSPORTATION

Committee on Public Works and Transportation

FIELD HEARING

Friday, September 21, 1990

The process of reauthorizing our federal transit legislation via the Surface Transportation Act, and field hearings like this conducted by the subcommittee, gives us an excellent opportunity to reassess our existing policies and to respond to the changes that have occurred in our transportation needs since the last reauthorization. On behalf of Community Transportation Association of America (CTAA), the North Carolina Public Transportation Association, of which I serve as Secretary/Treasurer, Kerr Area Rural Transit System (KARTS) where I am Executive Director, and the rural people of our state, I am excited about the opportunity to emphasize our needs. I also greatly appreciate the opportunity to specify points I believe should be given higher priority.

Prior to the 1980's, there was little recognition that rural areas might have transit needs. Now there is growing awareness that the rural communities represent at least a third of all the people who can be considered transit dependent because of their lack of access to adequate private transportation resources such as a family automobile. I am convinced that rural transportation needs are so much greater than those of our urban brethren. Rural residents are often isolated to the point that public transportation is their ONLY life line or link to

even modest amenities. By modest, I refer to a hot meal once or twice a week; a means to seek medical assistance, buy meager groceries or to wash their clothes. More importantly, a means to seek assistance from social service agencies, to receive training or education, and even to receive dialysis to maintain their existence. Had I been given more time to prepare to talk to you, I could have provided you a pictorial witness to these individuals and a brief narrative of their needs.

KARTS is a coordinated public rural transit system that serves the citizens of a five-county area (Franklin, Granville, Person, Vance and Warren) with a population of 160,000+. We contract with over 25 human service agencies, the local community college, as well as serve the public in general who are transportation needy. With a fleet of 40 vehicles, it requires driving nearly 800,000 miles a year to provide approximately 150,000 trips. While we are in a position to help many, there are still more that need our service. With the initiation of the JOBS program, our capital needs will become inadequate to handle the increase without federal funding assistance. Without our transportation service, how and where will the social service agencies buy or secure transportation to meet the needs for the JOBS program and help to remove these people from dependency on welfare?

Enactment of the Section 18 program clearly demonstrated that mobility needs are real and extensive in rural areas. Provision of public transit outside urbanized areas has grown substantially in the last decade. Despite this dramatic growth, it is estimated that current transit service in rural areas is adequate to serve only about

one-tenth of the basic transportation needs of an isolated and transit dependent population. Reauthorization of the Surface Transportation Act gives us all the opportunity to do something about this deficit.

During the 80's, our federal partner has withdrawn its financial support --- dwindling from 80% to 100% in many cases to no operating assistance, and the reduction in administrative and capital assistance from 20% to 40%. While federal assistance has become less and/or stagnant, costs are skyrocketing (i.e. fuel, capital acquisitions, labor for repair and maintenance). Stiffer mobility requirements is creating our inability to keep up with capital needs.

During the reauthorization, please remember the high priority of the rural needs and the inadequacies of the funding ratio as it is now. The following points, in my opinion, should be included as you analyze and debate the many crucial issues which must be considered as you develop a new federal surface transportation program:

(1) The inequity of distribution of federal resources whereby 2.93% goes to rural and small urban while in reality a more equitable percentage should be proportionately closer to the actual rural/urban population split.

(2) I believe rural isolation is more damaging than urban isolation since it is often impossible for rural citizens to access medical services, jobs and even to training and education.

(3) The American Disabilities Act (ADA), I feel, impacts costs that are unfair and unattainable. The 40% increase to the cost of every transit vehicle is an unnecessary requirement when our our present percentage of mobility equipment meets the present need with prior scheduling. Who will finance that additional cost??

(4) Please consider more human service coordination. While KARTS does a good job in this for our area, as does most of North Carolina, this is not true in other states. The new Family Support Act, the JOBS program, and HEAD START should be coordinated for maximum cost effectiveness.

(5) More equity should be considered in Mass Transit Account formula. I feel strongly that a higher ratio of our state money should be kept in North Carolina to ensure our rural people can access life lines rather than go to urban areas to decrease commuter time for those not dependent on public transportation.

I believe that a reauthorization of transit programs/federal assistance that includes these elements above listed will give federal transit investment the higher priority that events today demand and that our rural citizenship deserves.

I really appreciate your coming to our state (North Carolina) to hear our concerns, and I do not underestimate the enormity nor the

difficulty of the task before you. I humbly ask that the issues I've raised be considered in your process of reauthorization.

On behalf of CTAA, NCPTA, and myself, thank you for this opportunity to express our views. If we can be of further assistance to you, we offer it eagerly. I will be glad to try to respond to any questions you may have.

Remarks by
The Honorable Avery Upchurch, Mayor, Raleigh, North Carolina

Before the US House of Representatives
Public Works And Transportation Committee
Subcommittee on Surface Transportation Field Hearing

September 21, 1990
Research Triangle Park, North Carolina

Mr. Chairman, Congressman Valentine, Congressman Schuster, Ladies and Gentlemen, I am Avery Upchurch, mayor of Raleigh, North Carolina's capital city. I am pleased to speak to your subcommittee members this morning, based on my experience with transportation issues in one of North Carolina's metropolitan areas. I believe our city's large population, its dominant role in the greater urban and regional setting, and its proximity to state government qualify us to understand the transportation needs of the modern city.

On the one hand our problems are based on magnitude: urban congestion, safety, air quality. On the other hand the problems relate to the legislative process: highway funding and the flexibility of regulations concerning that funding.

What are the highway concerns of the modern city? Our experience shows several, including

- making accurate needs projections in the face of shifting demographics
- a growing gap between urban jobs and existing transportation systems for suburban areas
- increased urban and suburban congestion
- growing maintenance needs as capital projects reach the end of their design life
- rising public transit operating costs, and
- federal mandates for transportation programs to reduce air pollution.

We know that these problems are to be solved in the context of fewer federal transportation dollars. Certainly, we can make the case for more federal funding. North Carolina is among the most populous states in the nation. We have the largest network of state-maintained highways in the country. We are doing so much to meet national goals on our own and we're raising taxes to do it. Yet we continue to be a donor state in terms of transportation dollars sent to Washington compared to program dollars returned to Raleigh and its sister cities across the state. Equity alone demands that some way be found to more adequately match need with resources available.

We have already made and won the case for more state and local spending. We have just embarked on a major highway building program in North Carolina that will infuse more than $9 billion in new money over the next several years for important highway needs in the state. North Carolina cities and towns spend more than $283 million annually on streets and transportation. This is over and above the $80 million they receive from state gasoline tax funding, so you can see that the local investment is substantial.

What we need now is a partner, not only in funding but in understanding the program needs we have.

We encourage a major increase in highway funding if that can be accomplished within the context of managing the federal deficit reduction. Those numbers are really up to you. But the way we see it, it's really quite simple. Infrastructure improvements increase the country's productivity in greater proportion that the dollars spent. The continuing concern over the short-to-mid term economy may factor into the need for this program. [I will offer one small piece of advice as you determine where money can be found to fund highways. It will be difficult to convince most people of the need to raise additional, new transportation tax dollars before the billions of Highway Trust Fund tax dollars are spent down.]

FUNDING FLEXIBILITY

Almost as important as funding is to us at the local level, is a problem that Congress can more easily address: providing flexibility in spending the federal funds you provide. Nothing is more frustrating to officials and citizens, or makes a centralized government appear more ineffectual, than to have money available that cannot be spent on obvious needs. To offer a lug wrench to a traveller who is out of gas is foolishness at its height.

Mr. Mineta, you have been a mayor and you know the importance of funding flexibility at the local and state level. If the Congress truly wants to improve transportation, make that funding flexible like a block grant. Make it so we can spend it with local needs in mind, so long as we satisfy you that we are meeting the national goals you have set out. Don't pigeon-hole the money so that it must be spent on lower priority needs just to meet standardized goals.

The block grant concept is more in line with the realities of transportation needs funding throughout the country. You cannot expect the variety of circumstances in size, needs, and investment to be met by a single national program that targets its funding in such a narrow way. I feel your emphasis should be more on meeting the goals, not so much in how the goals are met.

Current highway funding categories are too restrictive and do not correspond to where local officials know and understand the problems are. I urge you to let us match the funds with the problems. If we are allowed to do this, we can better meet the problems of congestion, safety, and air quality, with solutions like outer beltways, pollution controls, urban and rural access roads and the like.

CONTINUE THE MPO PROCESS

You've heard of the 3 Rs, let me mention the 3 Cs. We enjoy an excellent relationship with the state DOT in the 3 C planning process: continuing, comprehensive and cooperative planning as it is known. As chairman of my own area's Transportation Advisory Committee I can speak directly and earnestly for the value of this process. I believe in the fundamental responsibility for transportation planning and decision-making being placed at the state and local level.

In North Carolina, we have had a good experience with the Metropolitan Planning Organization (MPO) process. This process has brought all transportation actors together to develop and agree on priorities, plans, work programs, and improvement schedules. The federal government should continue the MPO, and ensure that transportation plans support both local objectives and satisfy local needs.

SUPPORT URBAN CONGESTION MANAGEMENT

Along the same lines I have discussed with this theme of flexibility, we support the preliminary urban congestion management system proposed.. For a populous city like Raleigh, where we function as the major metropolitan hub for this part of the state, we encourage the flexibility outlined in this plan. We feel that it will help us relieve congestion, air pollution, and reduce energy consumption by recognizing locally-determined practical applications and technological solutions to problems. An example of this flexibility as applied to energy savings is the opportunity to pay for a highway interchange instead of a highway intersection.

In conclusion, we **WOULD LIKE** more money with fewer strings. What we **MAY GET** is more money with more strings. But if you decide to **KEEP** the money...then **KEEP** the strings.

Thank you for this opportunity and good luck in your deliberations on this important bill.

TESTIMONY OF

FRANK E. WILLIS

CAROLINAS ASSOCIATED GENERAL CONTRACTORS

Presented to the
Surface Transportation Subcommittee
United States House of Representatives
September 21, 1990

Reauthorization of the Post-Interstate
Surface Transportation Programs

Regional Field Hearing at
Microelectronics Center of North Carolina
Research Triangle Park
Durham, North Carolina

Carolinas Associated General Contractors
1100 Euclid Avenue, Charlotte, North Carolina 28203-4522

Mr. Chairman, Members of the Subcommittee and Ladies and Gentlemen. My name is Frank Willis of Willis Construction Company in Florence, South Carolina. Willis Construction Company is a small family held business engaged in highway construction. I am past president of Carolinas AGC and current Highway Division Chairman of the Associated General Contractors of America. Carolinas AGC represents more than 3,600 firms that perform more than eighty percent of the Carolinas construction of highways, bridges, commercial buildings, industrial and municipal utility facilities.

Carolinas AGC appreciates the opportunity to express its views on the major issues facing the nation in surface transportation. As the nation's leading construction trade association, AGC is vitally concerned with adequate investment in our nation's surface transportation infrastructure to provide the foundation for continued economic prosperity and international competitiveness. AGC applauds this Subcommittee for scheduling this regional hearing in the Carolinas and getting on with the important task of reauthorizing the nation's highway and mass transit programs.

Recognizing that construction of the Interstate Highway System will be essentially complete in the early 1990s, America is at a crossroads with regard to its future transportation policy. In March of 1989 AGC adopted a series of policy recommendations relating to future surface transportation legislation. Following is a discussion of some of the major issues and policy recommendations which AGC believes should be considered as part of the future surface transportation legislation.

AGC believes that transportation infrastructure is at the very heart of what makes this country thrive and prosper. Over the past 30 years the gross national product of this country has grown over 1,000 percent, nearly double the increase of the previous 30-year period in our history. Several factors account for this growth. One factor, highway development, stands out above all others. America has grown and prospered from the mobility provided by the nation's highway transportation system, in general, and specifically the Interstate Highway System. A look at the role of our highway system in our economy will show the magnitude of its effect on current and future economic development.

- 89.5 percent of all personal travel is on highways;
- 82 percent of all freight revenues are carried on highways; nearly every product manufactured or consumed in this country is, for a portion of its journey from production to market carried by truck; and
- 85 percent of America's workers commute to work by private vehicle.

Clearly, highways play a vital role in our economy. No commercial, industrial, retail, or residential development would

have been built in a location that did not provide for an adequate highway system to support it.

As development patterns have changed, highways have played an even more important role in this country. Development over the past 20 years has shifted substantially to suburban growth centers. Suburban employment currently accounts for 60 percent of metropolitan jobs, 47 percent of all job destinations, and 67 percent of all job growth in this country. America is increasingly working in commercial buildings, industrial complexes, and shopping centers in suburban areas. None of these suburban developments would have been possible without an adequate highway transportation system serving them.

Increasingly, communities around this country are recognizing the critical link between highways and economic development. Recently, North Carolina voted a multi-billion dollar road development program designed to support the state's rapid economic development. A critical factor in the tremendous building boom in the suburban Washington, DC areas of Fairfax County, Virginia, has been access to highway transportation. This same link between highways and building is being played out in growth areas across the country.

Unfortunately, some tend to take our highway system for granted. Indeed, like other aspects of our nation's infrastructure, some rarely acknowledge the vital role that highways play in their daily lives, until the highway system breaks down.

There are already signs our highway system is wearing out. The tremendous highway investment made over the past 35 years has been a great success. Our highway network has carried traffic far beyond its design life, as Americans have enjoyed the rewards of mobility unknown to most of the rest of the world. This success, however, has taken its toll as we fail to adequately reinvest in our highway system. Many portions of the Interstate system are in need of repair and reconstruction; nearly 50 percent of the nation's bridges are structurally deficient or obsolete; and congestion on urban freeways is increasing at an alarming rate.

A central question facing the Congress as it begins to develop its future surface transportation legislation is how to ensure adequate investment in the nation's transportation infrastructure to meet current and future demands for economic growth. AGC believes that this nation is seriously under investing in its transportation infrastructure, at a great cost to the nation in

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lost productivity, jobs, and international competitiveness. The nation's transportation system is the arterial system by which the country's economic development is nurtured and supported. If the people of this country, both public officials and private citizens alike, continue to ignore the construction and rehabilitation of this nation's highways, the congestion in the nation's airports and airways, our nation will pay many times over in lost economic opportunity now and in the future.

AGC urges the federal government to assume the necessary leadership role to promote adequate transportation capital investment by all levels of government.

Statistics show that US spending on public works projects has declined significantly as a percentage of total governmental expenditures. In 1950, 19.1 percent of government expenditures went to public works, by 1984, the figure dropped to 6.8 percent. This comes at a time that US motorists experienced over 700 million hours of delay on highway -- wasting nearly 3 billion gallons of gasoline as a result. The projected congestion of 3.9 billion hours of delay by 2005 is staggering.

The most in-depth analysis of highway needs was performed in 1988 by the American ASsociation of State Highway and Transportation Officials (AASHTO). In their report entitled "The Bottom Line -- A Summary of the Surface Transportation Investment Requirements 1988 - 2020", AASHTO identified annual highway capital investment needs, by all levels of government, of up to $58.5 billion between now and the year 2020. This compares with highway capital spending in 1987 of only $31 billion.

As a follow-on to the Bottom Line report, AASHTO developed and published policy recommendations in a report entitled "New Transportation Concepts for a New Century". While there are a number of policy recommendations contained in that report that are worthy of this Subcommittee's consideration, AGC would like to particularly highlight their recommendation to significantly increase federal funding for the nation's highway program. AASHTO is recommending that highway spending be set at $17.6 billion in FY 1992 increasing to $25.9 billion by FY 1995. As the Subcommittee is aware, highway spending this fiscal year was just over $13 billion.

AGC believes this recommendation recognizes the need to significantly increase highway investment by all levels of government and continues the strong federal role necessary to preserve the nation's Interstate Highway System and meet the other

pressing highway and bridge needs. The proposal further recognizes that the federal-aid highway program is a partnership between the federal and state governments, and attempts to maintain the current balance of financial responsibilities by continuing the traditional 40 percent federal share of meeting highway capital needs. In the context of overall expenses -- capital, maintenance and operation costs -- the AASHTO proposal will require states to finance 75 percent of the future highway system requirements. Recognizing that states need some time to develop projects and to come up with matching funds, the proposal phases in growth of the program.

AGC applauds the work of AASHTO as part of the Transportation 2020 program and encourages the Congress to consider AASHTO's policy recommendations on future funding as a sound basis on which to begin debate and build the future legislation.

The challenges facing this country in transportation are immense, but not insurmountable. The federal programs supporting the nation's surface transportation are basically sound, providing a solid framework to address the challenges of the future. As the Subcommittee considers the future surface transportation legislation, AGC believes there are a number of important concepts of the current program which are critical to the success of surface transportation programs in the future. The most critical of which is the user fee - trust fund concept. The trust fund concept has long been recognized as a reliable and stable financing mechanism for infrastructure investment. Several key features of the trust fund are largely responsible for its success. First it is user-fee financed -- the nation's highway transportation system is paid for only by the user. The more you use the system the more you pay. The public support for the highway program has remained strong primarily because the traveling public receives a direct benefit from the money it pays in user fees. Another key aspect of the trust fund is that it provides a stable and reliable financing mechanism on which a successful, major capital investment program must depend. A typical highway project may take 7 to 10 years from the planning stage to completion. Proper planning for the transportation needs of the future requires that a dependable source of revenue will be available to finance the needed improvements when they are ready for construction. The multi-year authorization process and contract authority are critical ingredients to permit for this long term planning and assure the highway program's success.

AGC strongly recommends that Congress continue and strengthen the highway user fee financed trust fund.

Frank Willis Testimony before
House Surface Transportation Subcommittee
September 21, 1990

AGC recognizes the need, highlighted by the current Middle East crisis, for a national energy policy. It is obvious we must develop alternative fuel systems which may jeopardize our current motor fuel tax dependency for highway improvements. Today, gasohol users pay only one-third of the normal 9 cent per gallon federal tax. In effect, highway users of gasohol are not paying their fair share to build and maintain the system they are using. AGC strongly supports our nation's energy independence, however subsidies for alternate fuels should not be placed at the feet of the highway user.

We recommend that Congress reject proposals to increase motor fuel taxes for deficit reduction or other non-transportation spending. We support Congressional efforts to increase funding for the nation's highway system by spending down the trust fund balance and elimination of the highway use tax exemption for gasohol and other alternate fuels.

Both North Carolina and South Carolina continue to send more transportation dollars to Washington than is returned. North Carolina ranks near dead last in the donor category. The current national highway program, through its maze of funding categories and antiquated distribution formulas, denies some of the most populous and fastest growing states of a sufficient share of federal funds to address highway needs created by that same growth. Carolinas AGC supports the minimum allocation to donor states and recommends that a more equitable variables be included in apportionment formulas that would address vehicle miles of travel, fuel consumption and miles of state system routes. Carolinas AGC also urges Congress to support a concept of two major highway programs: a categorical program to support a highway system designated as national significance and a flexible program to be used at the discretion of the states to address highway needs not a part of the national system.

While the trust fund mechanism has worked well in funding transportation programs, the current budget process inhibits the expenditure of the trust fund receipts for their intended purpose. AGC views the trust fund and the highway program in the context of an ongoing capital investment program which should be subject to different rule than the current budget allows. AGC believes the manner in which the transportation trust funds are treated in the budget process needs to be modified.

The budget problems which have faced this country since the late 1960's, however, have had a detrimental effect on the ability of the federal government to let the trust fund work in the manner

in which it was intended. Since 1969, artificial spending restraints have caused the Highway Trust Fund balance to grow dramatically to a current balance of over $15 billion, including the mass transit account.

A first step in addressing this issue would be to expend the trust fund balances for their intended purposes. Since the trust fund receipts can be used for no other purpose than transportation, bankrolling these trust funds is not only a breach of faith with the transportation users of this country, but is merely postponing work that should be done now to prevent more costly repairs later.

A longer term solution to this issue is to take the trust funds out of the unified budget. These programs have not contributed to the deficit. The large cash balances are the very proof of that. The user-fee financed transportation programs of this country should be funded at the level their trust funds can support. The receipts should not be loaned to other programs while vital transportation needs of this country are neglected.

AGC continues to endorse the House Public Works and Transportation Committee's Initiatives to take the transportation trust funds out of the unified budget process.

In closing, AGC acknowledges that the Congress faces a tremendous challenge in balancing priorities in the reauthorization of the post-interstate surface transportation legislation. Only when transportation is given top priority can we as a Nation begin to address our transportation needs to ensure future growth, competitiveness and strength.

Thank you again for the opportunity to appear before you today.

FLORIDA DEPARTMENT OF TRANSPORTATION
605 Suwannee Street, Tallahassee, Florida 32399-0450

Testimony of
Harold W. Worrall, P.E.
Assistant Secretary for Finance and Administration
Florida Department of Transportation
605 Suwannee Street, MS 57
Tallahassee, Florida 32399-0450
(904) 488-3054

before the
Subcommittee on Surface Transportation
Committee on Public Works and Transportation
U.S. House of Representatives

Friday, September 21, 1990
Durham, North Carolina

Thank you for the opportunity to testify concerning the future of the Federal-aid Surface Transportation program and related issues. I am pleased to be with you today representing the Florida Department of Transportation.

At the outset, I wish to commend the Surface Transportation Subcommittee on its willingness to conduct a regional field hearing in the southeastern portion of the United States. During the upcoming reauthorization of the Surface Transportation Act, the diverse needs of all states, including those in the southeast, must be addressed in an equitable fashion. We at the Florida Department of Transportation are hopeful that today's hearing will serve as a vital step toward achieving this important goal.

The Federal-aid surface transportation program is one of the most important programs in this nation. Since its origin in 1916, and particularly with the creation of the Interstate Highway system in 1956, the Federal-aid highway program has had a profound affect upon life in America. Likewise, the federal involvement in transit programs, which began in 1964, has proven to be essential to the preservation of public transit service throughout the country.

But today, American transportation stands at a crossroads. As a variety of international events have demonstrated over the past year, the world is changing dramatically and the United States must change with it. Programs designed for the 1950's simply won't serve America in the 1990's and beyond. It's time for innovative thinking to modernize the national transportation program.

Over the next year, this Committee will have the opportunity to help frame the most important transportation legislation in nearly 40 years. It is critically important that in the new federal legislation our nation's transportation system will be afforded the ability to keep pace with the expanding needs of growth states like Florida. Significant change in Federal funding formulas and program structures must be brought about. Next year's Surface Transportation Act reauthorization provides the vehicle for this vital change.

Florida has documented its recommendations for some of these proposed changes in a brief report entitled "Transportation 2020: Ideas for the 21st Century.....Florida's Future Depends On It." This report, which accompanies my testimony today, makes three basic recommendations and then provides a rational justification for each.

These recommendations were not devised in a vacuum, nor within the narrow scope of Florida's geographic limits. Rather, they were developed in concert with state transportation officials from around the nation.

These 3 recommendations are of such fundamental importance to the improvement of American transportation that they could quite appropriately be referred to as the **"3 R's of Transportation."** Instead of the traditional grade school "Reading, 'Riting, and 'Rithmatic," these "3 R's are **"Raise, Restructure, and Revise."**

First: Raise transportation funding over a period of years by reducing the balance in the Federal Highway Trust Fund.

The existing anti-deficit provision of the Trust Fund, known as the Byrd Amendment, will ensure that spending down the uncommitted balance of the Fund will not jeopardize its financial solvency. According to a 1989 report by the U.S. General Accounting Office, Federal highway commitments could be increased by $7.4 billion without violating the Trust Fund's protection provisions.

Second: Restructure the overall federal transportation partnership and program to use more efficiently whatever level of federal funding is available. We firmly believe that the 60 or more current Federal funding categories should be consolidated into a more focused and greatly simplified program.

The Florida DOT joins the American Association of State Highway and Transportation Officials (AASHTO) in advocating a two-tier surface transportation system.

The first tier is a highway "system of national significance." This system would be designed to meet the principal interstate commerce and mobility requirements of the nation.

The second tier is a "flexible" highway program. This element is intended to give state and local governments the flexibility to meet their distinct highway needs. The focus would be on urban mobility, suburban commuting, rural access and modal interlinks.

Third: Revise the current formulas which disperse transportation funds to the states to more accurately reflect today's transportation needs, and provide greater equity in returning tax payments to the states where they are collected.

Because allocation formulas direct the distribution of transportation money, they are the key to the entire program. Consolidation of programs into two categories would be a giant step in the right direction. But without revisions in the allocation formulas, the merging of federal programs could render the present formulas even more obsolete and unfair.

Unbelievably, some of the present highway funding formulas are still based on such antiquated factors as rural postal delivery route mileage. This remnant of the 1920's may have made sense seventy years ago when the Federal government was primarily concerned with getting the farmer and the mailman out of the mud, but it clearly doesn't in today's world.

Simply put, the new emphasis must be on easing traffic congestion in our urban areas and moving commerce between our cities. Therefore, we support AASHTO's recommendations for revised Federal funding formulas. Florida, along with several other states, have also advanced the AASHTO process one step further by advocating a specific allocation formula. The short "white paper" entitled "Federal Highway Financing, 'Who Gets What'," also included with my testimony, provides further explanation of this recommendation.

While we do not claim to have arrived at the "perfect" allocation formula, our formula does provide a rational and equitable method for distributing Federal Highway Trust Fund dollars. However, like beauty, equity is often found in the eye of the beholder. In view of this fact, the Subcommittee may wish to review the projected levels of Minimum Allocation funds in any of the proposed allocation formulas yet advanced, in order to arrive at a less subjective definition of equity.

Originally created in the 1982 Surface Transportation Act, the Minimum Allocation (MA) supplement now includes some 19 states at an annual cost of approximately One Billion dollars. In Florida's view, the size of the MA program is a clear indicator of the current program's inequity. Consequently, we believe that those proposed formulas which reduce the number of MA states and the total cost of the MA supplement should be logically viewed as being more equitable.

Although formulas proposed by some western states would indeed cut the number of MA states about in half and reduce the cost to the $300-$500 million range, our formula would leave only two MA states with a cost of less than one-half million dollars! In the State of Florida's opinion, such a formula should clearly be considered "equitable." Furthermore, each of the factors used in Florida's formula proposal have a rational basis for determining the distribution federal transportation funds.

Of course, any new formula invites the question of who wins and who loses. We, in Florida, recognize the need for a nation-wide program that seeks to protect the interests of all states, including sparsely populated states. For that reason Florida has endorsed two specific provisions adopted by AASHTO through its consensus building process known as Transportation 2020. These two ideas are: 1.) a provision guaranteeing that every state would receive at least as much in total federal highway funding under the new program as it received in fiscal year 1991 (a "hold harmless"), and 2.) the related concept that each state, including those on "hold harmless," would enjoy some share of total federal highway funding growth.

Having paid $689 million into the Highway Trust Fund in FY 1989, and only received back $355 million in FY 1990 (representing a return of just 52 cents for every dollar sent to the Trust Fund!), we firmly believe it's time for a program that addresses the needs of all states by providing a fairer return on our contributions. Also restructuring of the Federal-aid program is necessary to recognize the unique transportation needs in all states. Clearly, the time has passed when we in Florida can tolerate a program which benefits the few at the expense of the many.

Let's design a new Federal-aid program to match the exciting challenges of the 21st Century. If we are to meet the needs of tomorrow, we need the same kind of boldness present in 1956 when the Interstate System began. A band-aid approach of "patching up" the current programs is simply incapable of carrying us into the next century.

We at the Florida DOT solicit your consideration of and support for the recommendations contained in our testimony and the accompanying materials. We look forward to actively working with you and your staff to enact these important proposals into law.

Thank you again for the opportunity to testify here today.

FEDERAL HIGHWAY FINANCING "Who Gets What"

New funding formulas have been developed for the Post-Interstate federal highway era. This paper explains why they are needed and how they would work.

WHY IS A NEW FORMULA NEEDED?

Attachment A illustrates the complexity of present highway funding formulas. The number of funding categories has steadily increased since the Interstate Highway Program began to more than 60 today. Formulas for distributing the funds among the states are based on factors first used in 1916 such as rural delivery route mileage, intercity mail route mileage and land area. A 1986 report by the General Accounting Office found these factors unrelated to either the extent or use of the federal-aid highway network. Over $1 billion are now distributed annually under the 85% Minimum Allocation program to correct the acknowledged inequity of the other programs.

However, the most compelling need for new programs and new formulas is the impending completion of the Interstate Highway System. If we are to meet the challenges of the 21st Century, we cannot rely on outdated and narrowly focused programs which were designed to meet the national needs of 35 years ago.

Highway Financing

WHAT ARE THE NEW FORMULAS ?

Two new programs are proposed. A program to support a system of Highways of National Significance would distribute 50% of available funding by the following formula:

- One-ninth for proportional total statewide rural lane miles,
- One-ninth for proportional total statewide rural vehicle miles traveled,
- Two-ninths for proportional total statewide urban lane miles,
- Two-ninths for proportional total statewide urban vehicle miles traveled, and
- Three-ninths for proportional total statewide diesel fuel use.

The methodology used in arriving at these factors is included as Attachment B.

A second program funded by the remaining 50% of available funding would be used to address other nationally significant highway needs. Beyond traditional road and bridge construction and reconstruction, this program would also be directed at urban mobility, suburban congestion, rural access, and modal interlinks, that is, projects which cannot be tied to a specific highway network. These funds would be distributed to each state in proportion to the highway user taxes collected from that state.

Highway Financing

WOULDN'T A NEW FORMULA PENALIZE SOME STATES?

Not at all. The following special protections would ensure that no state is penalized:

- Every state would be guaranteed 1/2% of the funds for the system of Highways of National Significance,
- Every state would be guaranteed 85% of its contributions to the Federal Highway Trust Fund,
- A "hold harmless" provision would guarantee ever state that it receive at least as much in total federal highway funding under the new program as it received in fiscal year 1991,
- Every state, including those on "hold harmless", would enjoy some share of the total federal highway funding growth, and
- For those states with large land areas and a small population, a further supplement could be included.

HOW CAN EVERYONE BE A WINNER?

By spending down the balances in the Highway Trust Fund, funding levels can be raised to nearly $18 billion beginning in fiscal year 1992. That will be sufficient to make the proposed formulas work.

WHO FAVORS THESE CHANGES?

Thus far these concepts have been endorsed by state transportation agencies in Alabama, California, Florida, Idaho, Indiana, North Carolina, Oklahoma, Texas and Wisconsin. The proposal is also compatible with the recommendations of the American Association of State Highway and Transportation Officials (AASHTO), although the formula described above is more specific than AASHTO.

Highway Financing

Attachment A

ACTIVE FEDERAL-AID HIGHWAY PROGRAMS AND FUND DISTRIBUTION METHOD

SYSTEM RELATED PROGRAMS

- Interstate Construction - Based on relative share of cost to complete the system
- Interstate Discretionary - Allocation
- 1/2 Percent Minimum Interstate Apportionment- Guaranteed amount
- Interstate Withdrawal and Substitution - 3/4 apportioned and 1/4 discretionary
- Interstate 4R - 55% I lane miles; 45% I veh.mi.traveled
- Interstate 4R Discretionary - Allocation
- Consolidated Primary - 2/9 area; 2/9 rural population; 2/9 rural delivery route mileage and intercity mail route mileage; 1/3 urban pop. OR 1/2 rural pop.; 1/2 urban pop.
- Urban System - Urban area population
- Rural Secondary - 1/3 area; 1/3 rural population; 1/3 rural delivery route mileage and intercity mail route mileage

Highway Financing

NATIONAL SPECIAL PURPOSE PROGRAMS

- Access Highways to Public Recreation Areas on Certain Lakes - Allocation
- Appalachian Development Highway System - Allocation
- Bicycle Transportation and Pedestrian Walkways - N/A
- Bond Issue Projects - Same as source funds
- Bridge Replacement and Rehabilitation - Relative share of total cost of deficient bridges
- Bridge Replacement and RehabilitationDiscretionary - Allocation
- Bridges on Federal Dams - Allocation
- National Ridesharing Discretionary Program - Allocation
- Carpool and Vanpool - Same as source funds
- Combined Road Plan - Same as source funds
- Commercial Driver's License - Allocation
- Control of Outdoor Advertising - Allocation
- Defense Access Roads - Allocation
- Emergency Relief - Allocation
- Energy Impacted Roads - Same as source funds
- Forest Highways - Allocation
- Indian Reservation Roads - Allocation
- Parkway and Park Roads - Allocation
- Public Lands Highways - Allocation
- "G" Funds - Same as source funds
- Great River Road - Allocation
- Highway Related Safety Grants - Statutory formula
- Highway Safety Research and Development - By FHWA and NHTSA
- Rail-Highway Crossings - Statutory formula

Highway Financing

- Hazard Elimination - Statutory formula
- Junkyard Control - Allocation
- Landscape and Scenic Enhancement - Allocation
- Long-Term Pavement Monitoring - Allocation
- 85% Minimum Allocation - Apportioned
- Motor Carrier Safety Assistance Program - Grants and formula
- National Highway Institute - N/A
- New Community Assistance Grants - Allocation
- Highway Planning and Research - N/A
- Metropolitan Planning - Apportionment
- Planning and Research - N/A
- Research and Development Administrative Funds - Allocation
- Strategic Highway Research - Set aside
- Right-of-Way Revolving Fund - Allocation
- Rural Technical Assistance Program - Allocation
- Sliding Scale Rates - N/A
- Special Urban High Density - Allocation
- Supportive Services - Allocation
- Territorial Highways - Limited to 4 territories
- Toll Facilities Pilot - Same as source funds
- Traffic Operations Program to Increase Capacity and Safety - Statutory formula
- Transportation Systems Management Demonstration - Allocation
- Railroad-Highway Crossings Demonstration - Allocation
- Section 149 Demonstration Projects

Highway Financing

Attachment B

EXPLANATION OF FORMULA FACTORS PROPOSED FOR HIGHWAYS OF NATIONAL SIGNIFICANCE

RURAL AND URBAN LANE MILES

Total statewide urban and rural lane miles within a state is intended to reflect the extensiveness — both in rural and urban areas — of the potential network of Highways of National Significance within the state.

RURAL AND URBAN VEHICLE MILES TRAVELED

Total statewide urban and rural vehicle miles traveled is intended to reflect the intensity of usage of the network of Highways of National Significance within the state.

DIESEL FUEL USE

Diesel fuel use data are consistently collected, relatively accurate, and should be used as an indicator of the intensity of heavy truck travel within the state. In the future, it would be preferable to collect data that precisely measure the number and weight of heavy truck travel in each state.

WEIGHTING OF FACTORS

While there is no scientific guidance in assigning weight to the above factors, assigning each a weight of one-third is reasonable.

Since the estimated costs to preserve and improve the nations highways in urban areas are more than twice the costs in rural areas, it is appropriate to weight urban lane miles and vehicle miles traveled more heavily than rural lane miles and vehicle miles traveled.

The following tables are based upon highway program funding levels near $18 billion in fiscal year 1992, and then gradually increased to $26 billion by fiscal year 1995.

Transportation 2020 Ideas for the 21st Century

FLORIDA DEPARTMENT OF TRANSPORTATION
BOB MARTINEZ
GOVERNOR
605 Suwannee Street, Tallahassee, Florida 32399-0450
BEN G. WATTS
SECRETARY

February 21, 1990

The Honorable Members of the
Florida Congressional Delegation
Washington, D.C.

Dear Delegation Members:

Floridians enjoy the freedom and opportunities afforded by our transportation system. Yet, American transportation now stands at an important crossroads. The Interstate Highway System, which began in 1956, is now essentially complete and the present Surface Transportation Act will expire at the end of fiscal year 1991.

More than just an extension of current highway legislation, the next surface transportation bill may well initiate programs which will have a profound affect upon the State of Florida and this nation for the next 30 to 40 years. If our country's transportation system is to keep pace with the growing needs in states like Florida, changes in the transportation funding and program structure **must** occur.

The accompanying document, "**Transportation 2020: Ideas for the 21st Century...Florida's Future Depends On It,**" is a summary of recommendations that the Florida Department of Transportation would like Congress to consider. These policy suggestions are based upon sound concepts developed by state transportation officials from around the country.

We at the Florida Department of Transportation solicit your support for the recommendations contained in this report, and look forward to actively working with you and your staff to make these proposals a reality.

Sincerely,

Ben Watts

Ben G. Watts, P.E.
Secretary

BGW/dc

Transportation 2020: Ideas for the 21st Century ...Florida's Future Depends On It

At the Crossroads

Floridians, indeed all Americans, love the freedom and opportunities afforded by our transportation system. Transportation touches all of our lives and is essential to this nation's economic well-being. However, as Hurricane Hugo and the California earthquake have graphically demonstrated, when the transportation system upon which we are so unthinkingly dependent is rendered inoperable, modern life grinds to an abrupt halt. All of us need to realize that without transportation ... we just can't make a move.

Without transportation ... we just can't make a move.

Today, American transportation stands at the crossroads. The Interstate Highway System is essentially complete and changes in the current federal-aid program will be necessary if our transportation system is to keep pace with our needs.

To meet these needs, Florida recommends:

Changes in the current program will be necessary to keep pace with our needs.

1.) The current formulas which disperse transportation funds to the states be revised to more accurately and equitably reflect today's needs.

2.) The overall federal transportation partnership be restructured and changes to the existing program be made to more efficiently use whatever level of federal funding is available.

3.) The balance in the Highway Trust Fund be reduced by making increases in the levels of federal transportation funding over a period of years.

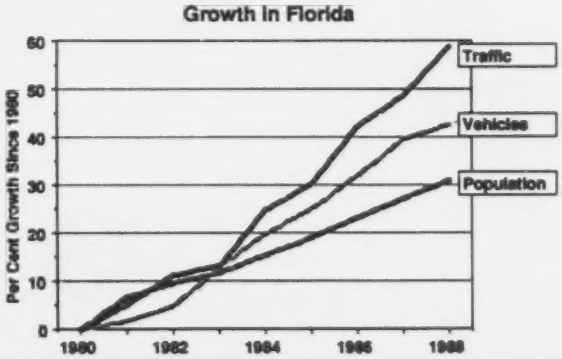
Ideas for the 21st Century

Transportation Challenges For Florida and America

Until the early 1970's, Florida's transportation system generally kept pace with needs. Then rapid population growth, changing demographics and new development patterns combined to strain the system. During the past decade, Florida's transportation challenge has grown even more acute. Here's why:

- Florida now has almost 13 million residents and more than 37 million annual visitors.
- In the past decade, automobile registration increased 52 percent, and for every 10 residents Florida now has 12 automobiles.
- Travel on state highways increased 50 percent, but the State Highway System grew only 9 percent in total lane miles.
- Two thirds of Florida's residents now live in urban areas with over 50,000 residents.
- Six of the top 10 growth areas in the nation are in Florida. Most of this growth has occurred in the suburbs, not in central cities.

Florida 's Transportation Challenge.



Ideas for the 21st Century

The national transportation system is a complex, dynamic network of facilities, operations, and management practices. This system of moving people and goods is essential to domestic productivity, international competitiveness, and our quality of life. Transportation accounts for 15 percent of national employment and a substantial portion of the cost of consumer goods. Investments in the transportation system are enormous; it consumes in all its aspects more than $800 billion annually — nearly 20 percent of the gross national product. Our investment in this system must be protected.

Our investment must be protected.

Need for New Federal Legislation

On September 30, 1991, the federal surface transportation program will expire. Over the next several months the Congress will begin deliberating the reauthorization and funding of possibly $90 billion for a 4 to 5-year federal highway and mass transit program. As traffic congestion escalates and highways and bridges continue to wear out, there is considerable debate about the appropriate governmental roles and funding structure for surface transportation programs.

On September 30, 1991, the current program will expire.

The Florida Department of Transportation, like many in the national transportation community, believe that a new national program is needed to preserve and expand the current highway and public transportation system. This new program would put into place the transportation system on which Florida's future growth and the nation's vitality will depend.

Ideas for the 21st Century

The Interstate Highway System

Beginning in 1916, the federal highway role has been to emphasize capital investments, that is, federal money distributed to states and local governments to help them administer capital investments in roads. Since 1956, the cornerstone of federal highway involvement has been construction of the Interstate Highway System.

Cornerstone of federal involvement . . . the Interstate Highway System.

Of the Interstate System's 42,795 miles, 42,291 miles (or 98.8 percent) were open to traffic as of June 1989, according to the Federal Highway Administration (FHWA). In Florida, 1,391 miles of Interstate are now open to traffic and the remaining 66 miles are under contruction.

Now, with construction of the Interstate system approaching an end, the federal role must be reexamined. The need to reauthorize the surface transportation program and the completion of the Interstate system affords an excellent opportunity to rethink the mission of federal surface transportation programs. Clearly, we must choose the next program carefully, for we'll set a course that may well guide us for the next three to four decades as the Interstate program has since 1956.

We must chose the next program carefully... it may guide us for many years.

Ideas for the 21st Century

The Federal Transportation Role For Tomorrow

In designing a future transportation program, we must recognize that issues have changed over time. The transportation issues that Florida and the nation faced in the past are not the same as those it must face today and tomorrow. America, and particularly the State of Florida, are facing tremendous challenges which require reexamination of traditional governmental roles.

Instead of the current practice of spreading federal aid among numerous categorical programs, Florida advocates a redesigned, simplified federal program. In agreement with the recommendation made by the American Association of State Highway and Transportation Officials (AASHTO), of which the Florida Department of Transportation is an active member, we propose a two-part system for both highways and transit in which the present complex system of highway categories would be reduced to two:

A highway System of National Significance — limited in size but powerful in purpose.

1.) A highway System of National Significance (SONS) — limited in size but powerful in purpose — to serve the principal interstate commerce and mobility goals of the nation. Composed of existing Interstates and some principal arterial highways, SONS is intended to be a state designated, federally approved, national system that is expected to focus on a 150,000 to 180,000 highway system. In cooperation with the U.S. Department of Transportation, each state would designate its statewide portion of the SONS based upon criteria that reflect national objectives.

A Flexible Highway Program — aimed at providing a flexible capacity to meet distinctive needs.

2.) A Flexible Highway Program (FLEX) — aimed at providing state and local governments with a flexible capacity to meet their distinctive highway needs — focused on urban mobility, suburban commuting, rural access and modal interlinks. It is designed to

grant funds to the states for rural and urban highway needs beyond the SONS and to state and transit agencies to meet public transportation needs.

Replacing the 60 or so current funding categories with two possessing flexibility for transferring funds between them is a major benefit of the proposed two-part system.

Florida concurs with AASHTO's recommendation that federal funds should be distributed half to the SONS program and half to the FLEX program, after providing for a modest discretionary bridge program, emergency relief, and federal lands roads programs. To further accommodate differing needs among the states, the proposal is that up to 20 percent of a total state allocation may be shifted either way between the SONS and the FLEX programs.

Replacing the 60 or so current funding categories with two is a major benefit.

Transit

Under the new transportation proposal, the basic transit program would remain unchanged. However, the growing balance in the Mass Transit Account of the Highway Trust Fund would be distributed to state and local governments by a new formula providing maximum flexibility to improve personal mobility through the public transportation mode which best meets a community's needs. In addition to traditional bus and rail transit projects, formula funds could be used for high occupancy vehicle (HOV) lanes, traffic signal improvements, system management measures focusing on ride-sharing and transit, and commuter rail capital improvements.

Ideas for the 21st Century

Accountability

The new federal-aid transportation program should assure the Congress that federal funding improves the performance and capacity of the nation's transportation system. Florida recommends that improvements to the system be measured using four principal transportation management plans:

The new program should assure Congress that federal funds will improve the nation's transportation system.

- A pavement management plan,
- A bridge management plan,
- A safety management plan, and
- A congestion management plan.

Each state should prepare and adopt those plans using criteria appropriate to its particular circumstances. The planning process should recognize the need for diversity among the states. The plans should be dynamic, multimodal, and strategic in character; should substitute for other program controls and should be amendable without sanctions. This approach would be an effective and efficient way to assure state accountability to Congress.

Funding Levels

AASHTO recommends that the federal highway program be increased from its current $13 billion level to near $18 billion in fiscal year 1992, and then be gradually increased further to $26 billion by fiscal year 1995. This can be done without new federal revenues until 1994 or 1995 if Congress will invest or "spend down" part of the Highway Trust Fund balance, and repeal the gasohol tax exemptions.

Highway "user" revenues must be preserved for transportation purposes.

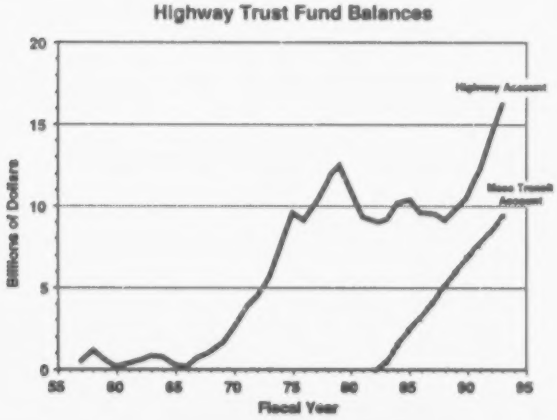
The State of Florida has opposed in the past any national gas tax increase to help reduce the federal deficit and continues to do so today. While the federal deficit is an undeniably serious problem, highway "user" revenues must be preserved for transportation purposes.

Ideas for the 21st Century

Although we recognize the benefits of improving federal transportation funding, Florida questions the need for a federal gas tax increase for transportation purposes until the Highway Trust Fund balance is reduced.

Florida questions a federal gas tax increase for transportation until the Trust Fund balance is reduced.

It should be understood that the new transportation proposals contained in this document are essential regardless of program funding levels. The proposed structural changes to the transportation program should not be contingent upon expanded federal funding levels. However, the new program would clearly be more beneficial to the economic well-being of Florida and the nation if current federal funding levels were augmented by yearly reductions in the Highway Trust Fund balance.



The anti-deficit provisions of the Trust Fund, known as the Byrd Amendment, will ensure that spending down of the uncommitted balance of the Highway Trust Fund is a prudent public policy. A 1989 report by the U.S. General Accounting Office (GAO) found that highway commitments could be increased by $7.4 billion without violating the Trust Fund's protection provisions.

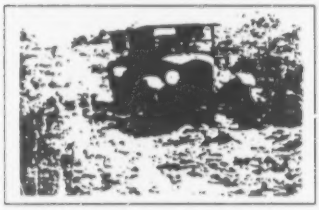
Ideas for the 21st Century

The new federal-aid transportation program should encourage creative financing for high-cost capital projects, such as advanced construction funding, toll provisions, and multi-state compacts.

Allocation Formulas

With the advent of new transportation ideas for the 21st Century, the hodge-podge of current federal highway programs will need to be streamlined to meet the challenges of the rapidly approaching new Century. In consolidating the federal programs and reshaping them to respond to new national goals, many of the old formulas which allocate federal funds to the states will become even more obsolete. Some of the present formulas (based on factors such as rural delivery route mileage) are more attuned to the 1920's goal of getting America out of the mud, rather than the 1990's objective of getting us out of a traffic jam.

New formulas for the program must be created.



1920's . . . out of the mud

1990's. . . out of the traffic.

Ideas for the 21st Century

A 1986 report by the GAO evaluated the factors used to distribute federal highway funds. Two of these factors, land area and postal mileage, have been used since 1916 and were found to be unrelated to either the extent of the federal-aid highway network or its use. Nowhere are these factors more outdated than in Florida.

The program should not be based on concepts from the early 1900's without reaffirmation of their validity.

Our transportation systems have undergone dramatic changes since 1916 with the explosion of automobile usage and the changes in the mass transit, railroad and aviation modes. A program for the 1990's and the 21st Century should not be based on the concepts of the early 1900's without a clear reaffirmation of their validity.

Constructing new formulas to distribute federal funds for the new streamlined federal programs is a complex, detailed and controversial process. Because it is, some may wish to dismiss it as a detail to be avoided. However, the allocation formulas are the heart of it all because they decide who gets what.

Allocation formulas are the heart of it all ... they decide who gets what.

SONS Funding

It is Florida's view that funds for the System of National Significance (SONS) should be based upon factors which correlate well with direct national interests. This is vitally important as it would maintain the policy basis for the definition of the SONS. Florida supports AASHTO's recommendation that the SONS allocation formula use total statewide urban and rural vehicle miles of travel (VMT), total statewide urban and rural lane miles, and "other appropriate factors" for the state-by-state distribution of federal funds.

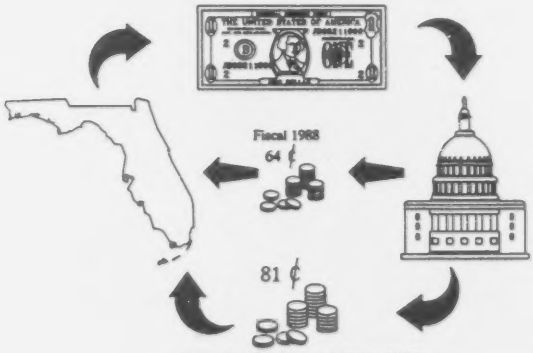
Ideas for the 21st Century

AASHTO did not indicate what these "other appropriate factors" should be. However, with commercial truck travel being a dominant feature behind the economic and interstate commerce goals for the SONS program, Florida believes that factors which indicate the intensity of heavy truck travel should be given significant weight in the SONS allocation formula. Therefore, diesel fuel use, which is a relatively accurate and consistently collected data factor, should be used to indicate commercial truck travel. Florida recommends that diesel fuel be an "other appropriate factor" used in this formula.

As a 'donor' state, Florida wants a better return on our transportation investment.

This formula should be weighted in such a way as to meet new needs, maintain equity, allow flexibility, and avoid sudden disruptions in the current program. In addition, having long been a "donor" state where significantly less than $1.00 is returned for every $1.00 in transportation taxes paid to the Federal government, Florida is vitally interested in ensuring a more reasonable return on our transportation investment. The formula on the following page is carefully crafted to achieve both objectives.

FLORIDA'S RETURN FROM THE HIGHWAY TRUST FUND



Ideas for the 21st Century

Specifically, Florida proposes an allocation system which would distribute:

- Two-ninths of the funds based on total statewide rural lane miles and VMT;
- Four-ninths based on total statewide urban lane miles and VMT;
- Three-ninths based on statewide diesel fuel con sumption to reflect heavy truck travel.

We believe that this allocation system would work well. Florida agrees with AASHTO's recomendation to include a hold harmless provision (with growth) in the allocation system to ensure equity among the states. To further address the concerns of states with large land area and small population, Florida suggests that Congress may wish to consider providing a "low population density" supplement to the SONS allocation.

The FLEX program would return 100 percent of our transportation investment.

FLEX Funding

For the FLEX program, AASHTO recommends and Florida agrees that a donor/donee relationship be avoided. Rather, the FLEX funds would be wholly allocated to each state in proportion to the highway user contributions to the Federal Highway Trust Fund that are attributable to each state. Therefore, under the FLEX program Florida's return of its transportation investment would be 100 percent.

Ideas for the 21st Century

Conclusion

Today Americans enjoy the convenience and economic benefits of a transportation system second to none. This system was made possible largely through a long standing cooperative federal, state, and local government partnership.

The new economic world is vastly more competitive than ever before. A high quality, highly efficient transportation network is needed for a competitive state and nation. Such a network is essential to giving the American people their mobility, and the ability to ship the American materials and products necessary to maintain our quality of life. Good transportation alone is not the only answer; but without it America cannot be competitive.

Our country now has a choice. With some effort and planning, we can successfully guide ourselves into the future. But we must act today to be prepared to meet the new transportation challenge of tomorrow.

Good transportation isn't the only answer ... but we can't be competitive without it.

We must act <u>today</u> to meet the transportation challenge of <u>tomorrow.</u>

ADDITIONS TO THE RECORD

29 SEPTEMBER 1990

Members of the Surface Transportation Subcommittee of
The United States House PUblic Works and Transportation Committee

Dear Committee Members:

OCT 09 1990

I regret that I was unable to attend your recent field hearing held in North Carolina. I trust you are still accepting input from citizens for your deliberations.

Because of the importance of transportation to the quality of life in the entire nation your Committee has an important opportunity to work on programs which can improve life for millions of citizens. No doubt you have received several inputs which suggest that dependence on the automobile can be related to patterns of development in the nation which in many regions have undercut a sense of community. When people live in one community and work in another it is difficult to establish meaningful connections with their neighbors. For example, should they concern themselves with the quality of schools where they live or should they be concerned about schools their prospective workers attend? To be sure the U.S. is a large and complex nation but from your perspective at the national level you have an opportunity to examine what transportation modes have been found to be useful in fostering cohesive communities.

As a citizen of North Carolina I write to urge you to exert some leadership to help our state become less dependent on the automobile. The NC General Assembly recently passed the largest highway construction package in the state's history, $9.2 million for roads. Some of this package can be useful but what North Carolina desperately needs is to develop transportation not dependent on the automobile. For example, in many of our cities and towns young people have practically no mobility because of the dearth of public transportation. This impediment to freedom of movement generates pressure among young people to get a car. Many take a job in order to buy a car. Some leave school to be able to earn enough to make their payments. It might be that the educational levels could be increased if young people didn't "need" a car.

Part of the record NC highway bill is for loops around urban areas. In reality several of these loops are little more than convenience roads to enable drivers to get from one shopping center to another. Perhaps we have reached a time in U.S. history when congestion might be viewed as positive. It might result in people making more conscious choices of whether this trip is really necessary. It might even lead to people walking to a store and possibly even meeting some of their neighbors on route. Imagine what might begin to occur in our communities if folks knew each other once again.

For me a clear symptom of the overreliance on the automobile in North Carolina is that we have "orphan roads" All over the state

one sees signs announcing that this road has been adopted by X person, business or group. This means that the state cannot afford to cover the costs of keeping the right of way clear of litter. We also see considerable evidence of the state's limited ability to maintain highways built with federal funds, such as I40.

In the past 15 years NC has paid in more than it got back from the highway trust fund. I would hope that if you decide to rectify some of this imbalance you will not tie the funds to roads. Instead I urge you to seriously consider helping North Carolina begin to be less dependent on the automobile. With our climate we could be an excellent location for some model programs for developing the bicycle as a viable mode of transportation. (Note: To my knowledge none of the major highways in the NC highway bill have serious provisions for bicycles.)

Most of our cities do not need more convenience roads. We need help to develop transportation which serves the needs of young people, the elderly and those who do not want to be dependent on an automobile. I urge you to use your good offices to develop some creative ideas for state funding that serves to increase citizens' mobility in such a manner that the programs might contribute to an increased sense of community among citizens.

Sincerely,

Freeman T. Clark
(919) 854-0889

Freeman T. Clark
514 Arrowhead Drive
Greensboro, NC 27410

Member of Greensboro Visions Transportation Task Force 1982-1983

Statement of
THE HONORABLE PETER H. KOSTMAYER

before the
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
SUBCOMMITTEE ON SURFACE TRANSPORTATION

March 23, 1990

Mr. Chairman, I appreciate the opportunity to testify before you and the other members of the Subcommittee on the reauthorization of our nation's surface transportation programs for the post-1990 period.

I asked to appear before the subcommittee, Mr. Chairman, in order to detail for your members an emerging problem that increasingly threatens transportation in my congressional district and many similar areas around the country. I also want to offer what I believe are some specific solutions to the problems in my district which I think could as easily be applied in other areas.

My district, which consists of Bucks and the eastern portions of Montgomery County, Pennsylvania, is among the fastest growing areas in the nation. Both Bucks and Montgomery counties are accessible to New York as well as Philadelphia business centers and are becoming increasingly popular among workers from both metropolitan areas.

The tidal wave of development we have experienced in recent years now is beginning to endanger the very qualities that have brought so many people and businesses to our area. The issues of overdevelopment, loss of open space and environmental protection now top the list of concerns of the majority of my constituents. The infrastructure of the region, in particular our transportation system, has in many cases become overwhelmed.

As dire as this situation is, it is not unique to my region. Suburban areas across the country, from the Northern Virginia suburbs around Washington to Orange County, California, are experiencing an epidemic of traffic congestion. Automobiles have become the dominant, indeed the exclusive, mode of transportation in areas immediately surrounding cities. In the Philadelphia region, traffic congestion is constraining the very mobility that companies sought by moving into the suburbs.

Unlike historical travel patterns, whereby virtually all travel was radial to and from the center of a major city such as Philadelphia, today's patterns are far more dispersed and suburban oriented.

Two major demographic factors need to be recognized to understand this phenomenon. The population of the region has changed. The City of Philadelphia, long the predominant population center of the region, now represents only 40 percent of the population of the five counties of the southeastern Pennsylvania region. Fully 60 percent of the population now resides in the four suburban counties. Similarly, sixty percent of all work travel in the area is now intra-suburban. Second, while the City of Philadelphia continues to enjoy small incremental growth on a very large employment base, the suburban territory has blossomed into major employment communities totally independent of the City of Philadelphia.

Montgomery County actually imports more labor on a given weekday than there are Montgomery County residents who work in their own county. Montgomery County now has the highest employment in the region outside of Philadelphia, and it is projected to have some 544,800 jobs by 2010, compared to 878,000 in Philadelphia the same year! These new suburban employment centers have helped create major road congestion, due largely to the fact that all transportation in the suburbs was expected to be accommodated via the automobile. What actually has evolved is a constricted highway network crying out for alternate mobility systems in the suburban territory in order to reduce exclusive reliance on the automobile for travel.

Mr. Chairman, nowhere has this problem reached greater dimensions than it has in the U.S. 202 corridor, a portion of which runs from Doylestown, PA in my district to Montgomeryville, PA which lies in Mr. Coughlin's district. The traffic volume on the existing roads between the two communities has swelled to dangerous levels. Long delays in the area are commonplace. Many of my constituents have complained that what used to be a ten-minute trip to the grocery store now takes a half-hour or more. The current Route 202 is a two-lane road, and the lack of shoulders and turning lanes creates an extremely hazardous situation. In addition, congestion in the area clearly adds to air pollution in the surrounding communities. What's more, response time for emergency vehicles has been slowed dangerously.

In the early 1970s, the Pennsylvania Department of Transportation recognized the need for a route to take commuters around the local traffic which burdens the existing artery of U.S. 202. In 1972, PennDOT commissioned engineering drawings for a new U.S. 202 freeway that would carry motorists quickly and safely from central Bucks County to eastern Montgomery County. The need for a freeway was confirmed in a second study conducted by the Delaware Valley Regional Planning Commission in 1984. Unfortunately, the cost of the proposed project, about $160 million, prevented any action on the original plan.

In 1987, with the need for a new roadway growing, PennDOT, along with Bucks and Montgomery counties, commissioned the Delaware

Valley Regional Planning Commission to prepare a second examination of ways to manage traffic in the U.S. 202 corridor.

This study has been released in draft form (I have included a copy for your review) and reiterates many of the agency's earlier findings regarding the need for an improved road system. The study concludes that:

-- "without an increase in capacity in the corridor, traffic will continue to increase to highly congested levels on parallel area highways, including Route 202, Upper State and Lower State Roads."

-- "Traffic is sufficient to justify a new road on new right-of-way. Simulations of future conditions suggest that up to 40,0000 vehicles a day will use the new road."

-- Although it may be possible to build the additional needed capacity into the existing roads, the physical improvements such as widening and the high traffic levels on these roads would change their character to the loss of the community. Furthermore, speeds on these roads would be less than on a new road AND THE SAFETY WOULD ALSO BE INFERIOR." (emphasis added)

Because of the cost associated with a freeway, the new study also recommends the construction of "controlled access arterial roadway," a move that the DVRPC estimates would cut the eventual cost of the project from $160 million to approximately $70 million.

Mr. Chairman, along with traffic relief and safety, a well-constructed arterial roadway could provide increased recreational opportunities and protection for certain historical sites that are part of both Bucks and Montgomery counties. For example, the 300-foot right-of-way envisioned by the DVRPC plan would pass near the General Hancock House in Montgomery Township as well as the Glen Garry Farm in Warrington. The proposed buffer zoning around the road would provide protections against encroaching development for both of these historic properties.

Recreational opportunities that might be created in the right-of-way include trail activities such as jogging and bicycling. Such trails have already been incorporated in portions of the Blue Route highway in Delaware County, Pennsylvania.

A broad right-of-way can also serve as a buffer to current and future development, an advantage to the driver who sees a natural and rural environment and to residents who will be somewhat protected from the noise and activity of the road. The building of an arterial roadway, because it will be designed to meet the needs of the local communities, may not create the development pressure provided by a freeway.

I would also like to point out that time is of the essence in this matter, Mr. Chairman. Several aspects of the Route 202 project are time-sensitive. For instance, Montgomery Township has acquired a significant portion of the right-of-way for the new road under an agreement which would allow the lands to revert to the donor if construction is not begun in the near future. Similarly, the right-of-way proposed in the DVRPC plan remains open and accessible in most areas, a situation that is likely to change as development continues in the area.

Mr. Chairman, for all of these reasons: the time-sensitive nature of the project, the need for increased safety and decreased traffic congestion in the area, the recreational and historic preservation opportunities which the project presents, as well as the potential buffer against runaway development, I believe that the proposed U.S. 202 arterial roadway makes a worthy federal highway demonstration project.

Therefore, Mr. Chairman, I would ask the Committee to authorize $1.6 million to fund necessary environmental studies and right-of-way evaluation in the Doylestown to Montgomeryville corridor.

In addition, Mr. Chairman, while I recognize that it has not been the practice of this committee to authorize demonstration projects that involve railways, I would like to bring to the attention of the members a second possibility that could provide relief to our cross-county transportation problems. I believe my proposal would be worthy of consideration should the committee change its historic practice.

SEPTA, the Southeast Pennsylvania Transportation Authority has recently issued a plan (also enclosed for your review) for the establishment of a new passenger rail line extending from the Downingtown area in Chester County to the Morrisville area in Bucks County just south of Trenton, New Jersey. I would like to briefly outline several points included in the SEPTA study.

Like the Route 202 project, the new rail line would go a great distance toward alleviating the intra-suburban travel problems in my district and could provide a model for other areas around the country.

SEPTA currently captures very little of the cross-county market, since the new travel patterns are lateral and SEPTA's network has been built on historic, radial travel patterns. New employment center development has basically followed the pattern of the express highways which have been built in the region. These employment centers are consecutively spaced about 6 to 10 miles apart and stretch from Morrisville in Bucks County to Downingtown in Chester County, roughly paralleling the Pennsylvania Turnpike and part of U.S. 202.

Happily through an accident of history, a predecessor railroad of SEPTA and Conrail constructed a railroad line initially known as

the "Trenton Cut-Off" and currently referred to by Conrail as the "Morrisville Line." This line extends from Downingtown in Chester County to Morrisville in Bucks County. It was initially constructed through suburban farmlands and relatively unpopulated areas, and was designed to move long distance freight (not destined for Philadelphia) on a route bypassing Philadelphia to avoid coming into the congested part of the city and the then-congested railyards. Again, through an accident of history, the Pennsylvania Turnpike and US 202 were developed as major highways which spawned, in turn, major development and employment centers along them.

Today, in a continuous string of employment centers, one can point to Downingtown, Exton, King of Prussia, Norristown, Plymouth Meeting, Fort Washington, Willow Grove, Southampton, Oxford Valley, and the Morrisville/Trenton areas as major beneficiaries of these past public highway investments. These same employment and development centers also happen to be immediately adjacent to this rail line which now rests comfortably parallel to the Pennsylvania Turnpike and part of US 202 for nearly its entire distance. The railroad alignment was built to high speed standards (80 MPH or more) and is virtually free of grade crossings. As a by-pass rail line, there are also virtually no local freight customers.

The opportunity exists now to utilize this rail line as the first "cross county" passenger rail service, interconnecting these employment centers and providing transfer stations with eight of SEPTA's existing rail services for easy employment access, both from distant suburban locations, as well as from Center City Philadelphia and the parts of the region which lie between the Cross-County line and Center City.

With implementation of this "Cross County Metro" service, SEPTA would be able to create a series of transportation centers throughout the region. With a focus upon this particular cross county service, a series of transit centers would provide easy connections to all parts of the region using rail, bus, van or auto, very similar to the concept now in place at the Norristown Transportation Center and at 69th Street Terminal. These major transportation centers would have large park-and-ride lots for traditional commuters, with easy access from major roadways directly into the parking lot, and standardized, easily recognized signage directing auto users to the park-and-ride facility, perhaps even using electronic signage to convey messages on the next scheduled departing trains. In addition, these terminals would be focal points for a local bus system enabling riders to have quick, easy access from the station to the employment centers in the area and also to nearby residential centers, thereby providing mobility without the use of the automobile. Obviously, these transportation centers would also function as a transfer point for rail-to-rail commuters who might be headed outbound from the city and who are changing trains to the Cross County Metro to get to an employment center.

The concept of the Cross County Metro is new to the Philadelphia area and perhaps even now to the United States. However, it is uncannily similar to the very same concept that has been utilized by highway planners in planning beltways around major cities in the United States to foster suburban travel. The Cross County Metro is really this same concept applied to mass transportation, and it can have a far more beneficial effect on reducing road congestion than any other single investment that the public can make. Compact European cities thrive in spite of severely constrained auto use because they have built a network of radial and peripheral transit lines.

One of the most important factors in presenting a case for a Cross County Metro is to demonstrate that, in fact, it is possible to do and is a good economic investment. Therefore, there are two actions which would be helpful in carrying out the planning for this project:

1) A feasibility study to be conducted which would look at the alignment, the demographics, the potential for ridership and its impact upon development along the corridor; and,

2) Preliminary engineering which would establish the guidelines and specifications for the work to be carried out, the design of the fixed facilities that would be needed to run the operation and establish the cost envelope upon which decisions can be made to further the project or modify the project.

These first two steps, when completed, would provide the basis of information upon which long range investment decisions can be made for public transportation in the region.

According to SEPTA, comprehensive package for the above two elements, plus a preliminary Environmental Impact Analysis, would probably run in the $5 million range. Approximately $1.2 million for the feasibility study, $300,000 for the preliminary EIA, and the remainder for the preliminary engineering.

In conclusion, Mr. Chairman, I would like to mention three additional projects that I believe merit the Committee's consideration:

1. Quakertown Area Park and Ride: $300,000 for the 75 percent federal share of a $400,000 Park and Ride facility at the intersection of Route 663 and the Pennsylvania Turnpike. This would include a traffic signal, intersection improvements and a cone-acre parking area suitable for about 100 cars with possible future expansion. (Milford Township)

2. Bensalem (Woodhaven) Park and Ride: This would be a major (federal share estimated at $7.5 million) Park and Ride facility for about 1500 cars. It would be located at the

Woodhaven exit from I-95 and would include rampway work on the I-95 exit to provide access to the Park and Ride as well as work to provide upgrade intermodal connection with the SEPTA rail line at that point. Amount to be requested: $7.5 million for 75 percent federal share. The importance of this project is related to the major work planned on I-95 during the coming decade.

3. Route 413 Improvements from the Newtown Bypass to Bridgetown Pike: $3.75 million for the federal share of projects relating to the completion of the second phase of work now under way on the Newtown Bypass. The project would involve the upgrading of Route 413 from two lanes for the two miles involved.

Attachment 1

SUMMARY

US 202
MONTGOMERYVILLE TO DOYLESTOWN

DRAFT

March 1989

Delaware Valley Regional Planning Commission

The staff of the Delaware Valley Regional Planning Commission has completed an examination, funded by PennDOT and the counties of Bucks and Montgomery, of ways to decrease traffic congestion in the US 202 Corridor in Montgomery, Warrington and Doylestown Townships. The Commission staff has concluded that an additional roadway on a new right-of-way is essential to adequately carry projected traffic without causing major disruption to current residents. Furthermore, if action is begun soon, it is feasible to build this new road without extraordinary cost, relocation of businesses and residences, and disturbance of natural and historic features. An alignment which, on the basis of a preliminary review, appears to meet both traffic reduction and minimization of adverse impact has been selected.

The Need for the Road

As a part of this study and in a previous study undertaken in 1984, DVRPC has examined the impact of future development on traffic levels in the corridor. These studies have been based upon various assumptions of growth in jobs and residents. They have also made assumptions about what other highway improvements will be built. These differing assumptions have meant that no single set of consistent projections have emerged. Nevertheless, in sum the investigations have prepared DVRPC to state some conclusions:

[1] Without an increase in capacity in the corridor, traffic will continue to increase to highly congested levels on parallel area highways, including Route 202, Upper State and Lower State Roads.

[2] The additional traffic is sufficient to justify a new road on new right-of-way. Simulations of future conditions suggest that up to 40,000 vehicles a day will use the new road.

[3] Although it may be possible to build the additional capacity into the existing roads, the physical improvements such as widening and the high traffic levels on these roads would change their character to the loss of the community. Furthermore, speeds on these roads would be less than on a new road and the safety would also be inferior.

[4] Traffic on these parallel roads may eventually return to today's levels, however, even with a new road, because of increases in housing and jobs in the area. The "through-trip" function of the road will decrease but the "local service" function will increase. Improvements on existing area roadways will continue to be needed after any new road is constructed.

Arterial Roadway Versus Freeway

In the early 1970's, PennDOT commissioned engineering drawings for a new US 202 freeway in this corridor. The need for a freeway was confirmed in DVRPC's 1984 study, although this study assumed continuation of the road at the south end to connect with the US 309 freeway. There are, however, several reasons why this new road might better be planned as a controlled access arterial roadway:

[1] PennDOT has limited resources in the foreseeable future. An arterial roadway will be much less expensive than a freeway and so is more likely to be funded than a freeway.

[2] An arterial road will be more useful for short trips, in that its points of access will be more convenient. In this way, it should offer greater relief for existing roads, and therefore have greater utility to corridor residents.

[3] Similarly, the lower speeds associated with an arterial road will make it a less attractive alternative to drivers who currently use more distant roads. A DVRPC analysis showed that a freeway alternative would draw trips away from parallel roads as far away as Old York Road (PA 263) and Souderton Road (PA 113).

[4] Also, an arterial road, because it will do less to enhance the accessibility to the area, may have less tendancy to induce development than a freeway would. Warrington's stated policy of discouraging development in the northern portion of the township should be easier to carry out.

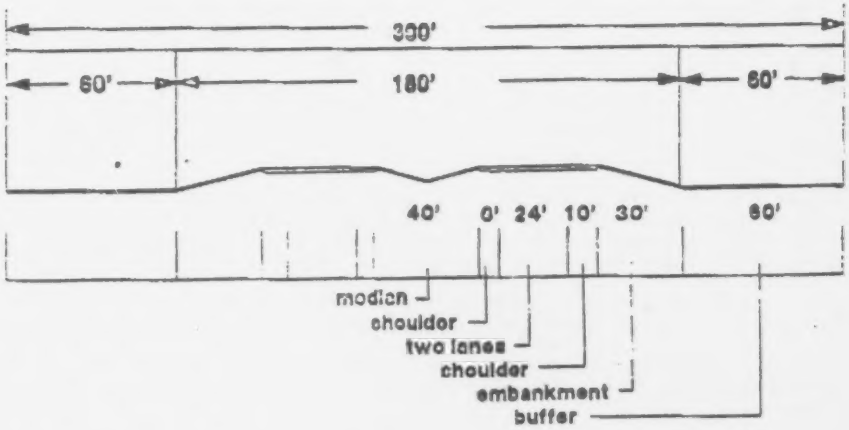
[5] An arterial roadway can be constructed with limited access so that it can be reached from intersecting roads only and not from driveways adjacent properties. If care is taken in its design and control of access, the new road can offer the driver both speed and safety.

[6] Montgomery Township has acquired a significant portion of the right-of-way for the new road which reverts to the donor if construction is not started in the near future. The ability to offer this significant local contribution makes funding more likely and a less costly and less intrusive design of an arterial roadway can be made ready for construction sooner.

[7] An arterial roadway, with its more frequent entry points is less likely to caused undesirable congestion on access roads. Freeway interchanges, on the other hand, are likely to place very large demands on the intersecting roads.

For these reasons, DVRPC recommends that the road be conceived of as a controlled-access arterial highway. A cross section of a 300' right-of-way is shown in Figure 1. It is recommended that this width, which has been used in the Montgomery Township acquisitions, be maintained as a minimum throughout the length of the road. The reserved alignment should have characteristics which could accommodate a freeway if it is later determined to build the road with grade-separated interchanges.

Figure 1 TYPICAL CROSS SECTION



Alignment

The recommended right-of-way will depart from the present US 202 at a point just south of the intersection with Knapp Road. It will then bisect the property being developed by Unicorp (the "Witchwood Tract") and cross PA 309 (Bethlehem Pike) at a point approximately 1500' south of the intersection of Upper State Road. The alignment then crosses undeveloped land between Bethlehem Pike and Horsham Road in a straight line meeting Horsham Road opposite land which has been previously acquired by Montgomery Township. In this section, the right-of-way passes close to the General Hancock house, an historic site.

North of Horsham Road nearly all of the right-of-way has been acquired by the township, although a portion of the acquired right-of-way adjacent to County Line Road will not be able to be used. The path of the road will need to swing to the east in order to avoid St. John Neumann Cemetery in Warrington Township.

The right-of-way will enter Warrington Township just to the east of the cemetery and will run parallel to Stump Road. Near Detweiler Road, the right-of-way turns northward then crosses Limekiln Pike near the curve just south of Upper State Road. From this point, the road follows the alignment of the 1968 "Orange Route" to a point just south of Bristol Road. At this point, the road begins to curve to the east in order to avoid bisecting the Delaware Valley College's model farm.

The road crosses Almshouse Road just north of Quail Call Drive and passes between the house on the model farm and Glen Garry Farm, a private residence, which are both historic properties. The alignment then crosses Lower State Road about 900' south of the intersection with Wells Road, then Wells Road about 1400' east of the same intersection, curving into the alignment of the built section of US 202 at the interchange with PA 611.

Under the assumption of an arterial road, intersections would occur at the following cross roads, from south to north:

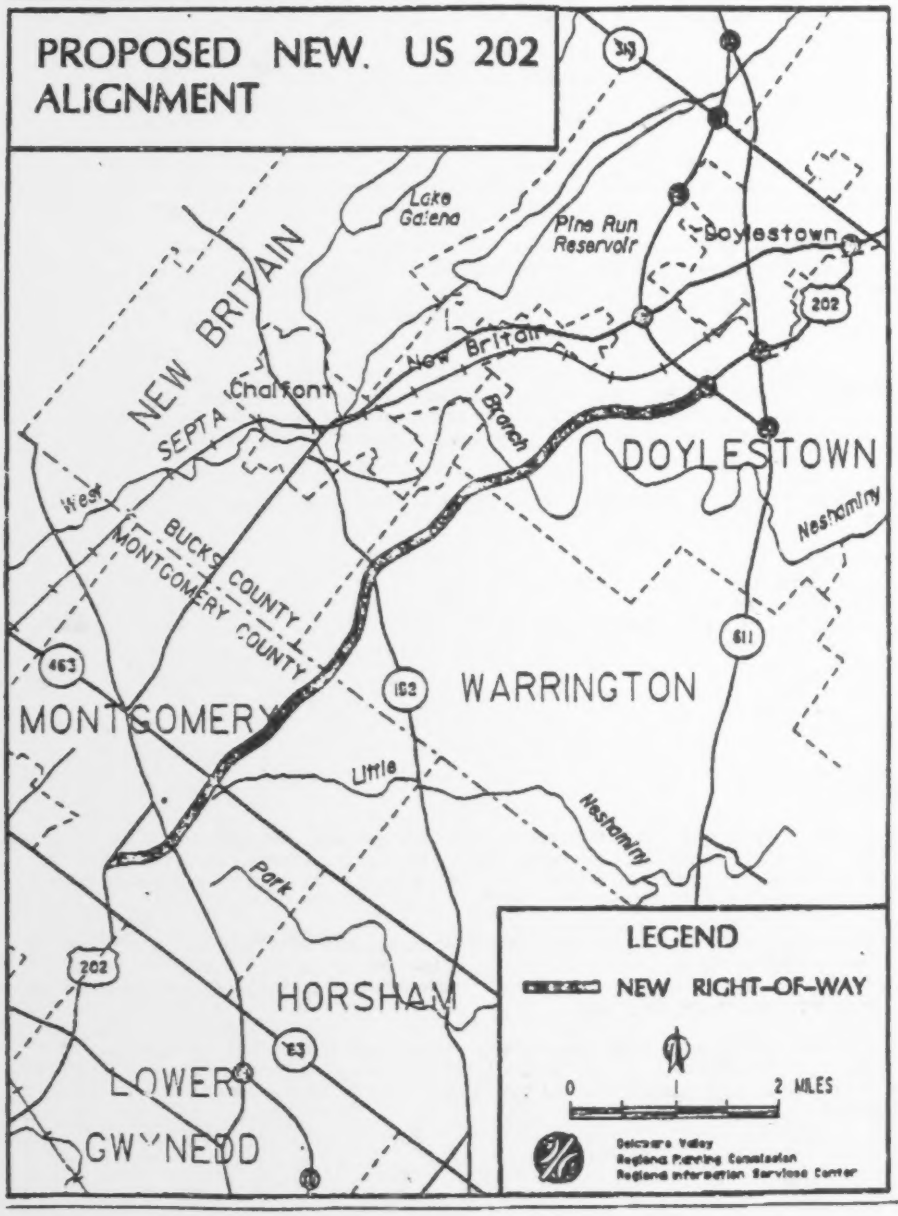
- (Extension of) Knapp Road
- Internal circulation road on the "Witchwood Tract"
- PA 309 (Bethlehem Pike)
- Internal circulation road on the "General Hancock Farm"
- PA 463 (Horsham Road)
- County Line Road
- Limekiln Pike
- Pickertown Road
- Bristol Road
- Almshouse Road
- Lower State Road
- Wells Road

Future analysis may indicate the need for grade separation or interchanges at one or more of the crossroads listed above. No conclusions have been made regarding the location of interchanges if the road were to be built as a freeway. Figure 2 indicates the location of the alignment. The right-of-way is also shown on aerial photographs available for inspection at DVRPC.

The significant reduction in cost to the state attributable to the acquisition of land by Montgomery Township has been already mentioned. In other portions of the assumed right-of-way in Montgomery, large land parcels which are likely to be developed in the near term offer additional opportunities to contribute land and even completed roadways to the project.

This alignment requires that several small streams and adjacent wetlands and wet soils be crossed. Although small areas of prime agricultural land and wooded parcels would need to be taken, no large areas of such lands would be bisected. The crossing of Neshaminy Creek represents the single most important environmental issue in designing this road.

Figure 2


PROPOSED NEW. US 202 ALIGNMENT
Lake Galena
Pine Run Reservoir
Doylestown
202
NEW BRITAIN
New Britain
Branch
Chalfont
SEPTA
West
DOYLESTOWN
Neshaminy
BUCKS COUNTY
MONTGOMERY COUNTY
611
463
152
WARRINGTON
MONTGOMERY
Little
Neshaminy
Park
202
HORSHAM
LOWER
GWYNEDD
LEGEND
NEW RIGHT-OF-WAY
0
1
2 MILES
Delaware Valley
Regional Planning Commission
Regional Information Services Center

Several historic sites in Montgomery and Doylestown townships lie close to the proposed right-of-way. Again, sensitive design can use this situation to advantage, allowing the buildings to be seen without adversely affecting the use of the site.

Opportunities

The construction of a new road on new right-of-way offers a number of opportunities for the townships affected to shape the character of the corridor. Adoption of a special overlay zoning district in the corridor of the highway can assure that aspects of local master plans are implemented and that safety and esthetic qualities are included in the design of adjacent developments.

The 200' right-of-way can provide ample land to accomplish other objectives, such as additional recreational facilities. Trail activities, such as jogging and bicycling are now popular and appear to be enduring. Acquisition of a new right-of-way presents an opportunity to build trails which can benefit residents. Trails have been incorporated into portions of the Blue Route in Delaware County.

A broad right-of-way can also serve as a buffer to current and future development, an advantage to the driver who sees a natural and rural environment and to residents who will be somewhat protected from the noise and activity of the road.

Aesthetic elements can be introduced to make the experience of travelling this road unique and serving to leave a favorable impression of the municipalities through which it passes. (For example, in Indian Wells California, the proposed reconstruction of Route 111, a 50-mile per hour arterial road, will include in sequence: a gate formed by a grove of native date palms, an open area in which community buildings are clustered, a vista of an oasis fountain, and a gate to an historic site. The visitor may also remember the road segment by the formal planting which line one side of the road contrasted with informal plantings on the other. Indian Wells intends to use the road as a means of identifying its character and controlling adjacent development. An annual assessment of all properties within a mile-wide corridor pays for the plantings and their maintenance.)

The alignment includes a number of horizontal and vertical curves which can provide a stimulating driving experience. Of particular interest is the descent from the road's high point at its crossing of Limekiln Pike to the bridge over the Neshaminy Creek. The alignment provides a vista of Doylestown in the distance as well as the nearer Neshaminy ravine.

The point of this discussion is that local residents needn't view the construction of a new road as an intrusion controlled by outside interests. The road can be made useful to its neighbors and can be a tool in promoting local plans.

Officials in each of the municipalities most affected by the construction of the "Bypass" could form an advisory committee immediately, perhaps under the auspices of the county planning commissions, to assure that local planning objectives are considered in the design of the road. This same body may coordinate other transportation planning in the region, particularly on shared roads such as Upper State and County Line.

Environmental Impact Statement

Throughout this planning study, the likely impacts of the new road have been considered. DVRPC has sought to minimize adverse impacts. This exercise will not eliminate, however, the necessity of conducting a thorough environmental impact statement (EIS), complete with an analysis of alternatives, including the options of not building the road or building it in some alternative alignment. Presumably, the care taken in this study will enhance the likelihood that the EIS will also conclude that there is a feasible alignment for the roadway. It is therefore important that an EIS be conducted soon so that acquisition of the right-of-way can

be completed. Before the EIS can begin, however, DVRPC must include the highway for engineering on its Transportation Improvement Program and PennDOT must include the project for engineering in its Twelve Year Plan.

Action to achieve these programming steps will begin with the submission of testimony to the State Transportation Committee at its regional hearing on March 23rd. In part, DVRPC's testimony will read:

> *Recommended for early construction is an eight-mile section on new right-of-way between Montgomeryville and Doylestown. All townships in the path of the road have agreed on a desirable alignment and will act to preserve it. Advancement of this project is urgent, as one township's contract with developers calls for the land to revert to the donors if formal, definitive action to build the road is not taken in the next three years. The first step is to fund a preliminary design/environmental impact statement.*

Attachment 2

THE CROSS COUNTY METRO

SEPTA has recently discussed the possibility of establishing a new passenger rail line extending from the Downingtown area in Chester County to the Morrisville area in Bucks County just south of Trenton, New Jersey. The thrust behind the development of this concept is two-fold:

First, traffic congestion in the suburban areas of the Philadelphia region is approaching a level which will begin to constrict economic growth and development; and,

Secondly, there is an available, existing railroad right-of-way roughly parallel to the Pennsylvania Turnpike and part of US 202 and penetrating virtually every major employment center in the suburban Philadelphia region which intersects with most of SEPTA's radial rail services.

In the region, there are three major types of travel patterns. The first travel pattern is referred to as the "traditional commute." The traditional commute generally involves a work trip made from a suburban location to Center City Philadelphia, or from an outlying part of the city to Center City. The traditional commute market is strong and growing incrementally, and SEPTA captures a substantial portion of that market. The continuation of SEPTA's ability to attract that market is solely a funding-related matter. More major park-and-ride stations are needed, more parking spaces at existing stations are needed, more bus feeder connections are needed (similar to the inter-modal terminal recently constructed in Norristown), more rail cars and locomotives are needed, and a

greater frequency of service must be operated. These are the elements which will ensure SEPTA's historical and predominant role in the traditional commute market.

The second travel pattern, which is of more recent emergence, is that of the reverse commuter. With the job development in the suburbs, there has been an increased need to import labor, especially in the unskilled, semi-skilled, entry-level and clerical areas to support the growth and development of these companies. Much of the potential employment market resides in the City of Philadelphia and this labor pool is highly transit reliant. In the past several years, SEPTA can identify the "reverse commute" market as the fastest growing segment of our marketplace. In the morning rush hour, at least eight major bus routes and one suburban rail transit operation now carry more people outbound than they carry inbound. Additionally, fully 10% of all the peak hour riders on the regional rail system are headed in the opposite direction of the traditional commuter. SEPTA has the ability, with some fairly modest connecting services, to capture a substantial portion of this growing market.

Lastly, there is the matter of the cross county commute. Fully 60% of all work trip travel is now intra-suburban. SEPTA captures very little of this market, since the travel patterns are lateral and SEPTA's network has been built on historic, radial travel patterns. New employment center development has basically followed the pattern of the express highways which have been built in the region. These employment centers are consecutively spaced about

6-10 miles apart and stretch from Morrisville in Bucks County to Downingtown in Chester County, roughly paralleling the Pennsylvania Turnpike and part of US 202.

Today's Travel Patterns

Unlike the historical travel patterns of the past, whereby virtually all travel was radial to and from the center of a major city such as Philadelphia, today's patterns are far more dispersed and suburban oriented. Two major demographic factors need to be recognized to understand this phenomenon:

1) The population of the region has changed. The City of Philadelphia, long the predominant population center of the region, now represents only 40% of the population of the five counties constituting the southeastern Pennsylvania region. Fully 60% of the population now resides in the four suburban counties.

2) While the City of Philadelphia continues to enjoy small incremental growth on a very large employment base, the suburban territory has blossomed into major employment communities totally independent of the City of Philadelphia. Montgomery County actually imports more labor on a given weekday than there are Montgomery County residents who work in their own county. Montgomery County now has the highest employment in the region outside of Philadelphia, and it is projected to have some 544,800 jobs by 2010, compared to 878,000 in Philadelphia the same year. These new suburban employment centers have helped create

major road congestion, due largely to the fact that all transportation in the suburbs was expected to be accommodated via the automobile. What actually has evolved is a constricted highway network crying out for alternate mobility systems in the suburban territory in order to reduce exclusive reliance on the automobile for travel. Suburban congestion has emerged as a national problem. In the case of the Philadelphia region, it is constraining the very mobility that companies sought when they went to the suburbs to establish their businesses in the first place. It was never envisioned that the automobile would ever be so predominant, and become virtually the exclusive mode of transportation in the suburbs. This suburban gridlock is beginning to have a deleterious effect on the ability of the Philadelphia region to continue its strong economic growth, and, in fact, has already begun to constrain corporate expansion in many parts of the region. The expansion problems businesses in our region are experiencing are basically related to job accessibility--or rather the lack of it.

Why the Job Shift?

It has been discussed that Center City Philadelphia is continuing an expansion of its already extensive employment base on a steady, incremental basis. However, while the City of Philadelphia continues to experience job growth, the type of job that is coming with the new Center City development is vastly different from the jobs which have been displaced in years past. The high cost of construction in Center City has limited the rental market to the growing demand for space to house the highest level executive,

managerial and professional service employee due to the high rental cost of the office space itself. While there are support jobs required for this high level managerial business group, they also tend to be skilled, professional, secretarial and clerical jobs. Other support based services, i.e. food industry, and to a lesser extent retail, also exist, but not nearly to the extent as in years past. The jobs that have gone to the suburban territory have likely gone there due to economics. Land is less expensive (or was), building costs lower, and the potential employment market plentiful. Now the suburban employers are finding that the very people they need the most, the unskilled, semi-skilled and clerical worker, are the least available. Furthermore, the candidates for these jobs do not have the ability to get to the job site in an expeditious manner that would permit employment at these remote locations to be economically viable. In short, no direct public transportation.

What we have is, to a large extent, a mismatch between residential areas and employment locations. The people who live the farthest away from the city tend to be the people who are occupying the new office spaces in Center City Philadelphia, and Philadelphia residents are primarily the candidates for many of the jobs that are going unfilled in the suburban territory.

From SEPTA's perspective, this "mismatch" is an ideal transportation opportunity. SEPTA can satisfy two markets. It can capture an inbound market in the morning, bringing suburban people from the outlying points to the City, and at the same time, fill

seats on trains which are going outbound in the morning to bring city residents to the job centers in the suburbs, and then refill the trains again with people coming to work in the city. This has the potential to make the regional railroad network a far more cost-effective operation than it has ever been in the past.

The First Step To Help Suburban Mobility With Transit

Solely through an accident of history, a predecessor railroad of SEPTA and Conrail constructed a railroad line initially known as the "Trenton Cut-Off" and currently referred to by Conrail as the "Morrisville Line." This line extends from Downingtown in Chester County to Morrisville in Bucks County. It was initially constructed through suburban farmlands and relatively unpopulated areas, and was designed to move long distance freight (not destined for Philadelphia) on a route bypassing Philadelphia to avoid coming into the congested part of the city and the then-congested railyards. Again, through an accident of history, the Pennsylvania Turnpike and US 202 were developed as major highways which spawned, in turn, major development and employment centers along them. Today, in a continuous string of employment centers, one can point to Downingtown, Exton, King of Prussia, Norristown, Plymouth Meeting, Fort Washington, Willow Grove, Southampton, Oxford Valley, and the Morrisville/Trenton areas as major beneficiaries of these past public highway investments. These same employment and development centers also happen to be immediately adjacent to this rail line which now rests comfortably parallel to the Pennsylvania Turnpike and part of US 202 for nearly its entire distance. The

railroad alignment was built to high speed standards (80 MPH or more) and is virtually free of grade crossings. As a by-pass rail line, there are also virtually no local freight customers.

The opportunity exists now to utilize this rail line as the first "cross county" passenger rail service, interconnecting these employment centers and providing transfer stations with eight of SEPTA's existing rail services for easy employment access, both from distant suburban locations, as well as from Center City Philadelphia and the parts of the region which lie between the Cross-County line and Center City.

Multi-Modal Transportation Centers

With implementation of this "Cross County Metro" service, SEPTA would be able to create a series of transportation centers throughout the region. With a focus upon this particular cross county service, a series of transit centers would provide easy connections to all parts of the region using rail, bus, van or auto, very similar to the concept now in place at the Norristown Transportation Center and at 69th Street Terminal. These major transportation centers would have large park-and-ride lots for traditional commuters, with easy access from major roadways directly into the parking lot, and standardized, easily recognized signage directing auto users to the park-and-ride facility, perhaps even using electronic signage to convey messages on the next scheduled departing trains. In addition, these terminals would be focal points for a local bus system enabling riders to have quick,

easy access from the station to the employment centers in the area and also to nearby residential centers, thereby providing mobility without the use of the automobile. Obviously, these transportation centers would also function as a transfer point for rail-to-rail commuters who might be headed outbound from the city and who are changing trains to the Cross County Metro to get to an employment center.

The concept of the Cross County Metro is new to the Philadelphia area and perhaps even now to the United States. However, it is uncannily similar to the very same concept that has been utilized by highway planners in planning beltways around major cities in the United States to foster suburban travel. The Cross County Metro is really this same concept applied to mass transportation, and it can have a far more beneficial effect on reducing road congestion than any other single investment that the public can make. Compact European cities thrive in spite of severely constrained auto use because they have built a network of radial <u>and</u> peripheral transit lines.

<u>What Type of Service Would SEPTA Operate?</u>

SEPTA envisions utilizing a high-speed, electrically propelled rail car, similar to the new cars which are soon to be delivered for use on SEPTA's Route 100 service between Norristown and 69th Street Terminal. In fact, the cars which SEPTA will receive have been designed to operate either from a third rail or from an overhead wire. The right-of-way on the Cross County Metro already has

structures in place which would hold up an overhead wire for powering the rail cars to run along the line. It is not envisioned that freight service and passenger service would intermix on the same tracks; however, these services certainly are capable of utilizing the same right-of-way for parallel operation, as has been done in many other cities in the United States and overseas. Utilizing the transit vehicle similar to the Route 100 cars offers SEPTA tremendous flexibility, especially with regard to efficient operation, frequency of service, and incorporation of maintenance into other investments already made in the SEPTA system. A track connection can be made in the vicinity of Hughes Park in Upper Merion Township between the existing Route 100 line and the Cross County Metro tracks.

Conrail has already determined that a major portion of this line is going to be "downsized" resulting in removal of at least one track between Norristown and Downingtown, making that right-of-way available for SEPTA should funding become available, and the determination be made that this is the proper place to make a capital investment. The alignment of the Cross County Metro is a high speed, fully grade separated, railroad with many of the employment centers being within walking distance of potential station sites. The potential also exists for SEPTA and the private sector to construct major new developments along the right-of-way, concentrating employment, providing a passenger base, and requiring far less utilization of land for parking than is currently the case in the suburban territory. The proportion of land utilized for parking in the suburban territory is one of the major causes of

sprawl and also the major cause of the congestion on the roads. This, in turn, results in some of the adverse environmental conditions experienced in the Philadelphia area.

What's Needed Next?

One of the most important factors in presenting a case for a Cross County Metro is to demonstrate that, in fact, it is possible to do and is a good economic investment. Therefore, there are two actions which would be helpful in carrying out the planning for this project:

1) A feasibility study to be conducted which would look at the alignment, the demographics, the potential for ridership and its impact upon development along the corridor; and,

2) Preliminary engineering which would establish the guidelines and specifications for the work to be carried out, the design of the fixed facilities that would be needed to run the operation and establish the cost envelope upon which decisions can be made to further the project or modify the project.

These first two steps, when completed, would provide the basis of information upon which long range investment decisions can be made for public transportation in the region.

"Guesstimate" of Costs for

Feasibility and Preliminary Engineering

A comprehensive package for the above two elements, plus a preliminary Environmental Impact Analysis, would probably run in the $5 million range. Approximately $1.2 million for the feasibility study, $300,000 for the preliminary EIA, and the remainder for the preliminary engineering.

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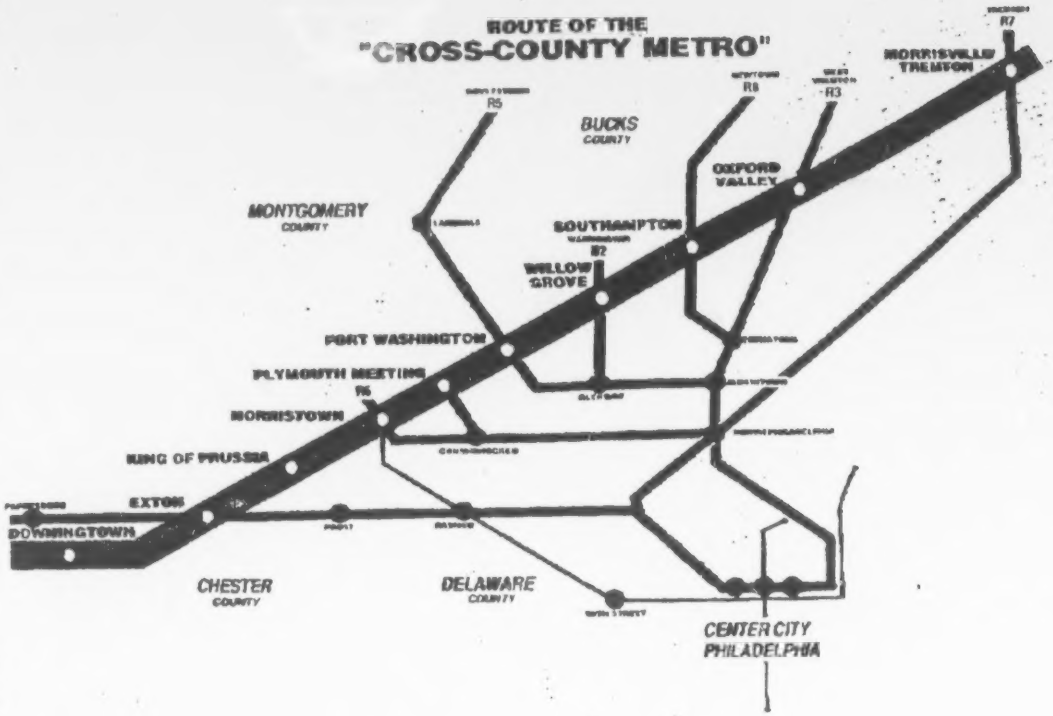

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WHAT THE FUTURE CAN BE
REGIONAL METRO SYSTEM

ORIGINAL

BEFORE THE

UNITED STATES HOUSE OF REPRESENTATIVES

SUBCOMMITTEE ON SURFACE TRANSPORTATION

OF THE COMMITTEE ON PUBLIC WORKS

AND TRANSPORTATION

HEARINGS ON

FEDERAL AID HIGHWAY REAUTHORIZATIONS

STATEMENT OF THE

REGULAR COMMON CARRIER CONFERENCE

JAMES C. HARKINS
EXECUTIVE DIRECTOR
REGULAR COMMON CARRIER CONFERENCE
SUITE 350
2200 MILL ROAD
ALEXANDRIA, VIRGINIA 22314
703-838-1971

APRIL 4, 1990

BEFORE THE
UNITED STATES HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON SURFACE TRANSPORTATION
OF THE COMMITTEE ON PUBLIC WORKS
AND TRANSPORTATION

HEARINGS ON
FEDERAL AID HIGHWAY REAUTHORIZATIONS

STATEMENT OF THE
REGULAR COMMON CARRIER CONFERENCE

I. INTRODUCTION

The Regular Common Carrier conference (RCCC) appreciates this opportunity to comment on legislation to reauthorize our Nation's highway program which is of paramount importance to the trucking industry. The RCCC is a national trade association composed of approximately 350 for-hire motor carriers with a combined annual revenue of $15 billion. They transport general commodities in less-than-truckload (LTL) shipments throughout the United States. As common carriers, they form the backbone of the Nation's for-hire transportation network providing service to all shippers and communities.

The RCCC is affiliated with the American Trucking Associations, Inc. and endorses its statement and testimony before this Subcommittee. We wish, however, to emphasize in our statement those highway, productivity, safety, and regulatory

issues of particular importance to the LTL general freight trucking industry.

II. THE FEDERAL ROLE IN THE HIGHWAY PROGRAM

There can be little dispute that the federal government's initiative in 1956 to construct and fund a system of Interstate and primary highways throughout the United States has significantly enhanced our Nation's economic growth, productivity, and mobility. The federal government's investment in our highway infrastructure has substantially benefited our Nation. The federal government must continue to play a significant federal role in future highway programs if we, as a Nation, are to maintain our competitiveness. While there should be serious consideration of increasing the states' role in highway program development and affording them more flexibility in meeting their particular transportation and economic needs, the RCCC submits that the federal government must take the leadership role in the following areas.

A. Highways of National Significance

Nationwide, there are more than 3.8 million miles of public highways and streets. Approximately 850,000 miles are constructed and maintained primarily with federal funding. These "Federal Aid Highways" have three components. There is the Primary system, which consists of 44,000 miles of Interstate

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highways and 258,000 miles of arterial highways that connect cities and centers of economic activity. The Secondary system, composed of 298,000 miles of rural major connector roads, links farms and smaller communities with the Primary system. Finally, the Urban system is comprised of 148,000 miles of high volume traffic roads in urban areas. This Federal Aid System has about 20 percent of the highway mileage, but carries 80 percent of all traffic.

It is imperative that the federal government preserve, expand, and reconstruct our system of Interstate and Defense highways, as well as the major Primary highways essential to develop a national network connecting our population centers. This national system of significant highways should comprise approximately 140,000 to 160,000 miles of highways. Although it is only about one-fifth of the current federal-aid highway system, these Interstates and Primary highways handle approximately 70 percent of all commercial freight transportation.

To meet this objective, full federal aid funding, as now authorized, should be provided through fiscal year 1991. After the completion of the Interstate System, these Highways of National Significance must become the principal federal aid system. This system should receive the highest federal aid matching ratio and funds necessary to maintain it and upgrade those roads that do not meet Interstate standards.

B. Continued, But Lesser, Federal Funding For Bridges, Secondary and Urban Roads

Federal aid should continue for major bridges and for secondary and urban roads off the national system to ensure mobility and efficiency. While the level of funding must remain significant, it should be less than the federal aid ratio for the Highways of National Significance. The states can assume a greater financial responsibility in this area.

C. Pavement Design, Construction, and Maintenance

The federal government should develop a long term plan or strategy for increasing the useful life spans of our highways through improved pavement designs, construction, and maintenance. Some of our highways are deteriorating prematurely because greater emphasis is placed on minimizing initial construction costs rather than overall costs. This short term thinking is penny wise and pound foolish since resulting maintenance and rehabilitation expenses significantly increase the costs over the useful life of a road.

The economies of building roads with thicker pavements and drainage are well documented and understood by highway engineers. According to the American Association of State Highway and Transportation Officials (AASHTO), one additional inch of concrete pavement effectively doubles the strength and life of a pavement, yet adds only four (4) percent to pavement related

construction costs and less than one-half(½) of one (1) percent to the total construction costs of a rural Interstate highway, according to Federal Highway Administration (FHWA) cost data. The incremental cost increase is far outweighed by the substantial future savings.

Rural interstate concrete highways are typically constructed ten inches thick. If they were made 14 inches thick, they would be eight times more durable, according to AASHTO. This increased thickness would increase pavement construction costs by only fifteen (15) percent and total costs by less than two (2) percent. Consequently, the RCCC recommends that pavements on main line truck routes be built at least 14 inches thick. In particular, we recommend upgrading of those lanes ordinarily traveled on by trucks, i.e., the right lane and center lane (where applicable).

In addition, there is a need for increased federal oversight of construction projects to ensure that the contractors are complying with existing contract specifications and standards. More federal inspectors, adequately trained, will enhance road project development and ensure that the federal government is receiving the quality work it has paid for.

D. Federal Highway Funding

RCCC recommends that the current federal expenditures of $12.5 billion be increased to $17.5 billion annually. This

increased spending can be supported over four years, until 1995, by drawing down the $11 billion surplus in the Highway Trust Fund. The expenditure of Trust Fund monies is essential if the states are to maintain and improve our national system of highways.

The federal trust fund must be made permanent to ensure a reliable and adequate revenue source for our Nation's infrastructure. Diversion of trust fund monies for deficit reduction should not be allowed; it will undermine the infrastructure and unfairly place the general burden of deficit reduction on highway users.

In a similar vein, the exemption of gasohol from the federal motor fuel taxes should be eliminated. Since 1979, that exemption has cost the Highway Trust Fund more than $3 billion, at a time when federal spending on highways has been inadequate to meet our needs.

The federal expenditure of $17.5 million annually, financed through use of existing trust fund surplus monies, should be adequate to meet our infrastructure needs until 1995. No new federal taxes on fuel, tires, truck sales, or heavy vehicle use should be considered until all trust fund monies have been spent. The trucking industry has and continues to be willing to pay its fair share to maintain and improve our highways. Commercial trucks now contribute over 42 percent of the revenue in the federal Highway Trust Fund. Congress can assess the need for

additional truck taxes after the trust fund surplus has been spent.

A federal weight distance tax on trucks should not be allowed. They are costly to administer, subject to evasion and inequitable, particularly when based on gross vehicle weight since they unfairly impose excessive cost burden responsibility on heavy trucks. The federal government already has a taxation method that efficiently and fairly takes vehicle weight and distance into account; the heavy vehicle use tax and fuel tax both factor in weight and distance.

E. Research and Development

The federal government must lead the effort to promote innovation, new technologies, improved equipment and superior infrastructure designs and construction through greater funding of research and development. Federal transportation research and development expenditures, in constant dollars, have declined over 40 percent from 1980 to 1987, according to the National Governors Association's Task Force on Transportation Infrastructure.

The level of federal expenditures on highway R&D is woefully inadequate. For example, the federal government will probably spend in FY 1991 less than $10 million for highway R&D projects related to safety, congestion, and equipment, even though the federal R&D budget is $71 billion, of which DOT's share is $422 million. More is spent on the railroad industry than trucking

industry, notwithstanding that 77 percent of the Nation's freight expenditures are for trucking services.

Increasing federal R&D on highway pavements and designs, truck equipment, cleaner fuels, and safety will have significant paybacks through improved productivity and safety and reduced congestion and pollution. Consequently, the RCCC recommends that beginning with FY 1992, the federal government earmark $50 million annually for DOT research and development on truck related matters.

III. EQUIPMENT PRODUCTIVITY

The trucking industry must be able to operate more productive, fuel efficient equipment to meet the needs of manufacturers and retailers throughout the Nation. In the Surface Transportation Assistance Act of 1982, Congress authorized the use of 48 foot semitrailers and twin 28 foot trailers on our Interstates and mandated reasonable access to terminals and other facilities.

Since 1982, the LTL trucking industry has made substantial purchases of and fleet conversion to twin 28 foot trailers. These trailers reduce our linehaul costs by about 16 to 19 percent and our terminal costs by another 10 percent through reduced handling when compared to the 45 foot trailers they replaced. The Transportation Research Board (TRB) estimates that twin 28s will, by 1990, have the effect of reducing annual

vehicle miles traveled by 493 million with a corresponding savings of fuel, reduced congestion, and labor expenses. This translates into an annual savings of about $400 million -- a significant benefit to our Nation's transportation consumers. As a result of our conversion to twin trailers, the LTL trucking industry has achieved significant although stunted productivity gains. Moreover, TRB found, and operational data confirm, that there is no adverse safety impact in using twin 28s when compared to single 45s.

To maximize these gains, there must be federal guidelines to ensure reasonable access to and from the federal highway system to our terminals and customers. The federal government needs to adopt rules to ensure that the state and local governments provide such access and that any state restrictions be based on legitimate, proven safety problems associated with these vehicles on particular roads. The RCCC anticipates that DOT will promulgate access rules this Spring. However, if such rules are not forthcoming or are unduly restrictive, Congressional action will be necessary to achieve the productivity gains originally intended.

There are additional equipment and productivity measures that Congress should undertake. First, to protect against any backsliding for STAA authorized vehicles, Congress should explicitly provide that these vehicles are allowed to operate on the Highways of National Significance which will embrace our future national highway network.

Second, the "grandfather provisions" under existing law, which authorize the states to allow vehicles weighing in excess of 80,000 pounds to operate on the Interstates, must be preserved. Currently, 17 states allow so-called longer combination vehicles (LCV) to operate on the highways under a special permit process which typically imposes special requirements on the drivers, equipment, and roads. The attached article by the Western Highway Institute demonstrates clearly that LCVs have an exemplary safety record based on documented travel. Moreover, the productivity benefits to our industry and the Nation are significant. A national LCV network, administered by the states, could result in annual savings of $4.4 billion to the economy, according to a report conducted by Sydec, Inc. for ATA.

Such vehicles provide additional benefits. These vehicles consume less fuel on a per ton-mile basis than other trucks. Consequently, they will help conserve our domestic oil supplies and minimize our growing dependence on foreign oil. They also will assist our Nation's clean air program. These LCVs produce less pollutants since they consume less fuel on a ton-mile basis. Additionally, they will help somewhat in reducing highway congestion since fewer trucks will be required to transport the same amount of freight. Importantly, LCVs provide one means for the trucking industry to address the mounting shortage of qualified truck drivers, particularly in the truckload segment.

The Transportation Research Board currently is preparing a report on the federal truck weight regulations. That TRB truck weight study will recommend to Congress that the states be allowed to permit higher gross weight limits for commercial trucks based on their significant productivity benefits which outweigh the incremental pavement and bridge costs. The RCCC urges Congress to seriously consider the TRB recommendations.

IV. SAFETY

Safety on our highways must continue to be a top objective for the federal government and private industry. The Motor Carrier Safety Assistance Program (MCSAP) has improved enforcement of our safety laws. The current federal funding of $60 million annually should be continued. There is room for improvement in the MCSAP program. There needs to be greater training of commercial vehicle inspectors. Currently, there is a wide divergence in the level of training and consequently knowledge of equipment and safety laws. The federal government should establish a training program.

Other modifications should be made to MCSAP, particularly to require a reinspection of vehicles found deficient. Also, a system needs to be devised to eliminate repeated inspections by the states of safe vehicles operating in interstate commerce. Today, a vehicle might be subject to several inspections on a single trip. There should be a mechanism which allows an

inspection by one state to be accepted or honored by another during a given time period.

The RCCC also supports a return to the 55 mph speed limit. Simply put, the record demonstrates that 55 mph saves lives and fuel.

The LTL trucking industry also supports drug testing of interstate and intrastate drivers prior to employment, at each DOT biennial physical, upon reasonable suspicion, and after an accident. We also support mandatory random testing by the government at roadside inspections, but not by the employer, largely because it is extremely costly, likely to promote litigation, and since employer testing will not reach the substantial population of independent truck drivers and small truck operators

Mandatory alcohol testing, as proposed in one Senate bill, is at best premature, and at worst, a costly proposal that will produce minimal benefit. Enhanced state enforcement of the current federal and state alcohol abuse prevention rules will achieve much greater results.

V. DEREGULATION OF INTERSTATE TRUCKING AND PREEMPTION OF STATE REGULATION

At a March 28th hearing before the House Government Operations Subcommittee on Commerce, Consumer, and Monetary Affairs, the Department of Transportation (DOT) testified in support of deregulation of interstate trucking and federal

preemption of state economic regulation. DOT endorsed H.R. 4261, a bill that generally preempts or limits state laws and regulations affecting interstate trucking companies. DOT indicated during this hearing that its highway reauthorization proposal will embrace these deregulation initiatives, as outlined in its National Transportation Policy.

Consequently, the RCCC wishes to express its emphatic opposition to further deregulation and preemption of state economic regulation.

There are two major premises underpinning these deregulation proposals. The first major premise is that interstate transportation productivity, efficiency, and safety have improved since the Motor Carrier act of 1980 and administrative deregulation by the ICC. However, the facts discussed below demonstrate otherwise. The second premise is that the states are not capable of determining what, if any, regulation of intrastate trucking is in the public interest. The deregulationists conclude that no state economic regulation is warranted. They are wrong.

A. Federal Deregulation Has Not Enhanced Transportation Efficiency, Productivity, or Safety

In 1980, Congress relaxed interstate trucking regulation. The former policy of restricted entry into trucking was virtually eliminated with the fitness and safety of new companies becoming

the only qualifiers. Rate regulation was retained; yet, constraints were placed on the motor carriers' collective ratemaking actions. The Motor Carrier Act of 1980 was a product of compromise -- it was neither total deregulation nor a continuation of past stringent regulation. It retained the fundamental goals of promoting reasonable, nondiscriminatory rates, quality service, and safety while introducing more competition and streamlining the administrative process. However, over time, the ICC, dominated by a deregulatory majority, has largely sapped the remaining regulation of its strengths.

Consequently, we have nearly a decade of experience to compare the relative strengths and weaknesses of the trucking industry under essentially free market forces with the past regulatory program.

A financially sound trucking industry is an integral ingredient to transportation productivity, efficiency, and safety. Trucking companies need an adequate return on investment and profits to purchase more productive and more safe equipment and to hire and retain qualified drivers and mechanics. Over the past decade, the trucking industry has suffered from inadequate returns and profits. This has adversely impacted all aspects of trucking.

Historically, the ICC has held that trucking companies need a 93 operating ratio, which is a comparison of expenses to revenue, to maintain profitability. An operating ratio of 93

allows the carriers an adequate seven percent margin to pay federal, state, and local taxes, interest on loans, and purchase new equipment. Since 1980, the LTL trucking industry has never achieved this goal of a 93 operating ratio. During this period, the ratio has been, on average, 96.5. An operating ratio of 97 indicates nonprofitability and a candidate for failure.

In 1989, the poor financial condition for the LTL general freight carriers took another turn for the worse. The operating results of the fourth quarter of 1989 were the worst of the decade, including both recession years 1981 and 1982.[1/] There were no operating profits in the last quarter of 1989. Indeed, more than half of the LTL carriers for which data are available suffered operating losses in the fourth quarter of 1989. Preliminary evidence on the first quarter of 1990 suggests that the widespread pattern of losses continues unabated. Such profit deterioration is not confined to particular sizes of carriers. Nor is it related to whether carriers are publicly-owned or privately-owned or to whether or not they are unionized.

Labor productivity has declined since 1980. The industry is not generating sufficient returns to provide the higher wages and better working conditions to attract and maintain qualified drivers. We are now facing severe driver turnover rates and a growing labor shortage. The trucking industry experiences

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1/ The financial data are tabulated from carrier Quarterly Reports to this Commission, and reflect data for carriers required to be included by the major rate bureaus in their MC-82 filings.

industry driver turnover rates of 20-25 percent. Some companies, including more profitable and established ones, have turnover rates of 100 percent or more. Productivity and safety suffer from this shortage and turnover rate.

There has been a disinvestment or insufficient investment in equipment which, like labor, is a critical component in our productivity and safety. In 1980, the LTL industry had 391,665 tractors and trailers. By 1988, it decreased to 362,606 pieces of equipment. Some carriers must forego purchasing the more fuel efficient, larger vehicles that enhance productivity and efficiency.

Equipment is aging since carrier net income is not adequate to allow the routine replenishment of equipment. Yet money spent for equipment maintenance by LTL carriers is decreasing. In 1980, LTL carriers spent $999 million on maintenance. In 1988, $652 million was spent on equipment upkeep. Normal maintenance is being postponed.

The trucking industry, in general, is having a difficult time attracting public and private investors because of the inadequate operating ratios and returns on equity under deregulation. Why would investors put their money in an industry whose net income, before interest and taxes, is under three percent when risk free investments generate greater returns? The trucking industry must largely finance its equipment purchases internally or postpone them. Productivity growth is being sacrificed.

The trucking industry is committed to transportation safety. However, the reality is that safety costs dollars: it requires the hiring of qualified drivers and mechanics; the proper maintenance and replenishment of equipment; and an ability and willingness to abide by federal safety rules. As with any business expense, it can be internalized -- paid for by the company and, hopefully, covered by operating income. Or the costs can be externalized -- not spent by the company and instead, indirectly imposed on our Nation's highways and environment. The latter course of action is much more likely where extreme competition does not allow companies an opportunity to earn adequate profits to bear the costs of sound safety programs.

Not unexpectedly, a recent study, based on U.S. Department of Transportation accident data, demonstrates a direct correlation between carrier profitability and accident rates.[2/] The less profitable the company, the higher the incidence of accidents.

Recent research reveals that there is also a positive and significant link in a carrier's driver turnover rate and accident rate.[3/] The current high driver turnover rates in our industry

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2/ Corsi, Fanara, and Jarrel, "Safety Performance of Pre-MCA Motor Carriers, 1977 Versus 1984," 1988.

3/ Corsi and Fanara, "Effects of New Entrants on Motor Carrier Safety, Transportation Deregulation and Safety," -- Transportation Deregulation and Safety Conference, Northwestern University, June 22-25, 1987.

is adversely impacting safety. Furthermore, these transportation specialists confirm that there is a positive link between the age of equipment and accidents.

Data from roadside inspections corroborate the fact that many of the trucks now on our highways lack proper equipment and are inadequately maintained. The Office of Motor Carrier Safety indicates that 213,700 trucks were placed out of service in 1986 by federal and state inspectors due to serious safety defects. This figure represents 39.2 percent of the trucks inspected.

There is also evidence that financially strapped motor carriers will seek to cut costs by operating without the requisite liability insurance. Between 1985 and 1987, the ICC enjoined the operations of over 4,200 trucking companies which failed to maintain insurance coverage. This amounted to nearly ten percent of all ICC regulated carriers. The Department of Transportation estimates that as many as 25 percent of all carriers do not have adequate coverage.

There is no doubt that commercial truck accidents have risen since 1980. Accident statistics collected by the Federal Highway Administration indicate that interstate motor carriers experienced 31,389 accidents in 1980. By 1985, the number had risen to 39,273. Each year, between 4,000 and 5,000 persons die in truck accidents. The number of fatalities, injuries, and property damage all have increased. They have outpaced the increase in truck mileage. As a consequence of these accidents,

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FHWA estimates society has incurred annual economic losses of over $3 billion.

In sum, administrative deregulation of interstate trucking has not improved productivity, efficiency, nor safety.

B. State Economic Regulation
Should Not Be Preempted

In most cases, state economic regulation of trucking predates federal regulation enacted in 1935. It serves to accomplish on the state level the objectives embodied in the Interstate Commerce Act and, indeed, in this bill. State economic regulation seeks to promote safe, productive transportation services at reasonable rates to all shippers and commodities. State regulation is not static; it is constantly reassessed and modified, if necessary, to meet the changing or special needs and demands of a state.

Forty-three (43) states currently regulate trucking in one form or another. Since 1980, five states have deregulated or substantially reduced economic regulation of trucking. Numerous other states have reevaluated and modified truck regulation according to their assessment of the public interest. In 1989 and the beginning of this year alone, the states of Alabama, California, Michigan, and Texas have considered legislative or administrative proposals to alter their regulatory programs. Last year, California, which is often the bellwether state, substantially relaxed general freight trucking regulation.

However, its revised program actually beefs-up the licensing requirement to promote safety; it retains rate filings for contract and common carriers to promote pricing information and deter discrimination, and also establishes a rate floor and rate cap to avoid unreasonable pricing.

Federal preemption would undermine California's revised regulatory program (as well as 42 others) which is the product of nearly two years of hearings that resulted in a carefully crafted program tailored to the needs of that state. This is inappropriate.

The states should have the right to retain the freedom to fashion regulations expressly suited to their own needs. A state's right to control activity within its borders is a fundamental right that should not be lightly discarded. Congress has considered such action in the past only upon clear and overwhelming evidence that the states, individually and collectively, have acted intransigently and burdened commerce. Such conditions are simply not present.

As noted above, the states are continually reviewing and modernizing their regulations to reflect public interest. One shoe does not fit all. Many states, particularly rural ones, believe that effective trucking regulation promotes the service and rate levels necessary for their business climate. Others value its safety benefits and labor stability. They need to, and should have, the right to choose the system to best fit their needs. The states recognize the need to adapt to changing times

and are the best qualified to administer to their own needs. Consumers and the electorate will tell them when change is necessary. Federal preemption is not appropriate in these circumstances.

Respectfully submitted,

James C. Harkins
Executive Director
Regular Common Carrier Conference
Suite 350
2200 Mill Road
Alexandria, Virginia 22314
703-838-1972

April 4, 1990

LCV Operations in the Western USA

By Byron L. Geuy

In many advanced national economies since World War II truck transportation has become the preeminent mode of surface transport in terms of contribution to gross national product if not in ton miles transported. Because of its pervasiveness throughout the economy, truck transport is an obvious focal point to improve efficiency and productivity of freight movement. The pressure to make trucking more efficient is very apparent in those parts of North America where dependence upon truck transport is greatest. The limited rail network and absence of any extensive navigable waterway routes in Western North America underlie the emergence of improved truck transport technology in that region. Long distances between urban centers, low population densities, and natural resource-based economies are major factors encouraging the development of more efficient truck transport.

The purpose of this paper is to present a summary of the Western states' development of more productive trucks, their status in the late 1980s, and discussion of the factors influencing the acceptance and expansion of this transport technology in the United States.

WHAT ARE MORE PRODUCTIVE TRUCKS?

In the U.S. context more productive trucks are commonly referred to as "longer combination vehicles" (LCVs). The three most common LCV configurations in service in the U.S. are as follows:

The Rocky Mountain double which consists typically of a three axle tractor pulling a 48′ semitrailer and a 28′ full trailer. Overall lengths can range from 75′ to 98′. Gross weights can reach 110,000 lbs with seven axles.

The Turnpike double which consists of a three axle tractor pulling a 45′ or 48′ semitrailer and another trailer of equal or similar length. Overall lengths may range from 104′ to 118′ depending on trailer lengths and tractor wheelbase. Practical gross weights, when limited by the federal bridge Formula B, can reach 129,000 lbs with careful loading over nine axles.

The Triple combination which usually consists of a two axle tractor pulling a 28′ semitrailer and two 28′ trailers. Overall lengths again vary with tractor wheelbase and other minor hardware options from 98′ to 110′. A three axle tandem drive tractor is sometimes used, which adds about one meter to overall length. Gross weights under Formula B can reach 115,0000 lbs but typically are well under 100,000 lbs because this combination is favored by less-than-truckload (LTL) carriers whose average freight density frequently causes "cube-out" loading limitations.

More detailed typical dimensional and weight specifications for these configurations are shown in Figure 1. Two other less frequently seen LCV types operated in some of the Western states are: a truck pulling two trailers (with dimensions comparable to triples) and the LCV auto carrier consisting of truck with B-type hitch arrangements for the two following semitrailers. This configuration has an overall length in the 100′ range. Auto carriers offer the only relatively common example of a B-train hitching linkage operated in the U.S. at this time.

WHERE DO LCVs OPERATE IN NORTH AMERICA?

Of the 17 states from the Pacific Coast of the U.S. eastward to and including the six states of the Great Plains, 14 permit the operation of some type of LCV. Only Texas, New Mexico, and California along the southern tier of states prohibit their operation in this vast area. This generalization, however, is deceptive upon closer examination. Thirteen states permit Rocky Mountain doubles, 11 allow Turnpike doubles, and 11 permit Triples.

Other discontinuities in LCV operation are apparent upon examination of Table I. The discrepancies in permissible gross weights, access, and other operational restrictions assure much less than optimum transport efficiency. For example, LCVs in Colorado can load no heavier than tractor semitrailers. Triples in Nebraska must operate empty and Rocky Mountain doubles trailers are limited to 68′ including connecting device in Oregon and Washington.

In addition to the public highways mentioned, LCVs also operate in 1,560 miles of toll roads (turnpikes) in six middle Western and Eastern states as shown in Table I. All six states permitted LCV operations prior to any public highway operation in Western states. It should be noted

that turnpike administrators are motivated by business principles seeking to pay bond holders, maintain the capital facility, assure user safety, and encourage patronage from the dominant customer group, automobile drivers. After 25 to 30 years of continuous operation of LCVs on these turnpikes, it may be presumed their use of these facilities is economically and environmentally compatible.

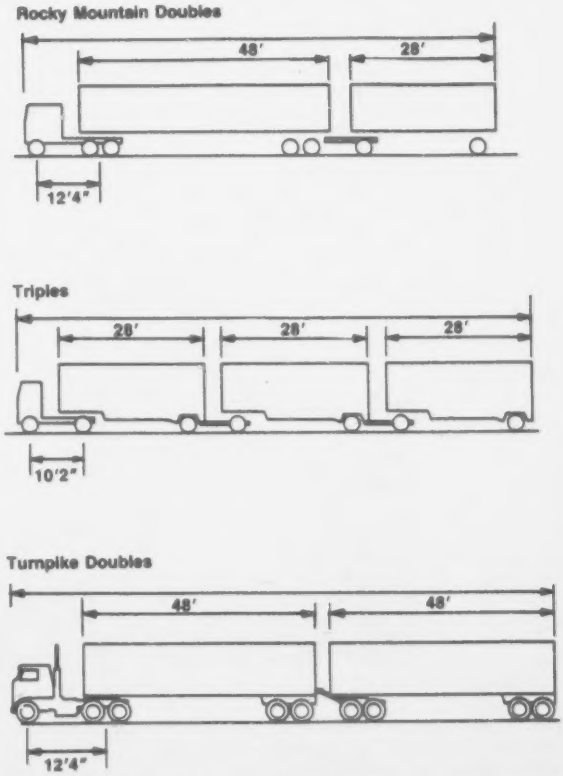
BRIEF HISTORY OF LCV DEVELOPMENT

A number of factors combined with a cooperative industry/government process have shaped the present status of LCV use. Knowing the past is important in assessing the future of this transport technology.

The federal government's control of axle, tandem, and gross weight limits on the interstate system of highways effectively capped truck productivity at 73,280 lbs in 1956 and in 1974 at 80,000 lbs gross combination weight (GCW) for configurations in regular operation on all highways. One of several "grandfather" provisions in the federal law enabled states with statutory oversize/overweight special permit issuance authority in 1956 to continue to exercise that right.[1] Nearly all states in the Western region had authority in 1956 and it remains the basis for all LCV operations to this day. A few of the gaps on the maps represent states without the requisite grandfather authority. The future lies with corrective federal legislation. In summary, the interstate system is vital to an integrated LCV network. A special permit system is a legal necessity to operate an economically viable LCV network.

Western highway engineers with extensive road systems and comparatively low average daily travel from tax generating vehicles have emphasized low axle loads and stretched out equipment to avoid concentrated bridge loadings. Federal Formula B effectively reduces average axle loads as lengths and gross weight increase. This strategy conserves construction and maintenance funds. It dovetails with the Western truck operator's trailer (long or short) to either of the two common configurations in regular service. This approach provides a very cost effective way of gaining payload without obsoleting a major investment. However, the development of the necessary vehicle refinements and administrative control systems did not happen overnight. They have been the result of a 25-year evolutionary process beginning in the mid 1960s.

Figure 1. Typical dimensions of three common long combination vehicles.



That process can be capsuled into the following steps:

The trucking industry conducted research to develop hardware. Recently, government has sponsored limited research on componentry but not exclusively for LCVs.

Industry and state/province governments jointly conducted tests on performance, evaluated routes, and instituted operational test programs.

Established industry organizations developed regional objectives for LCV sizes and weights and guidelines for special permit rules and regulations.

Industry and government coordinated these same items through public sector organizations, such as legislatures, executive department agencies, and regional bodies of officials.[1]

The development of uniformity in the LCV arena is a voluntary activity to date without federal involvement except for two recent studies of the concept.[2,3]

There is an extensive technical bibliography documenting the multitude of tests, public and private, which have been conducted during the 25 years of LCV development. The Western Highway Institute (WHI)

Table 1 Status of Longer Combination Vehicle Operations in the United States and Canada

Jurisdiction	Longer Combinations: Rocky Mtn Dbls (RMD)	Turnpike Dbls (YD)	Triples (TR)	First Operation in	Maximum Length (Feet)	Maximum Gross Weight (lbs)	Highway Restrictions	Operational Restrictions
Alaska	x	x		1981	90 Comb.Trailers	109,000	Designated state hwys.	Units shall not convoy
Arizona	x	x	x	1976	105; RMD 90	111,000	I-15 only (29 miles)	500' min. distance; right lane; adverse weather (triples)
Colorado	x	x	x	1981	105; RMD 95; Trk Trler: 85	80,000	Designated interstate segments	Adverse weather/traffic conditions; right lane; 600' min. distance
Idaho	x	x	x	1968	105	105,500	Designated state highways based on offtracking	Reduce speed or discontinue operations in adverse weather; right lane; 600' minimum distance
Montana	x	x (Dbl 40's)	x	1968	95; TR: 110	Uncapped Table B	RMD&TD: all state hwys. TR: Insterstate hwys.	None TR: special rules
Nebraska	x	x	x	1984	105	Empty	None; subject to local ordin.	Trailer delivery only
Nevada	x	x	x	1968	105	129,000	None; all state hwys.	Minimum distance; right lane
North Dakota	x	x	x	1981	110	105,500	Designated state hwys; 10 miles access	Prohibited during adverse weather
Oklahoma	x	x	x	1986	TR: 3229; NR	90,000	Designated 4-lane hwys. plus access	500' min. dist. right lane; adverse weather
Oregon	x		x	1967	105	105,500	Designated state hwys.	Prohibited in adverse weather; special rainy weather rules
South Dakota	x	x	x	1978	110; RMD 90; TR: 100	TD: 129,000; RMD: TR: 105,000	TD: I-29 & I-90 only; RMD: desingated state highways	TD: right lane
Utah	x	x	x	1969	105; RMD 92 & 98	129,000	TR and TDS: 4-lane, except local delivery	Prohibited in adverse weather; right lane; 500' minimum distance; no convoys
Washington	x			1974		105,500	None	None
Wyoming	x	Test		1974	80 combined trlrs with hitch	117,000	None; all state hwys.; weight under test on Interstate	None
Toll Authorities:								
Florida Turnpike		x		1966	110	138,271	272 miles	40 mph minimum speed
Indiana Toll Road	x	x	x	1964	108	127,400	157 miles	45 mph min. speed; 500' min. distance; passing rules
Kansas Turnpike	x	x	x	1960	119	120,000	231 miles	Restricted in adverse weather-road conditions
Massachusetts Tnpk.	x	x		1959	108	127,400	132 miles	500' min. dist.; spec. passing rule
New York Thruway	x	x		1959	114	143,000	531 miles	500' min. dist.; passing rules
Ohio Turnpike	x	x	Test	1960	108	127,000	241 miles	
Canadian Provinces:								
Alberta	x	x	x	1969	115; RMD 95	118,000	TDs&TRs: 4-lane; RMD: designated hwys.	Restricted during weekend hours; 'B' Dolly
Manitoba	x		x	1982	102.5	118,000	Brandon-Winnipeg (120 miles); RMD: designated hwys.	Restricted during weekend hours
Quebec		x	x	1982	110	126,000	Quebec City-Montreal (118 miles)	Restricted during winter months and weekend hours; min. distance
Saskatchewan	x	x	x	1980	RMD 98; TR 108; TD 118	118,000	Saskatoon-Regina (155 miles) RMD: test on designated highways.	'B' dolly required; prohibited in snow and ice
Totals 24	22	21	18					

Table II Handy Reference Chart on Performance of Five Typical Long Truck Combinations

Type, Code, and Minimum STAA Trailer Length (Trailers are 102" Wide)	Typical Length ft	Usual Limit Kip (ft)		Equiv. 18k Axle Load		Maximum Off-Tracking (@ R = 150') ft	Per Ton of Payload (3-S2 = 100%) Wt			Freight Hauled (3-S2 = 100%)	
		GCW	Payload (Cube)	Flexible	Rigid		Pavement Effect Flex (Rig)	Bridge Effect 100' Span	Fuel (1 PCF Density)	Cube	Wt
48' 3-S2, Tractor Semitrailer	65	80	50.5 (3500)	2.3	4.1	6.0	100	100	100	100	100
28' 28' 2-S1-S, Twin Trailer	70 to 75	80	46.5 (4100)	3.7	3.7	4.7	175 (98)	102	91	117	92
48' 28' 3-S2-s, Rocky Mountain Double	90 to 95	105.5	65.5 (5550)	3.4	4.4	7.5	114 (83)	76	76	159	130
48' 48' 3-S2-4, Turnpike Double	115 to 120	105.5	60 (7000)	1.1	1.8	11.0	40 (37)	78	79*	200	119
28' 28' 28' 2-S1-2-2, Triple Trailer	100 to 105	105.5	61.5 (6150)	3.6	3.6	5.8	129 (72)	78	77*	176	122

*Gross weight is achieved before cubic capacity is fully utilized; lower density freight would result in lower relative fuel consumption

alone has prepared eight major technical reports on horsepower, traction, offtracking, splash and spray, etc. [4–10] and in 1980 summed it all up in a 500 page report to the Transportation Research Education and Development Foundation.[11] Every contiguous Western state has conducted tests of LCVs, some two and three times. Nine states have produced 13 published reports on their research.[8, 12] In addition, an extensive body of literature exists on various components and performance characteristics of LCVs as investigated by equipment suppliers, consultants, universities, etc. The synthesis of this work in each state's rules and regulations and permit enforcement process represents the balancing of positive and negative performance and productivity characteristics which are unique to each configuration and, in some degree, to each jurisdiction's operating environment.

To facilitate the adoption of compatible, if not uniform, guidelines, WHI published a set of LCV model rules and regulations together with a set of 11 model administrative forms in the early 1970s. Most states used them initially, but gradually adjusted them to fit their experience, with the result that considerable nonuniformity now exists. In early 1987 WHI, together with Western state trucking associations and a committee of administrators cooperatively reviewed and revised the set of model rules.[13]

The revised rules continue to be stringent on such points as driver control, equipment specifications, speed, stability, operating procedures, insurance, and accident reporting.

MEASURES OF LCV PERFORMANCE

In the discussion that follows, the attempt is made to briefly characterize the performance of LCV operations in the Western U.S. according to a number of variables as reported by individual users, officials, and researchers to give some flavor of their contributions to the Western transport system. It is fundamental that each type of LCV performs differently and is selected by the operator for its particular blend of qualities. Similarly the state rules and regulations applicable to each type LCV typically vary to adjust for those critical performance differences as they affect public safety.

Productivity

Table II provides a handy reference chart of key performance variables by three LCV types compared with the two standard truck configurations in ordinary (nonpermit) operations. Columns 4, 11, and 12 particularly illustrate the absolute weight and cubic capacity of these units as well as their comparative performance by index number. The gross weight of 105,500 lbs in the table is the most common gross limit observed by five states. Seven others are more liberal with four allowing full Formula B giving a theoretical addition of 23,500 lbs at nine axles on Turnpike doubles. Formula B would permit 110,000 lbs on Rocky Mountain doubles.

Industrywide LCV productivity data are not available. However, anecdotal information from users' federal testimony is suggestive of the magnitude of savings obtainable. Western experience *if* projected nationally would yield a 25 percent reduction in one of the three largest carriers' fleets — a $43,000,000 saving. Another carrier in the top three projects a national savings of 20 percent of its miles, based on Western experience.[2] Edson Express reportedly uses Rocky Mountain doubles for 90 percent of its LTL operations because the consumption patterns of small towns favor a mix of truckload freight outbound and LTL inbound.[1] The joint industry questionnaire for the 1985 federal LCV network study revealed about 1200 permittee companies in only four Western states, indicating extensive regional use of LCVs.

The Utah Motor Transport Association reports an average departure schedule of over 600 LCVs leaving Salt Lake City daily. The President of Holly Sugar reported that LCVs were responsible for transport savings enabling two to three Western sugar refineries to stay in operation. Wyoming's two year test of increased

weight on the interstate system by over 450 permit operators showed nearly 75 percent used Rocky Mountain double equipment, while comprising less than two percent of the truck traffic on one interstate route and seven percent on another. The study nevertheless resulted in 26,000 fewer trips and a saving of 670,000 gallons of fuel. One bulk cement carrier reduced rates 14 percent as a result of LCV equipment in the test.[14]

The statement is frequently made by LCV advocates that in America's deregulated trucking industry (with average operating ratios in the high 90s), LCV savings are passed on to shippers in large measure and help forestall rate increases.

Fuel Savings

Montana tests over four months showed triples saved 27 percent on fuel consumption over twin trailers. Utah found the saving to be 25 percent and Wyoming 23 percent. Turnpike doubles saved 42 percent over tractor semis in a 17 month test by South Dakota. Individual carriers report comparable figures. Salt Creek Freightways (now Edson Express) reported an 8.6 percent fuel saving for RMDs compared to doubles over a 2.5 year period. Fuel is a significant cost factor to truck operators.[11]

Access

Access is related to productivity because if the point of freight origin or destination, or points for food, fuel, repair, and rest, cannot be reached without breaking up the LCV into shorter configurations, then additional costs are incurred. A number of considerations mitigate restricted access. Of primary importance is the permit system itself. Individual routes are approved in advance after an engineering evaluation of road geometrics, structure adequacy, and the condition of traffic operations along the requested route.

Offtracking data in Column 7 of Table II illustrates that triples are slightly better than the standard, generally unrestricted, tractor semitrailer in turning characteristics. Triples are heavily used in point to point terminal operations which tend to be located on the periphery of metropolitan areas. It is a fact that the newer cities of the West have experienced their area growth in the automobile age. Truck terminal locations are sought to minimize traffic congestion away from core cities and near major interstate or circumferential freeways. When growth overtakes these outlying locations, as occasionally happens, the appreciation in land values can often offset a terminal move to a more favorable location. Indeed, a number of "takeovers" in the post deregulation trucking industry have appeared to be driven more by the real estate asset value than the transport earning capacity.

The transport industry has not sought LCV access beyond the lower traffic density ring on the outer circumference of urban areas. At break bulk terminals, refueling stops, or marshalling yards, whether publicly or privately owned, the LCVs can easily be broken down for delivery to final destination in conventional configuration. The reverse process is equally easy in the makeup of outbound LCVs.

Rocky Mountain doubles and short Turnpike doubles as well as truck and two trailers are often the configurations of choice for relatively short hauls of mineral, petroleum, and agricultural resources in the West. As the recent Wyoming study[14] illustrated, these hauls frequently are crucial to the economic viability of the plant, mine, or refinery involved. These facilities are relatively remote and with low traffic volumes being the norm on service roads, do not pose major access problems to LCVs.

The 1986 Western states LCV study by the Federal Highway Administration surveyed 14 criteria used by states for selecting LCV routes.[3] The most commonly used criteria were: limited access; four or more lanes; divided highway; 12 foot lanes; minimum curvature; and grade. Lesser factors were: minimum shoulder width; level of service; accident rate; passing lanes; and interchange spacing. Idaho has developed a scoring system for rating all routes and then uses offtracking ability of the LCV as the final classifying factor for permit eligibility to three classes of route system.[1] States that have the longest experience with LCVs have the simplest review process.

The consensus of opinion asserts that the LCV safety record is better than that of trucks in general for many reasons. These are due to the special permit requirements under which they operate which assure generally higher standard highways, better drivers, better equipment, and above average weather conditions.

HIGHWAY AND BRIDGE EFFECTS

Permit engineers in evaluating routes for LCV operation consider many factors. The Triples exert 26 percent less axle weight effect measured in equivalent standard axle loads (ESAL) per ton hauled than doubles on flexible and rigid pavements at the 105,500 lb GCW loading. Turnpike doubles impact pavements at the same 105,500 lbs up to 62 percent less than the tractor semitrailer. The Rocky Mountain double has intermediate performance. The indices are shown in Column 8 of Table II. Even when loadings reach full Formula B as permitted in four Western states, the pavement effects rating of LCVs is better than conventional equipment per ton hauled in comparable service. When tandem drive tractors are used with triples and loaded as high as 119,000 lbs GCW the pavement effects rating is still slightly better than the tractor semitrailer per ton hauled on flexible pavements, and 33 percent better on rigid pavements.

A computer analysis of four bridge types representative of many structures on the interstate and primary highways in the West has been undertaken.[7] Each bridge had three different span lengths. Each analysis confirmed the superior performance of the Triples and Turnpike doubles when measured against the tractor semitrailer or the bridge design vehicle. The study concluded that the use of LCVs would extend bridge life and reduce maintenance costs.

These findings are not inconsistent with preliminary results reported by AASHTO from a comprehensive national bridge study by the University of Maryland. That study evaluated the impact of 11 vehicle configurations including the three common Western LCVs upon a national sample of over 300 bridges using 20 different combinations of standard bridge evaluation criteria. This study will also generate analytical software that will enable permit engineers to readily evaluate bridge capacity on proposed LCV routes as well as indicate cost effective strengthening measures in structures determined to be inadequate.[1]

MECHANICAL ISSUES

Much of the early research of LCVs had dealt with ways to assure satisfactory mechanical performance by LCVs and their major component subsystems. This work continues to "improve the breed" and many of the findings are reflected in the LCV model rules and regulations.[11] The following cursory visit to these performance measures can give only the briefest glimpse of the experience and research findings in each topic area:

Traction

There are 94 Interstate System highway grades in the Western states with grades of five percent or more and 12 grades over six percent. Packed snow conditions can create traction limiting situations for Formula B loaded triples unless pulled by 4x4 tractors under these conditions. Permit rules in the affected areas guard against this eventuality as does close coordination between highway patrol, maintenance, and dispatch personnel.[5] Eleven states have weather restrictions for LCVs in their rules.

Horsepower

Truck and engine manufacturers offer a range of engine and drive train components that assure acceptable acceleration and gradability on the most demanding Western LCV routes.[6] They also provide sophisticated specification analysis service to match hardware ability with operator requirements. Regulators have settled upon a simple-to-enforce speed on grade requirement to measure road performance.

Braking

The requirement that all axles of an LCV apply braking force almost simultaneously led to the development and subsequent requirement for fast air transmission and release valves. The need for proper brake balance and compatibility of brake linings and valving is shared with conventional trucks. LCVs have several advantages contributing to their superior braking performance. Formula B or lower gross loadings assure individual axle loads well within the brake capacity of each wheel. On wet surfaces the wiping action of multiple trailing tires progressively improves the surface friction coefficient for rearward axles. Multiple unit vehicles exhibit a marked tendency to resist unbalanced override braking forces causing tractor jackknife and/or trailer swing. Triples particularly benefit from the stabilizing effect of the rear units, a phenomenon especially noticeable on ice course testing.[11] LCVs easily meet all federal and state braking distance requirements.

Dynamic Stability

The principles determining the dynamic behavior of various truck configurations are much better understood today than when LCVs were first used. However, the stabilizing effects of lowering the center of gravity, lengthening wheel bases, forward placement of heavier units, wide axle tracks, no slack hitches, stiff tires and suspension, lubricated fifth wheels, and proper forward set of tractor fifth wheels have long been recognized. They are evident in the model rules and regulations for LCVs. Proper equipment assures the ability of trailing vehicles to track within three inches of the line of towing vehicle.

As a result of more research, most of it through computer simulation, a question has been raised as to the yaw instability in rapid lane change of the rear trailer in conventional doubles, and particularly triples, operations. This research has given impetus to regulatory initiatives in Canada to encourage the use of B-train combinations and to the development of a satisfactory double drawbar dolly.[11] Analysis of accident statistics in the U.S. have not as yet provided any conclusive proof of this alleged design deficiency as the cause of an inferior safety record. As will be noted, LCVs in all their forms own the best safety records in the U.S. trucking industry — for whatever reason.

Offtracking

Slow speed offtracking is well understood and the predictive models for this phenomenon are widely used in facility design by engineers and architects. As noted earlier, this characteristic, which varies considerably by configuration type as shown in Figure 1, is the basic determinant for differences in the route system permitted for Turnpike doubles and Rocky Mountain doubles.[6]

Backing

As a general rule, configurations with one or two points of articulation can be backed a reasonable distance. However, tests have shown A-dolly doubles (three pivot points) or triples (five pivot points) can be backed up sufficiently far to pull around an obstacle in the traffic lane.[11]

Splash and Spray

Suppression of vehicle splash and spray has proven to be a very complex problem. A great deal of industry and federal research effort has been applied to finding a solution. In the context of LCVs the studies have consistently shown lowest rankings for single drive axle doubles and triples in van configuration. These types respond well to the application of no-rebound synthetic grass type mudflaps and narrow side skirts. One state known for its high precipitation has required splash and spray "treatment" for LCV equipment.[5]

HUMAN FACTORS IN LCV OPERATION

Federal legislation in 1987 now being progressively implemented through rulemaking is tightening the standards for all truck driver licensing in every state. Ultimately, it will prevent multiple licenses and create a national accident record center. The model rules place great responsibility upon permit holders to have an aggressive safety program including a documented driver training and certification program conforming to

applicable laws. The driver must have documented special instruction and training in the LCV type he is to operate and be under the control of the permit holder.

It must be admitted, however, as the 1986 FHWA report[1] details, that the states have not been sufficiently forceful in adopting these provisions. Nevertheless, it can be surmised that the permits are quite valuable and that their revocation by the state would be so damaging that carriers have voluntarily done an adequate job thus far in assuring that only senior experienced drivers are assigned to LCV operations.[16] A number of state reports have made this observation and it is a logical causal factor in the current LCV safety record.

LCV SAFETY RECORD

The LCV highway accident experience is, of course, the ultimate measure of LCV safety capability. Unfortunately, state and national motor vehicle accident data provide very limited reliable accident rates by configuration type and exposure (miles of travel). Individual company data from many large fleets and from turnpike authorities show LCV accident rates well below those of conventional trucks.[11] The state of Nevada reported the 1986 rate for triples as 0.34 per million, that of doubles 0.90, the tractor semitrailers 2.1, and single trucks 2.77 and affirmed that it matches well with data from prior years.[17]

The University of Michigan Transportation Research Institute (UMTRI) with the best national base on medium and heavy truck fatal accidents, reported 18,119 tractors involved in fatal accidents over the five year period (1980-84). Three percent were bobtails, 91 percent were pulling one semitrailer, five percent were pulling doubles, and only four tractors were pulling triples.[18] Suggestive as these numbers are, skeptics insist on accident data controlled for exposure, and comparable operating conditions. A feasibility study for that kind of data acquisition and analysis effort is now underway at UMTRI sponsored by the Motor Vehicle Manufacturers Association (MVMA) and Western Highway Institute (WHI).

It is perhaps fair to say that the consensus of opinion asserts that the LCV safety record is better than that of trucks in general for many reasons. These are due to the special permit requirements under which they operate which assure generally higher standard highways, better drivers, better equipment, and above average weather conditions.

ENVIRONMENTAL FACTORS

In recent years federal legislation has established a timetable for reduction in truck noise levels. LCV power units will meet these requirements. As noted earlier, their areas of operation lie outside urban areas where the greatest concern for unnecessary noise is manifest. This is a fortuitous circumstance for the complete solution to the tire noise problem at speed has not been found and LCVs have many tires.

The problems of air quality in the nation's metropolitan areas are the subject of accelerated efforts at this time to meet mandated goals on a range of air contaminants. Although quantitatively small contributors to the air pollution burden in some of the more impacted areas like Los Angeles, Phoenix, and Denver, truck operators are being included in drastic strategies to effect improvements. Some of these would limit operating hours and require conversion to presumably cleaner fuels like methanol and liquid petroleum gas.[19] LCVs burn less fuel per ton of freight delivered and they do not penetrate the core areas of the metropolitan zones in question.

TAXES

Taxes and permit fees applicable to LCVs reflect the same diversity in systems and levels as apply to trucks in regular operation.[3] In general, the trucking industry supports a permit fee system adequate to administer an effective administrative and enforcement program to ensure compliance with individual state LCV regulations. This program should include the capability for reporting meaningful LCV safety statistics and occasional reports, based on sampling techniques, relating to the economic and productivity aspects of LCV operation.

Highway user fees applicable to LCVs should be an integral part of the state's user fee structure and be based upon acceptable cost allocation procedures for the individual LCV types, considering effects upon various cost elements and annual travel by highway system.

In addition, the industry has demonstrated a willingness to contribute to the cost of upgrading certain highway facilities in specific areas to accommodate permit holders, groups of users, or shippers. Many states have procedures to enable these joint funding arrangements for various highway and related facility expenditures.

JOBS AND LCVs

In general terms, organized labor in the trucking industry has actively opposed the spread of LCV operations although including premium pay in the national contract for LCV drivers. This position has been maintained despite the substantial decline in union truck driver membership since deregulation. The recently negotiated contract calls for approximately six percent annual increases over three years for an industry with composite operating figures barely avoiding red ink. LCVs offer one of the few productivity strategies to keep unionized carriers profitable and competitive. Further erosion in their numbers would seem to ensure a loss of jobs far more abundantly and certainly than the speculative decline that might occur over the short term from expanded LCV use. The problem is very similar to that faced by other industries in the U.S. seeking to install more efficient capital equipment to maintain or recover competitive position in the world market.

RAILROADS AND LCVs

Railroads, with minor exception, are privately owned in the U.S. but historically have had a sympathetic ear from government. They also have become fewer in number, larger, and more competitively aggressive since deregulation early in this decade. In most areas of the West, trucks provide the only alternative mode of shipment for dry freight. Rail prices in the absence of rail, pipeline, or water competition are based on truck rates adjusted for the value difference in quality of service provided. Clearly in these circumstances, which obtain widely in the West, the more ineffi-

cient trucks are, or the higher their operating taxes become, the higher can be the railroad rate structure for competitive traffic.

A case study in the verification of the above scenario was provided in April 1988 in the publication of Wyoming's report on its two year LCV test. LCV transport provided the economic efficiency needed to break Union Pacific's monopoly on mineral shipments out of southwest Wyoming. LCV hauls of this commodity to central Wyoming and northwest Utah put two more rail-truck competitors into the market resulting in rate reductions for shippers and customers.[14]

Many railroads have recently acquired new trucking subsidiaries but these newcomers' contribution to consolidated corporate earnings are far too small at this stage to generate any expectation of change in the historic rail/government affairs strategy toward its very numerous but much smaller truck competition.

A close look at some aspects of LCV potential gives good reason to question rail fears of substantial traffic diversion modeled by the 1985 federal study. Triples operators are essentially LTL carriers — a market the railroads abandoned decades ago. Turnpike doubles are likely to have a very limited route system for many years and the special leading constraints forced by Formula B inhibit long haul truckload utilization of this configuration as demonstrated in the MHTA four state tests.[15]

Finally, Rocky Mountain doubles and short Turnpike doubles have shown themselves to be best adapted for mixed freight service to Western communities and short resource development hauls which the rail network either cannot service or has effectively abandoned. In reality, the modes are far more complementary than competitive and should be in step with each other and support productive innovation in each industry in the interest of national transport efficiency.

Byron Geuy is Executive Director of the Western Highway Institute in San Bruno, California. *This article first appeared in* ***Transportation Planning And Technology****, Vol. 14, 1989. It is reprinted with permission of Gordon and Breach Science Publishers, Inc., United Kingdom.*

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What The Railroads Say. . .

It was widely publicized recently that the railroad industry is very concerned about the potential productivity gains made by the trucking industry in the states.

Thomas L. Finkbiner, Assistant Vice President of International and Intermodal Marketing for Norfolk Southern Corporation was quoted at the American Railroad Conference in Washington saying, that if the trucking industry is able to successfully lobby the state legislatures to allow twin 48-foot trailers in a majority of the states, then the future of intermodal movements by rail is in serious jeaopardy.

He acknowledged that today, motor carriers using "doubles," a 28-foot trailer combined with either another 28-foot or longer trailer achieves an operating cost of about 93 cents per mile. If twin 48-foot trailers became widely used, Mr. Finkbiner speculated that the operating cost would drop to about 54 cents per mile. He said, "We couldn't get within a Grand Canyon distance of that figure. If twin-48's are made legal, we might as well roll up our rails and go home because it's over."

Reauthorization of the Post-Interstate
Surface Transportation Programs

Testimony
by the

Carolinas Transportation Compact

before the

Subcommittee on Surface Transportation
Committee on Public Works and Transportation
United States House of Representatives

September 21, 1990

Durham, North Carolina

Peggy Upchurch
York County (S.C.) Council
Chair, Carolinas Transportation Compact
Urban Institute, UNC-Charlotte
Charlotte N.C. 28223
704-547- 2308

Testimony by the Carolinas Transportation Compact
before the
US Subcommittee on Surface Transportation
Durham, North Carolina
September 21, 1990

The Carolinas Transportation Compact, in cooperation with the Charlotte Chamber of Commerce, respectfully submits the following testimony to the Subcommittee for its consideration:

First, Congress should change the present funding formulas to redress their inequities. Federal funding formulas should return to the States and localities transportation funds in proportion to their contribution.

As Congress reconsiders the funding structure for transportation, it needs to redress the present imbalances between donor and donee States. States should receive from the Trust Fund and other programs, in total, approximately what they put into it. Congress should change the present "85 % minimum allocation" rule to a 100 % allocation rule.

Flexibility to expend these funds in ways that each State and region deems appropriate is essential. The present categorical funding constrains many States and localities, which are required to contribute thorough gasoline and other taxes, but cannot spend those funds that are returned in the most effective ways. States and local governments are in the best position to determine needs and set funding priorities.

Second, since transportation problems and solutions are rarely confined to just one county or one city, Congress should encourage communities to plan for transportation needs on a truly regional scale.

In many communities, transportation issues cut across present area and even State boundaries. In the Charlotte region, over 80,000 commuters each day come into the central county from surrounding counties. The present structure for metropolitan planning, while helpful, does not address transportation problems on a regional scale. Many cities and counties find themselves planning in vacuums, aware of the changes in surrounding counties but unable to conduct the regional planning needed to deal with them.

In a few areas, interest in regionalism here is not just talk, but has moved to the planning and action stage. In the Charlotte N.C. region, a rapidly growing mega-region stretching 75 miles across two States, elected officials have recognized the importance of regional thinking. Thirteen counties in the region have formed the

Carolinas Transportation Compact, a voluntary organization whose mission is to advocate and plan for the regional transportation needs of this area. Compact members include elected and appointed officials from each county, balanced between large and smaller counties. Funding comes from member contributions. The North Carolina Department of Transportation and the South Carolina Department of Highways and Public Transportation are actively involved in the Compact's work.

The Compact's activities cover all modes and span the entire region. In one major effort, the Compact is working with the State Departments of Transportation to conduct a feasibility study of a the **Carolinas Parkway**, a regional beltway that would circle Charlotte at about 20-30 miles out. Serving the surrounding towns and counties, the Parkway would provide for around-the-region access that will be needed in the next century, while diverting heavy through traffic out of the congested region center. The study will be a high-level first cut of the costs, benefits, and economic impacts of this proposal. Another study is focusing on the need for a **Regional Transportation Authority** that would plan and operate regional vanpool, bus and possibly rail services between Charlotte and the surrounding cities. NCDOT has pledged its assistance in organizing an authority, and the NC Legislative Study Commission on Public Transportation Financing is actively reviewing the issue. A third study is looking at **rail right-of-way preservation**, to ensure that transportation corridors will be there in the future when they are needed.

These positive steps reflect the Compact's belief that the region's future prosperity rests firmly on good transportation service to all areas. The Compact's goal is to progress that service cooperatively with other organizations. By working together, the region will be both stronger economically and ensure a better quality of life. Congress needs to act to ensure that regional transportation planning that balances economic growth with quality of life is encouraged, by supporting the activities of groups such as the Compact.

> **Third, Congress should move forward with intelligent-vehicle/highway systems (so called "Smart Car") technology, concentrating on medium sized applications.**

Growth in traffic and mobility will, by all accounts, substantially increase congestion in the years ahead. While certainly increases in capacity and improved transit systems will be needed, clearly we cannot "build our way out of congestion", and if we could, we don't have the money to do it. Smart-car technologies, that use the highway systems we now have more efficiently and safely, save fuel and air pollution, AND retain mobility, are an under-funded approach in the US, yet are being funded with $ 800+ million efforts in Europe and Japan.

These systems would appear to be particularly applicable to medium-sized areas throughout the nation, where congestion has not yet

overwhelmed the road system. Most citizens live in these cities, not in the huge areas of Los Angeles, San Francisco or New York where the present experiments are focused. In the Charlotte region a number of private and public sector organizations are developing a proposal that would implement a smart-vehicle system in the region. This is a modest proposal - less than $ 10 million over 5 years - but could easily save 10 times that amount in road construction. Congress needs to get the IVHS program moving forward as a money-saver in medium-sized cities. Through incentives and favorable funding ratios, States should be encouraged to experiment with these technologies as a complementary portion of their transportation programs.

On behalf of the Carolinas Transportation Compact, it has been an honor to submit these remarks.

Thank you.

THOMAS S. FOLEY
5TH DISTRICT, WASHINGTON

THE SPEAKER

COMMITTEE ON
1301 LONGWORTH HOB
WASHINGTON, DC 20515-4708
AREA CODE (202) 225-2006

APPENDIX

Congress of the United States
House of Representatives
Washington, DC 20515

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July 26, 1990

Chairman Norman Mineta
Subcommittee on Surface Transportation
B736 Rayburn HOB
Washington, D.C. 20515

Dear Mr. Chairman:

Enclosed is a copy of a letter that I received from a constituent of mine regarding his discontent with the mandatory minority quotas in the Surface Transportation Act.

While I know you are extremely busy, I appreciate your review of his letter and I request that it be submitted into the official hearing record if further hearings are held regarding this issue.

With best wishes.

Sincerely,

Thomas S. Foley
Member of Congress

TSF:njv

FRANK GURNEY, INC
GENERAL CONTRACTOR
P. O. BOX 11297 - PARKWATER STATION
SPOKANE, WASHINGTON 99211
(509) 535-3069
FR-AN-KG@3060/

JUN 1 1990

May 29, 1990

Representative Neal Kirby
Legislative Office Building
Olympia, Washington 98504

Dear Representative Kirby:

We are a small non-minority sub-contractor from Spokane, Washington specializing in highway guardrail and signing. Again this A.M. we were told by a Prime Contractor that our low bid to their firm was not used because the minority quota in the Washington State Department of Transportation bid advertisement forced him to use a higher "minority" price.

This same unfairness has been the experience of our firm since the implementation of the Surface Transportation Act mandated quotas.

The quotas for all Federal, State and County projects always seem to cover the flagging and guardrail amounts leaving our non-minority firm with no chance at all.

So then our competitors are nearly all minority or women run businesses. Some were our competitors before the quotas appeared in the contracts. We welcome competition on an equal footing. What we do not understand is why these companies who have been in business for years - Peterson Brothers, Junlo Corporation etc. - competitor "minority" contractors here in Washington, go on and on enjoying this discriminatory advantage? When are they considered established? We notice these firms hiring from the same hiring halls we hire from and they have no requirements or commitments towards the minority constituant other than what our firm would have if we were awarded the work.

We like all conscientious Americans are for helping minorities but to uproot and set aside the competitive bidding system can not possibly be the American way.

Surely there is a better way to address the real need of the minority - the 30,000 in taxpayer money that (we were lower by that amount on one project alone) went to a minority firm could have hired a teacher to give 30 minority children a social, economic and cultural head start.

After eight (8) years of this wrong we still can not believe that the legislators and administrators of our country could not be informed enough to right this wrong. We have been told that to vote against anything "minority" is to commit "political suicide", that those on the receiving end would surely not give up their "freebies" without a bitter fight. Thus we know what all political people are up against - but somehow there must be a way.

We are merely asking that you become informed of what is really happening. Check with any Prime Contractor in this state - the story will be the same.

We have a very large file of correspondence which very well documents the discrimination that our firm has experienced. The file includes letters from contractors telling us they are sorry but can not use our prices even tho we are low - that they can not use us because we are not a certified minority, letters from legislators and administrators that know it is wrong but do not seem to be able to do anything about it and etc. It is available for your review anytime.

Please find the enclosed copy of page from Mountain States Legal Foundation, "Cases Under Review", the situation is like ours in other states - We ask My God when do the legislators of America abolish discrimination in legislation? Would you please reply?

Yours truly,

FRANK GURNEY INC.

Thomas C. Stewart

THOMAS C. STEWART
President

Enclosure (1)

MOUNTAIN STATES LEGAL FOUNDATION
1660 Lincoln Street
Suite 2300

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CASES UNDER REVIEW

■ The Davis-Bacon Act (requiring payment of "prevailing wage" on all federally-funded projects) was passed into law in 1931. Many scholars assert that it was originally adopted for a "discriminatory purpose," a violation of the Constitution. MSLF attorneys are investigating the possibility of an action on behalf of aggrieved businesses.

■ A Colorado Springs, Colorado, highway guardrail subcontractor estimates that he loses one-third of his annual gross revenues due to the "minority set-aside" program mandated by Congress. Although the ability of the U.S. Congress to engage in "reverse discrimination" has remained unchallenged since 1980, recent decisions by the Supreme Court indicate that such social engineering may be unconstitutional. MSLF has agreed to represent the highway subcontractor.

■ A Presidential Executive Order requires regulations for the so-called Combined Federal Campaign in which more than 3.1 million federal workers are solicited each year to contribute to needy causes such as the United Way. Under federal regulations only "health and welfare" organizations may participate. However, the U.S. Government approved the participation of 18 environmental organizations whose combined budget is $254 million a year. MSLF attorneys are investigating whether this decision violated the Executive Order and federal regulations.

■ Despite its presence on the endangered species list since 1967, the Cui-ui, a fish found in Pyramid Lake in northern Nevada, has not yet been "recovered." Attempts to "recover" an endangered species — that is, ensure its propagation so as to remove it from the endangered species list — are required by federal law. Many northern Nevada water users believe the U.S. Fish and Wildlife Service has failed to perform its duty thereby threatening their water supply and a nearby wildlife refuge. MSLF attorneys are investigating the possibility of an action against the FWS.

■ In Missouri and Colorado, farmers and ranchers have come under attack by the FWS, the EPA, and the Army Corps of Engineers for the landowners' attempts to protect their fee lands from inundation by nearby streams. U.S. Government demands for mitigation in the form of gifts of land to the U.S. Government and costly improvements have been buttressed with threats of fines and penalties amounting to $25,000 per day. MSLF attorneys are investigating the possibility of Government overreach and unconstitutional "takings."

COURT GRANTS REVIEW *from page 1*

groups, to become directly involved in policy making which the Constitution states is the responsibility of elected officials.

The Federal Land Policy and Management Act of 1976 required the BLM to adopt a program to eliminate unnecessary or outdated federal decisions limiting the use of federal lands. Thereafter, BLM took 814 separate actions removing outdated withdrawals and classifications, each of which was accompanied by environmental studies and opportunity for public comment.

Although the NWF declined to challenge any one of the 814 actions, in a lawsuit filed after BLM had completed action, it asserted that an Environmental Impact Statement (EIS) should have been prepared on the entire program. Therefore, it argued, the court should set the program aside.

For three years those lands — involving more than 1,000 oil and gas leases, more than 7,000 mining claims, as well as numerous other multiple use activities — were tied up by a federal court injunction. In November 1988, the district judge agreed with MSLF and the U.S. Department of Justice that the NWF had no legal standing to bring the lawsuit. That opinion was overturned in June of 1989, by the Court of Appeals for the District of Columbia. On April 16, the Supreme Court will review the Court of Appeals decision. Approximately 75% of reviewed cases are reversed.

TESTIMONY

provided to the

SURFACE TRANSPORTATION SUBCOMMITTEE

of the

HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

by the

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
2424 Piedmont Road, N. E.
Atlanta, Georgia 30324-3324

regarding

SURFACE TRANSPORTATION REAUTHORIZATION

September, 1990

The Metropolitan Atlanta Rapid Transit Authority (MARTA) appreciates the opportunity to comment on the proposed reauthorization bill for federal mass transit funding. We believe that the industry has been served well under the Federal Mass Transportation Act (FMTA) of 1987 that currently defines the federal - local partnership and we would like to see that positive relationship continue.

In no small measure, the federal support that has been offered to MARTA has been a boon to the economic development of the Atlanta region and the State of Georgia. Our public transportation system has been instrumental in attracting to Atlanta the 1988 Democratic Convention, the 1994 Superbowl and now the 1996 Olympic Games. We gladly share our success with you and urge a continuation of this successful partnership.

HISTORY AND OVERVIEW OF THE SYSTEM

MARTA's entire history has been defined within the context of this federal - local partnership. From the very beginning, local commitment when combined with federal support has been the impetus for success.

Recognizing the importance of mass transit to the economic and social well being of their community, voters in the City of Atlanta, Fulton County and DeKalb County approved a comprehensive public transportation plan in 1971. As subsequently amended, the 1971 transportation plan calls for 60 miles of heavy rail lines, 45 stations and 33,000 parking spaces. The proposed network includes two main trunk lines that intersect in the Atlanta Central Business District (Five Points), four rail branches, one feeder rail line, and one busway (See Attachment #1).

Since 1971 MARTA has made numerous capital and service improvements involving the Bus System: new equipment, new maintenance and operating garages, passenger shelters, new bus routes, improved headways, extended operating hours, improved schedule information, etc. In addition, MARTA has been aggressively implementing the rapid rail transit plan.

The present operating system includes 1,500 route miles of bus service, 32 miles of rapid rail lines and 29 passenger stations. Average weekday ridership equals approximately 495,000 trips. Annually, MARTA provides 45.5 million vehicle miles of bus and rail service to the citizens of the Atlanta region. One hundred and fifty million passengers board the combined system annually and ridership increased by 3.5% during FY1990.

MARTA has been building the rail system in phases, giving priority to those phases which are given priority for reasons of construction staging or operating efficiencies. MARTA has in service 32 miles of track, 29 stations and 17,000 parking spaces. All of Phases A and B (see Attachment #1) are in service as well as all of Phase C except the extension from Chamblee to Doraville.

MARTA has under development at the present time twelve miles of track and six stations. This includes the last part of Phase C--two miles of track and the Doraville Station. This portion is 40% complete and is scheduled to open in December 1992.

The remainder of the MARTA System that is currently under development is Phase D which consists of ten miles of track and five stations. It includes three lines: 1) extension of the East Line from Avondale through Kensington to Indian Creek--three miles of track and two stations; 2) construction of a branch feeder line in the Proctor Creek Corridor--one mile of track and one station; and 3) the North Line from Lindbergh Station to the Medical Center--six miles of track and two stations. All of Phase D is under development--detail design, land acquisition as well as construction. Revenue service to Bankhead is scheduled to begin in mid-1992; to Kensington and Indian Creek in mid-1993; and to Buckhead and the Medical Center in mid-1995.

The total current estimated cost of Phase D is $449.9 million, of

which the Urban Mass Transportation Administration (UMTA) is providing $135 million or 34%. All federal funds are being applied to the East Line extension from Avondale to Indian Creek. The feeder line in the Proctor Creek corridor and the North Line to Medical Center are being built with local funds.

When Phase D is completed in the mid-90's, MARTA's rail operating system will consist of 44 miles of track and 35 stations. UMTA is providing $1.5 billion or 53% of the $2.9 billion cost. The local share is $1.4 billion or 47% of the cost.

REAUTHORIZATION CONCERNS

As the above history attests, MARTA has greatly benefited from the Federal - State partnership that has been defined by congressional authorization. A level playing field was established through the Surface Transportation Assistance Act of 1982 (STAA) which clearly defined the federal government's role in the area of public transit.

The STAA did two things to establish a level playing field: 1) provided that one cent of the federal motor fuel tax be dedicated to transit and thereby ended the vastly unequal competition for funds between transit and the highway interests; and 2) established that Section 3 discretionary funds be apportioned on

the 40-40-10-10 percentage basis. Forty percent going to meet the needs of the eight older cities for rail modernization, 40% to the 12 - 15 new start cities for capital construction, 10% to the bus systems for major bus improvements, and 10% for discretionary allocation to the other three categories.

This level playing field has worked well for MARTA and the Atlanta region's transit needs. While some minor adjustments in the impending reauthorization may prove necessary, major changes should be made sparingly. In considering these changes, MARTA has some further specific concerns that we would like to share with the Committee.

First, we support the continuation of the distribution concept (the 40-40-10-10 arrangement) among Rail Modernization, New Starts and Extensions, Bus and Bus Related Facilities and a "swing" category available to the other three categories.

MARTA supports the continuation of full funding contracts in the present reauthorization. It permits transit systems to have some assurances that projects begun in good faith will have the opportunity for timely completion over a span of years and appropriations processes. Full funding contracts have permitted systems using the mechanism to do better long-range planning and programming, allowing them to set up local matching resources on a scheduled basis.

There are those who would significantly alter the way federal funds are made available to local public transit systems, chiefly by providing that some state, local or regional agency be given the power to determine what projects (road or transit) may be built, and to determine the funding levels for such projects. This is generally referred to as flexible funding and MARTA has some concerns with the flexible funding concept. MARTA supports the current methodology for distributing federal capital grants. Our comment in this regard recalls the reasons for separating the mass transit account in the Highway Trust Fund from those funds available for roads and bridges; i.e., as a practical matter,in any dispute between highways and transit, highways would always prevail simply because of numbers, advocates and experience. The playing field between the two modes in any contest for funding from the same source is simply not level. We would strongly urge that the funding sources be kept separate for each mode. Competition is keen enough among rail, bus and rehabilitation without a return to the struggle of transit and highways seeking to raid each others share of the trust fund.

It is also recommended that the Committee consider retaining the concept of designated recipient. The designated recipient procedure has served the urbanized areas extremely well by reducing the bureaucratic maze through which government grants must go. We urge this so that systems with approved projects can receive

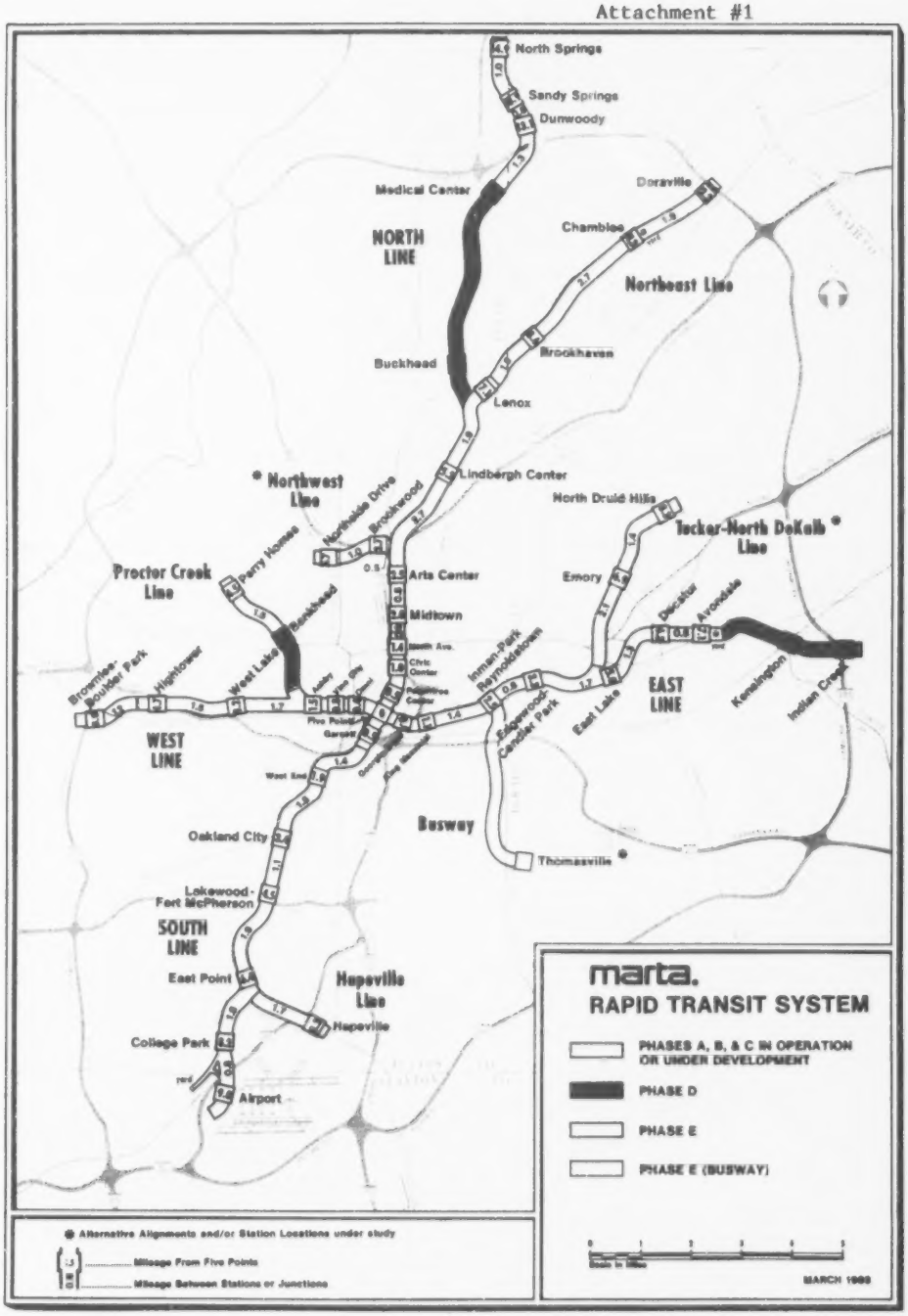
funding directly without layers of unnecessary administrative procedures causing funding delays.

Also, we need to express our concern over the imposition of federal mandates on public transit without a corresponding federal commitment to help meet those increased costs that will have to be borne by our public ridership. We will need assistance within the new reauthorization to meet the increased costs of the Americans with Disabilities Act (ADA) and the Clean Air Act now in conference committee. MARTA applauds the sentiments and goals behind the passage of the ADA and the Clean Air Act. We offer a long history of commitment to our elderly and handicapped population and we promote the environment. However, without additional federal assistance, the cost of these programs will most likely be passed to the fare box and result in decreased ridership - a counterproductive effect.

Finally, our thoughts on both funding levels and mechanisms reflect our experience with STAA over the years. We urge the Committee to retain federal operating assistance for all transit systems of all sizes. We applaud actions taken in recent years to resist the elimination of such assistance. We think the Committee might reconsider the cap placed on operating assistance in the STAA which limited operating assistance to 80% of 1982 levels.

As to obligation ceilings for the Mass Transit Account of the

Highway Trust Fund, we urge that the obligation ceilings reflect realistic expectations from the one cent motor fuel tax over the life of the reauthorization. As to the substantial surplus in the account which was accumulated above the authorized ceilings, we suggest a graduated spend-down of surpluses in the Mass Transit Account over the life of the reauthorization legislation in order to remedy damage done to both the infrastructure and operations of the transit industry over recent years of declining federal funding.

We want to thank the Committee for the opportunity to submit our concerns and thoughts on the reauthorization for your consideration. We look forward to additional conversations in this area as the reauthorization procedure moves forward. This is a time of great challenge and great opportunity for public transit and a positive working partnership will continue to benefit all of our citizens.

Attachment #1